

TIMISKAMING HEALTH UNIT
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2022

TIMISKAMING HEALTH UNIT

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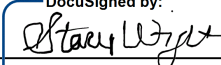
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

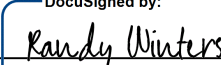
The accompanying financial statements of the Timiskaming Health Unit are the responsibility of the Timiskaming Health Unit's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Timiskaming Health Unit's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

The Board and/or the audit committee meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Kemp Elliott & Blair LLP, independent external auditors appointed by the Timiskaming Health Unit. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Timiskaming Health Unit's financial statements.

DocuSigned by:

Chairperson

DocuSigned by:

Director of Operations

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Health of the Timiskaming Health Unit

Opinion

We have audited the financial statements of Timiskaming Health Unit, which comprise the statement of financial position as at December 31, 2022 and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Timiskaming Health Unit as at December 31, 2022, and the results of its operations, change in net financial assets and 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 Timiskaming Health Unit in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance are responsible for overseeing Timiskaming Health Unit'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 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 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 Timiskaming Health Unit'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 Timiskaming Health Unit'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 Timiskaming Health Unit 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.

Kemp Elliott & Blair LLP

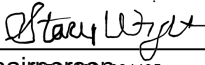
New Liskeard, Ontario
June 7, 2023

Kemp Elliott & Blair LLP
Chartered Professional Accountants
Licensed Public Accountants

TIMISKAMING HEALTH UNIT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash – note 6	\$ 1,137,855	\$ 1,607,502
Accounts receivable – note 7	346,967	281,594
Due from Province of Ontario – note 10	339,212	145,179
	<u>1,824,034</u>	<u>2,034,275</u>
LIABILITIES		
Accounts payable and accrued liabilities – note 8	475,676	678,540
Due to Province of Ontario – note 10	698,342	539,331
Deferred revenue – note 9	141,128	432,147
Retirement benefit liability – note 12	380,986	370,460
	<u>1,696,132</u>	<u>2,020,478</u>
Commitments – note 11		
NET FINANCIAL ASSETS	127,902	13,797
NON-FINANCIAL ASSETS		
Tangible capital assets – note 16	60,694	73,576
Prepaid expenses	111,064	94,990
	<u>171,758</u>	<u>168,566</u>
ACCUMULATED SURPLUS – note 13	<u>\$ 299,660</u>	<u>\$ 182,363</u>

Approved on behalf of the Board:

DocuSigned by:


 Chairperson

DocuSigned by:


 Director of Corporate Services

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

TIMISKAMING HEALTH UNIT

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Mandatory Programs (Sch 1)	Other Programs (Sch 2 - Sch 15)	Actual 2022	Budget 2022	Actual 2021
REVENUES					
Province of Ontario	\$ 3,918,815	\$ 503,472	\$ 4,422,287	\$ 4,349,922	\$ 4,341,937
Province of Ontario - One-time	-	1,933,465	1,933,465	1,479,954	1,316,488
Province of Ontario – Mitigation	600,500	-	600,500	600,499	600,500
Municipalities (Sch. 1, pg. 17)	1,437,289	-	1,437,289	1,437,320	1,409,137
Public Health Canada	-	140,208	140,208	50,000	9,792
Sundry revenue	-	164,847	164,847	37,000	135,488
Offset revenue	68,303	4,418	72,721	40,000	45,069
Interest	24,317	-	24,317	-	2,848
Total revenues	6,049,224	2,746,410	8,795,634	7,994,695	7,861,259
EXPENDITURES					
Salaries and wages	3,290,419	1,477,075	4,767,494	4,772,781	4,943,766
Fringe benefits	866,457	278,649	1,145,106	1,160,511	1,070,197
Fees for service	557,923	515,972	1,073,895	705,682	738,819
Travel	44,299	46,451	90,750	96,130	119,808
Materials and supplies	362,455	157,975	520,430	332,045	528,614
Administrative	264,332	71,980	336,312	354,343	300,284
Rent and utilities	502,761	-	502,761	447,250	474,223
Amortization	29,796	-	29,796	-	36,777
	5,918,442	2,548,102	8,466,544	7,868,742	8,212,488
Allocated to other programs	(42,681)	-	(42,681)	(40,694)	(45,034)
Total expenditures	5,875,761	2,548,102	8,423,863	7,828,048	8,167,454
Annual surplus (deficit) before provincial settlements	173,463	198,308	371,771	166,647	(306,195)
Provincial settlements	-	252,586	252,586	-	12,507
Annual surplus (deficit)	\$ 173,463	\$ (54,278)	119,185	166,647	(318,702)
Accumulated surplus, beginning of year			182,363	182,363	501,859
Change in accounting estimate - note 15			(1,888)	-	(794)
Accumulated surplus, end of year – note 13			\$ 299,660	\$ 349,010	\$ 182,363

The accompanying notes form an integral part of these financial statements

TIMISKAMING HEALTH UNIT

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
Annual surplus (deficit)	\$ 119,185	\$ 166,647	\$ (318,702)
Acquisition of tangible capital assets	(16,914)	-	(14,214)
Amortization of tangible capital assets	29,796	-	36,777
	<u>12,882</u>	<u>-</u>	<u>22,563</u>
Consumption (acquisition) of prepaid expenses	<u>(16,074)</u>	<u>-</u>	<u>16,543</u>
Increase (decrease) in net financial assets	115,993	166,647	(279,596)
Net financial assets, beginning of year	13,797	13,797	294,187
Change in accounting estimate – note 15	<u>(1,888)</u>	<u>-</u>	<u>(794)</u>
Net financial assets, end of year	<u>\$ 127,902</u>	<u>\$ 180,444</u>	<u>\$ 13,797</u>

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

TIMISKAMING HEALTH UNIT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Operating activities		
Annual surplus (deficit)	\$ 119,185	\$ (318,702)
Change in accounting estimate	(1,888)	(794)
Charges not affecting cash - Amortization	29,796	36,777
	<u>147,093</u>	<u>(282,719)</u>
Net change in non-cash working capital items –		
Accounts receivable	(65,373)	(99,333)
Due from Province of Ontario	(194,033)	37,242
Prepaid expenses	(16,074)	16,543
Accounts payable and accrued liabilities	(202,864)	139,477
Due to Province of Ontario	159,011	(9,086)
Deferred revenue	(291,019)	415,103
Retirement benefit liability	10,526	8,493
	<u>(599,826)</u>	<u>508,439</u>
Cash provided by (used for) operating activities	<u>(452,733)</u>	<u>225,720</u>
Capital activities		
Acquisition of tangible capital assets	<u>(16,914)</u>	<u>(14,214)</u>
Cash used for capital activities	<u>(16,914)</u>	<u>(14,214)</u>
Increase (decrease) in cash	(469,647)	211,506
Cash, beginning of year	<u>1,607,502</u>	<u>1,395,996</u>
Cash, end of year	<u>\$ 1,137,855</u>	<u>\$ 1,607,502</u>
Represented by		
Cash	<u>\$ 1,137,855</u>	<u>\$ 1,607,502</u>

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

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. **Nature of operations**

The Timiskaming Health Unit offers public health services to the District of Timiskaming through a variety of programs. There are full-time offices in Kirkland Lake, Temiskaming Shores, and Englehart, Ontario and a nursing station in Matachewan, Ontario.

In April 2019, the Province announced a plan to restructure the existing 35 Public Health Units to 10 Regional Health Units. Under this plan, it is expected that the Timiskaming Health Unit will amalgamate with six other Health Units in Region 9. While it was expected that this restructuring should have taken place within the following three years, it does not provide a specific deadline for the achievement of the amalgamation. In the meantime, the Timiskaming Health Unit continues to operate as a separate entity.

2. **Significant accounting policies**

The financial statements of the Timiskaming Health Unit ("the Health Unit") are the representations of management and have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The more significant of the accounting policies are summarized below.

(a) **Non-financial assets**

Non-financial assets are not available to discharge existing 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. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the Change in Net Financial Assets for the year.

(b) **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 are amortized on a straight line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Leasehold improvements	5 years

Only one-half the normal rate of amortization is taken in the year of acquisition.

The Health Unit has a capitalization threshold of \$5,000. Individual assets of lesser value may be capitalized if they are pooled, or because, collectively, they have significant value, or for operational purposes.

(c) **Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

2. Significant accounting policies (continued)

(d) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Such estimates include provisions for amounts owed to the Province of Ontario, pay equity and union contract settlements, employee future benefits and various other accrued liabilities, and determination of tangible capital assets historical cost, estimated useful life and related amortization. Actual results could differ from these estimates.

(e) Revenue recognition

The programs administered by the Health Unit are funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care and the Ministry of Children, Community and Social Services. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. Any excess of program funding over recoverable expenditures is due to the Province of Ontario.

The programs are also funded by twenty-four municipalities from the District of Timiskaming. Contributions for the year were calculated based on the approved cost apportionment formula applied to the Health Unit's budget for the year. Any excess or deficiency of the municipalities' contributions in the year over their respective share of the Health Unit's expenditures is apportioned among the municipalities in the same proportion as the original contributions.

(f) Retirement and other employee future benefits

The Health Unit provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, and long-term disability benefits. The Health Unit has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, insurance and health care costs trends, disability recovery rates, long term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for long term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

2. (f) **Retirement and other employee future benefits (continued)**
- (ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.
- (g) **Financial instruments**
- (i) **Fair value of financial instruments**
- The Health Unit's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, deferred revenue and amounts due from (to) the Province of Ontario. Unless otherwise noted, it is management's opinion that the Health Unit is not exposed to significant interest or currency risks arising from these financial instruments. The carrying values of the Health Unit's financial instruments approximate their fair values unless otherwise noted.
- (ii) **Credit risk**
- The Health Unit does not have significant exposure to any individual or party. A large portion of the Health Unit's receivables are due from other levels of government and other Health Unit programs. No allowance for doubtful accounts has been established as at December 31, 2022 as management feels all receivables will be collected.
3. **Programs administered by the Health Unit**
- These financial statements do not reflect any revenues or expenditures of the Land Control Program, Community Health Centre Program, Healthy Babies/Healthy Children Program, and Stay on Your Feet Program, all of which are administered by the Health Unit. Each program is funded separately and reported upon in separate financial statements.
4. **Self-funded leave plan**
- Under the self-funded leave plan, employees have the opportunity to be paid 80% of their salaries over four years. The remaining 20% is accumulated in a bank account to cover 80% of their salaries in the fifth year when they take a year leave of absence. The cash and related liability have been included with cash and accounts payable and accrued liabilities on the Statement of Financial Position.
5. **Interest**
- In 2022, interest earned on the surplus account amounted to \$9,351 (2021 \$nil). This amount is included in interest revenue reported on the Statement of Operations.
6. **Operating line loan agreement**
- The Health Unit has entered into an operating line loan agreement with its financial institution. The credit limit for this agreement is \$300,000. Interest is calculated at prime plus 1%. This operating line is utilized from time to time to cover temporary cash shortfalls that may occur during the year.

As at December 31, 2022, the outstanding balance of the operating line was \$nil (2021 \$nil).

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

7. Accounts receivable

	2022	2021
Due from associated programs	\$ 80,541	\$ 100,351
GST/HST receivable	212,783	103,348
Municipalities	-	31,757
Due from Public Health Canada	50,000	9,792
Sundry	3,643	36,346
	<u>\$ 346,967</u>	<u>\$ 281,594</u>

8. Accounts payable and accrued liabilities

	2022	2021
Trade payables and accrued liabilities	\$ 459,189	\$ 662,053
Due to DTSSAB	16,487	16,487
	<u>\$ 475,676</u>	<u>\$ 678,540</u>

9. Deferred revenue

	December 31 2021	Funds Received	Revenue Earned	December 31 2022
DTSSAB Covid-19 Isolation Supports	\$ 16,657	\$ -	\$ 2,227	\$ 14,430
DTSSAB Covid-19 Digital Divide	-	77,000	70,691	6,309
Healthy Kids Community Coalition	2,500	-	-	2,500
MTO Safe Winter Driving	120	-	-	120
Tobacco Free Timiskaming Coalition	1,075	-	-	1,075
Prevent Alcohol & Risk Related Trauma in Youth program	1,293	-	-	1,293
Bike Exchange Program	2,222	-	-	2,222
Ontario Active School Travel	13,892	-	13,892	-
Infection Prevention and Control Hub - One-time	354,355	375,000	631,530	97,825
School-Focused Nurses Initiative - One-time	25,668	224,000	234,314	15,354
Ontario Seniors Dental Care Capital – One-time	14,365	-	14,365	-
	<u>\$ 432,147</u>	<u>\$ 676,000</u>	<u>\$ 967,019</u>	<u>\$ 141,128</u>

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

10. Due from (to) Province of Ontario

	Previous years	Current year	2022 Total	2021 Total
Due from Province of Ontario				
Ontario Seniors Dental Care	\$ (24,758)	\$ 114,214	\$ 89,456	\$ 59,454
Needle Exchange – One-time	-	-	-	261
Northern Fruit and Vegetable	-	-	-	4,149
Smoke Free Ontario – One-time	-	-	-	2,712
Covid-19 Extraordinary Costs – One-time	(14,609)	105,200	90,591	-
Covid-19 Vaccine program – One-time	-	135,427	135,427	61,900
Temporary Retention Incentive for Nurses	-	18,994	18,994	-
Needle Exchange/Drug Strategy – One-time	-	4,744	4,744	9,750
School-Focused Nurses Initiatives – One-time	-	-	-	6,953
	<u>(39,367)</u>	<u>378,579</u>	<u>339,212</u>	<u>145,179</u>
Due to Province of Ontario				
Mandatory Programs	(369,362)	-	(369,362)	(413,838)
Northern Fruit and Vegetable	(605)	-	(605)	-
Smoke Free Ontario – One-time	(6,487)	-	(6,487)	-
Early Years and Childcare Service	(59,920)	-	(59,920)	(59,920)
Panorama	-	-	-	(15,138)
Healthy Menu Choices	-	-	-	(157)
Infection Prevention and Control Hub – One-time	(8,185)	(223,738)	(231,923)	(8,185)
Covid-19 Extraordinary Costs – One-time	-	-	-	(14,609)
Case and Contact Management Solutions – One-time	(3,919)	-	(3,919)	(3,919)
Ontario Seniors Dental Care Capital – One-time	(13,080)	-	(13,080)	(13,080)
School-Focused Nurses Initiative – One-time	6,953	(9,514)	(2,561)	-
Unorganized Territories	(10,485)	-	(10,485)	(10,485)
	<u>(465,090)</u>	<u>(233,252)</u>	<u>(698,342)</u>	<u>(539,331)</u>
Total Due from (to) Province of Ontario	<u>\$ (504,457)</u>	<u>\$ 145,327</u>	<u>\$ (359,130)</u>	<u>\$ (394,152)</u>

The Mandatory Programs are funded 70% by the Ministry of Health and Long-Term Care (“the MOHLTC”) and 30% by the member municipalities while the One-time, Northern Fruit and Vegetable, Ontario Seniors Dental Care and Unorganized Territories programs are funded 100% by the MOHLTC. The Early Years and Childcare Service is funded 100% by the Ministry of Children, Community and Social Services (“the MCCSS”).

The previous year’s balances outstanding represent amounts owed or receivable for settlements in previous years which have not yet been processed by the MOHLTC and/or the MCCSS. Provincial funding is subject to historical audit by the Province of Ontario.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

11. Commitments

Leases

The offices of the Health Unit are located in various leased premises. Minimum annual lease payments of approximately \$291,362 (excluding HST) are required with various expiry dates.

Information Technology

The Health Unit has entered into a five-year Information Technology agreement for \$7,000 (excluding HST) per month starting in June 2015. The agreement includes server, desktop/notebook, printer and network support, as well as a help desk application and consulting services on IT policies and purchases. The agreement includes an annual percentage increase of 4% per year and allows the Health Unit to terminate the agreement with a one year written notice or one year payment. As of June 1, 2020, the agreement has continued in force on a month-to-month basis.

Financial Services

The Health Unit entered into a five-year Financial Services agreement based on an hourly rate beginning April 1, 2013 with a provision for an increase in the hourly rate based on the 2014 Cost of Living Rate effective April 1, 2015. This agreement may be terminated at any time by mutual agreement of the parties, after March 31, 2018 with 90 days' notice, or upon default by either party. As of April 1, 2018, the agreement continued in force on a month-to-month basis and was terminated on February 28, 2023.

12. Retirement and other employee future benefits

(a) Retirement and other employee future benefit liabilities

	2022	2021
Accrued employee future benefit obligations	\$ 403,062	\$ 392,767
Unamortized actuarial losses	(22,076)	(22,307)
Employee future benefit liability	<u>\$ 380,986</u>	<u>\$ 370,460</u>

(b) Retirement and other employee future benefit expenses

	2022	2021
Current year benefit cost	\$ 29,018	\$ 27,841
Amortization of actuarial gains and losses	231	231
Interest on accrued benefit obligation	12,726	12,429
Employee future benefits expenses ¹	<u>\$ 41,975</u>	<u>\$ 40,501</u>

¹ Excluding pension contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan, described below.

(c) Retirement benefits

(i) Ontario Municipal Employees Retirement System

All permanent employees of the Health Unit are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Health Unit contributions equal the employee contributions to the plan. During the year ended December 31, 2022, the Health Unit contributed \$409,089 (2021 \$380,111) to the plan. As this is a multi-employer pension plan, these contributions are the Health Unit's pension benefit expenses. No pension liability for this type of plan is included in the Health Unit's financial statements. As of December 31, 2022, OMERS has a funding deficit of \$6.7 billion (2021 \$3.1 billion) and Net Assets Available for Benefits of \$124.4 billion (2021 \$120.9 billion).

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

12. Retirement and other employee future benefits - continued

(c) Retirement benefits - continued

(ii) Retirement Life Insurance and Health Care Benefits

The Health Unit continues to provide life insurance and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The Health Unit provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities to this plan are included in the Health Unit's financial statements.

(d) Assumptions

The accrued benefit obligations for employee future benefit plans as at December 31, 2022 are based on actuarial valuations for accounting purposes as at December 31, 2022. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Health Unit's best estimates of expected rates of:

	2022	2021
Inflation	1.75%	1.75%
Wage and salary escalation	2.75%	2.75%
Insurance and health care cost escalation	5.4167% for 2022 decreasing to 5.0834% for 2023 and decreasing to 3.75% in 2027	5.7501% for 2021 decreasing to 5.4168% in 2022 and decreasing to 3.75% in 2027
Dental Care Cost escalation	3.75%	3.75%
Discount on accrued benefit obligations	3.25%	3.25%

13. Accumulated surplus

The accumulated surplus is made up of the following:

	2022	2021
Net financial assets		
Operational surplus	\$ 127,902	\$ 13,797
Non-financial assets		
Investment in tangible capital assets	60,694	73,576
Prepaid expenses	111,064	94,990
	<u>171,758</u>	<u>168,566</u>
Accumulated surplus	<u>\$ 299,660</u>	<u>\$ 182,363</u>

14. Economic dependence

The continuation of this organization is dependent on funding received from the Ministry of Health and Long-Term Care, the Ministry of Children, Community and Social Services and the funding municipalities.

15. Comparative information

Certain amounts in the prior year financial statements have been restated for comparative purposes to conform with the presentation in the current year's financial statements.

TIMISKAMING HEALTH UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

16. **Schedule of tangible capital assets**

	Opening Cost	Additions	Ending Cost	Opening Accumulated Amortization	Current Amortization	Ending Accumulated Amortization	Net 2022	Net 2021
Furniture and equipment	\$ 985,109	\$ 16,914	\$ 1,002,023	\$ 911,533	\$ 29,796	\$ 941,329	\$ 60,694	\$ 73,576
Leasehold Improvements	560,770	-	560,770	560,770	-	560,770	-	-
	<u>\$1,545,879</u>	<u>\$ 16,914</u>	<u>\$1,562,793</u>	<u>\$ 1,472,303</u>	<u>\$ 29,796</u>	<u>\$ 1,502,099</u>	<u>\$ 60,694</u>	<u>\$ 73,576</u>

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario	\$ 3,918,815	\$ 3,894,849	\$ 3,878,137
Province of Ontario – Mitigation	600,500	600,499	600,500
Municipalities	1,437,289	1,437,320	1,409,137
Offset revenue	68,303	40,000	42,630
Interest	24,317	-	2,848
Total revenues	6,049,224	5,972,668	5,933,252
EXPENDITURES			
Salaries and wages	3,290,419	3,550,160	2,380,986
Fringe benefits	866,457	955,458	782,628
Fees for service	557,923	471,830	458,937
Travel	44,299	62,050	29,167
Materials and supplies	362,455	260,266	321,967
Administrative	264,332	270,300	212,549
Rent and utilities	502,761	447,250	474,223
Amortization	29,796	-	36,777
	5,918,442	6,017,314	4,697,234
Allocated to other programs	(42,681)	(40,694)	(45,034)
Total expenditures	5,875,761	5,976,620	4,652,200
Annual surplus (deficit)	\$ 173,463	\$ (3,952)	\$ 1,281,052

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

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
SALARIES AND WAGES			
Nursing	\$ 743,095	\$ 933,952	\$ 486,446
Administration	1,413,223	1,345,271	1,019,702
Inspection	257,107	382,888	221,280
Medical officer	25,200	24,699	24,795
Dental	149,634	166,983	69,470
Health promoter	443,971	400,123	293,356
Nutritionist	105,264	138,709	89,584
Tobacco enforcement officer	76,861	74,047	64,299
Epidemiologist	76,064	83,488	112,054
	\$ 3,290,419	\$ 3,550,160	\$ 2,380,986
FRINGE BENEFITS			
Pension	\$ 470,409	\$ 512,189	\$ 434,850
Employment insurance	50,563	61,412	36,759
EHT	62,628	77,206	46,845
WSIB	14,652	33,358	27,664
Group life and health guard	171,045	165,218	138,273
Long-term disability	69,230	106,075	72,116
Other	27,930	-	26,121
	\$ 866,457	\$ 955,458	\$ 782,628
FEES FOR SERVICE			
Legal and audit fees	\$ 120,283	\$ 52,250	\$ 34,147
Board fees	9,810	12,000	8,826
Consultants	405,412	403,580	411,665
Dental	17,482	-	-
Web fees	4,936	4,000	4,299
	\$ 557,923	\$ 471,830	\$ 458,937

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

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF EXPENDITURES (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
TRAVEL			
Infectious diseases	\$ 9,086	\$ 17,509	\$ 5,161
Family health	14,393	14,733	2,674
Administration	5,867	8,750	6,018
Board	585	2,000	320
Chronic disease and injury prevention	10,621	11,801	11,227
Inspection	3,747	7,257	3,767
	<u>\$ 44,299</u>	<u>\$ 62,050</u>	<u>\$ 29,167</u>
MATERIALS AND SUPPLIES			
Family health	\$ 215,166	\$ 140,016	\$ 207,371
Infectious diseases	80,875	73,000	73,589
Chronic disease and injury prevention	48,872	42,750	29,686
Foundational standards	7,322	-	2,214
Inspection	10,220	4,500	9,107
	<u>\$ 362,455</u>	<u>\$ 260,266</u>	<u>\$ 321,967</u>
ADMINISTRATIVE			
Telephone	\$ 33,949	\$ 34,500	\$ 34,029
Office supplies	28,060	25,000	31,678
Staff recruitment	174	-	-
Professional development	28,411	37,750	6,504
Insurance	49,013	45,000	41,153
Equipment rental	20,227	22,000	23,149
Postage	3,935	4,000	4,745
Courier express	1,856	6,000	7,518
Advertising and promotion	52,776	62,250	29,497
Association fees	14,245	7,000	11,672
Website/database maintenance	13,131	14,000	13,064
Bank charges	3,481	2,800	2,796
Miscellaneous	15,074	10,000	6,744
	<u>\$ 264,332</u>	<u>\$ 270,300</u>	<u>\$ 212,549</u>

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

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF EXPENDITURES (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
RENT AND UTILITIES			
NEW LISKEARD			
Rent	\$ 239,011	\$ 203,600	\$ 216,474
Utilities	50,905	45,000	48,836
Janitor and supplies	49,107	46,000	67,360
Office maintenance	9,351	5,000	5,252
	<u>348,374</u>	<u>299,600</u>	<u>337,922</u>
KIRKLAND LAKE			
Rent	82,377	85,000	79,943
Utilities	17,688	16,000	16,164
Janitor and supplies	23,730	22,800	23,779
Office maintenance	14,111	4,000	5,853
	<u>137,906</u>	<u>127,800</u>	<u>125,739</u>
ENGLEHART			
Rent	14,394	12,500	7,653
Utilities	-	5,000	-
Janitor and supplies	2,087	2,100	1,903
Office maintenance	-	250	1,006
	<u>16,481</u>	<u>19,850</u>	<u>10,562</u>
	<u>\$ 502,761</u>	<u>\$ 447,250</u>	<u>\$ 474,223</u>
ALLOCATED COSTS			
March year-end programs	\$ 1,988	\$ 1,988	\$ 3,545
Land Control Program	-	-	-
Other programs	40,693	38,706	41,489
	<u>\$ 42,681</u>	<u>\$ 40,694</u>	<u>\$ 45,034</u>

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

TIMISKAMING HEALTH UNIT

MANDATORY PROGRAMS

SCHEDULE OF MUNICIPAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Temiskaming Shores	\$ 486,662	\$ 477,121
Kirkland Lake	375,050	367,698
Englehart	70,346	68,968
Armstrong	53,036	51,998
Cobalt	54,609	53,540
Temagami	42,719	41,884
Larder Lake	37,417	36,684
McGarry	32,229	31,599
Coleman	30,889	30,284
Charlton/Dack	28,616	28,056
Harley	27,042	26,513
Harris	25,702	25,199
Evanturel	21,972	21,542
Hudson	22,321	21,885
James	19,640	19,256
Casey	20,340	19,942
Latchford	16,959	16,628
Kerns	14,978	14,685
Matachewan	15,794	15,485
Chamberlain	15,619	15,314
Hilliard	10,257	10,057
Gauthier	6,293	6,171
Brethour	5,070	4,971
Thornloe	3,729	3,657
	\$ 1,437,289	\$ 1,409,137

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

TIMISKAMING HEALTH UNIT

UNORGANIZED TERRITORIES PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario	\$ 165,900	\$ 117,498	\$ 165,900
EXPENDITURES			
Salaries and wages	66,352	37,499	52,994
Fringe benefits	21,362	12,960	18,369
Travel	4,065	3,628	1,886
Materials and supplies	35,087	30,779	33,503
Administrative	18,679	18,679	17,781
Total expenditures	145,545	103,545	124,533
Annual surplus	\$ 20,955	\$ 13,953	\$ 41,367

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

TIMISKAMING HEALTH UNIT

ONTARIO SENIORS DENTAL CARE PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario	\$ 337,572	\$ 337,575	\$ 297,900
Province of Ontario – One-time	114,215	-	61,642
Offset revenue	4,418	-	2,439
Total revenues	456,205	337,575	361,981
EXPENDITURES			
Salaries and wages	55,352	109,732	105,013
Fringe benefits	24,386	29,677	37,787
Travel	3,217	2,500	740
Fees for service	346,612	162,652	190,617
Materials and supplies	4,624	4,000	3,470
Administrative	22,014	29,014	24,354
Total expenditures	456,205	337,575	361,981
Annual surplus	\$ -	\$ -	\$ -

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

TIMISKAMING HEALTH UNIT

COVID-19 INFECTION PREVENTION AND CONTROL HUB PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario	\$ 556,530	\$ 300,000	\$ 141,761
EXPENDITURES			
Salaries and wages	264,832	59,584	111,772
Fringe benefits	63,761	13,464	19,025
Travel	60	1,952	305
Materials and supplies	4,139	-	2,474
Total expenditures	332,792	75,000	133,576
Annual surplus before provincial settlement	223,738	225,000	8,185
Provincial settlement	223,738	-	8,185
Annual surplus	\$ -	\$ 225,000	\$ -

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

TIMISKAMING HEALTH UNIT

COVID-19 GENERAL AND EXTRAORDINARY COSTS PROGRAMS

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario – One-time	\$ 249,600	\$ 288,752	\$ 352,000
EXPENDITURES			
Salaries and wages	263,323	229,519	1,041,815
Fringe benefits	46,794	44,233	79,158
Travel	162	-	41
Materials and supplies	20,596	9,000	28,386
Administrative	76	6,000	3,452
Total expenditures	330,951	288,752	1,152,852
Annual surplus (deficit)	\$ (81,351)	\$ -	\$ (800,852)

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

TIMISKAMING HEALTH UNIT

COVID-19 PUBLIC HEALTH CASE AND CONTACT MANAGEMENT SOLUTION PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario – One-time	\$ -	\$ -	\$ 4,135
EXPENDITURES			
Travel	-	-	81
Annual surplus before provincial settlement	-	-	4,054
Provincial settlement	-	-	4,054
Annual surplus	\$ -	\$ -	\$ -

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

TIMISKAMING HEALTH UNIT

COVID-19 SCHOOL-FOCUSED NURSES INITIATIVE PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario – One-time	\$ 309,684	\$ 299,000	\$ 265,915
EXPENDITURES			
Salaries and wages	226,945	234,720	226,542
Fringe benefits	53,891	65,280	47,205
Total expenditures	280,836	300,000	273,747
Annual surplus (deficit) before provincial settlement	28,848	(1,000)	(7,832)
Provincial settlement	28,848	-	-
Annual surplus (deficit)	\$ -	\$ (1,000)	\$ (7,832)

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

TIMISKAMING HEALTH UNIT

COVID-19 VACCINE PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario – One-time	\$ 559,727	\$ 530,252	\$ 430,500
EXPENDITURES			
Salaries and wages	300,140	368,033	915,067
Fringe benefits	40,452	19,019	76,896
Fees for service	137,217	68,200	67,620
Travel	38,823	26,000	87,340
Materials and supplies	21,126	28,000	95,160
Administrative	21,969	21,000	31,211
Total expenditures	<u>559,727</u>	<u>530,252</u>	<u>1,273,294</u>
Annual surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (842,794)</u>

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

TIMISKAMING HEALTH UNIT

TEMPORARY RETENTION INCENTIVE FOR NURSES

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario – One-time	\$ 110,344	\$ 52,200	\$ -
EXPENDITURES			
Salaries and wages	100,788	50,000	-
Fringe benefits	9,556	2,200	-
Total expenditures	110,344	52,200	-
Annual surplus	\$ -	\$ -	\$ -

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

TIMISKAMING HEALTH UNIT

NEEDLE EXCHANGE / DRUG STRATEGY PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario – One-time	\$ 19,000	\$ 9,750	\$ 39,000
Public Health Canada	140,208	50,000	9,792
Total revenues	159,208	59,750	48,792
EXPENDITURES			
Salaries and wages	142,537	80,446	46,085
Fringe benefits	13,149	11,602	2,656
Fees for service	2,133	3,000	-
Materials and supplies	-	-	51
Administrative	1,389	9,350	-
Total expenditures	159,208	104,398	48,792
Annual surplus (deficit)	\$ -	\$ (44,648)	\$ -

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

TIMISKAMING HEALTH UNIT

ONTARIO SENIORS DENTAL CARE PROGRAM - CAPITAL

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario – One-time	\$ 14,365	\$ -	\$ 21,535
EXPENDITURES			
Fees for service	14,365	-	21,535
Annual surplus	\$ -	\$ -	\$ -

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

TIMISKAMING HEALTH UNIT

YOUTH MENTAL HEALTH AND ADDICTION CHAMPION

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Province of Ontario – One-time	\$ 3,000	\$ -	\$ -
EXPENDITURES			
Fees for service	3,000	-	-
Annual surplus	\$ -	\$ -	\$ -

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

TIMISKAMING HEALTH UNIT

COVID-19 RELATED PROJECTS

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Sundry	\$ 2,227	\$ -	\$ 5,665
EXPENDITURES			
Materials and supplies	2,227	-	5,665
Annual surplus	\$ -	\$ -	\$ -

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

TIMISKAMING HEALTH UNIT
ONTARIO ACTIVE SCHOOL TRAVEL PROGRAM
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Sundry revenue	\$ 49,892	\$ 12,000	\$ 47,099
EXPENDITURES			
Salaries and wages	21,553	30,325	32,372
Fringe benefits	2,220	4,381	3,311
Fees for service	12,645	-	110
Travel	124	-	248
Materials and supplies	637	-	121
Administrative	5,995	-	10,937
Total expenditures	43,174	34,706	47,099
Annual surplus (deficit)	\$ 6,718	\$ (22,706)	\$ -

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

TIMISKAMING HEALTH UNIT

DIGITAL DIVIDE PROGRAM

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual 2022	Budget 2022	Actual 2021
REVENUES			
Sundry revenue	\$ 109,728	\$ 25,000	\$ 82,724
EXPENDITURES			
Salaries and wages	35,253	22,763	31,120
Fringe benefits	3,078	2,237	3,162
Materials and supplies	69,539	-	37,817
Administrative	1,858	-	-
Total expenditures	109,728	25,000	72,099
Annual surplus	\$ -	\$ -	\$ 10,625

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