

Financial Statements of

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

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

And Independent Auditor's Report thereon

Year ended December 31, 2023



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## **INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 “***Auditor’s 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.

## ***Auditor's 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 auditor's 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 25, 2024

# BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
<b>Financial assets</b>		
Cash and cash equivalents	\$ 10,027,872	\$ 14,716,265
Accounts receivable	529,551	1,805,805
Receivable from the Province of Ontario	34,220	987,773
	<u>10,591,643</u>	<u>17,509,843</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	2,769,256	3,833,343
Deferred revenue	356,652	1,472,286
Payable to the Province of Ontario	1,024,127	5,643,882
Employee benefit obligations (note 2)	3,770,170	3,934,882
	<u>7,920,205</u>	<u>14,884,393</u>
Net financial assets	2,671,438	2,625,450
<b>Non-financial assets:</b>		
Tangible capital assets (note 3)	15,208,514	15,153,948
Prepaid expenses	459,492	420,160
	<u>15,668,006</u>	<u>15,574,108</u>
Commitments and contingencies (note 4)		
Accumulated surplus (note 5)	<u>\$ 18,339,444</u>	<u>\$ 18,199,558</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, 2023, with comparative information for 2022

	2023 Budget (note 10)	2023 Actual	2022 Actual
<b>Revenue (note 9):</b>			
Provincial grants	\$ 22,341,165	\$ 27,390,098	\$ 31,034,662
Per capita revenue from municipalities (note 7)	9,418,510	9,418,510	9,078,101
<b>Other:</b>			
Plumbing inspections and licenses	317,000	357,806	422,637
Interest	120,000	546,275	274,178
Other	476,023	442,571	420,202
	32,672,698	38,155,260	41,229,780
<b>Expenses (note 9):</b>			
Salaries and wages	20,555,589	24,816,191	26,736,003
Benefits (note 6)	6,411,498	6,771,029	6,557,383
Administration (note 8)	2,819,562	2,920,027	4,905,997
Supplies and materials	1,289,333	1,141,367	1,150,986
Amortization of tangible capital assets (note 3)	1,067,858	1,144,542	1,067,858
Small operational equipment	1,291,010	930,947	1,066,629
Transportation	305,707	291,271	384,934
	33,740,557	38,015,374	41,869,790
Annual surplus (deficit)	(1,067,859)	139,886	(640,010)
Accumulated surplus, beginning of year	18,199,558	18,199,558	18,839,568
Accumulated surplus, end of year	\$ 17,131,699	\$ 18,339,444	\$ 18,199,558

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, 2023, with comparative information for 2022

	2023	2022
Annual surplus (deficit)	\$ 139,886	\$ (640,010)
Purchase of tangible capital assets	(1,199,108)	(6,526,456)
Amortization of tangible capital assets	1,144,542	1,067,858
Change in prepaid expenses	(39,332)	(147,894)
Change in net financial assets	45,988	(6,246,502)
Net financial assets, beginning of year	2,625,450	8,871,952
Net financial assets, end of year	\$ 2,671,438	\$ 2,625,450

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, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Cash flows from operating activities:		
Annual surplus (deficit)	\$ 139,886	\$ (640,010)
Adjustments for:		
Amortization of tangible capital assets	1,144,542	1,067,858
Change in employee benefit obligations	(164,712)	134,706
	<u>1,119,716</u>	<u>562,554</u>
Changes in non-cash working capital:		
Decrease in accounts receivable	1,276,254	156,138
Decrease (increase) in receivable from the Province of Ontario	953,553	(963,657)
Decrease in accounts payable and accrued liabilities	(1,064,087)	(1,188,448)
Increase (decrease) in deferred revenue	(1,115,634)	162,061
Increase (decrease) in payable to the Province of Ontario	(4,619,755)	1,438,173
Increase in prepaid expenses	(39,332)	(147,894)
	<u>(3,489,285)</u>	<u>18,927</u>
Cash flows from investing activity:		
Purchase of tangible capital assets	(1,199,108)	(6,526,456)
<hr/>		
Decrease in cash and cash equivalents	(4,688,393)	(6,507,529)
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Cash and cash equivalents, beginning of year	14,716,265	21,223,794
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Cash and cash equivalents, end of year	<u>\$ 10,027,872</u>	<u>\$ 14,716,265</u>

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, 2023

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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 \$2,495,545 as at December 31, 2023 (2022 - \$2,378,159) 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.

# BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2023

## 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 pro-rated 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%
Leasehold improvements	Straight-line	10%
Computer hardware	Straight-line	30%
Computer software	Straight-line	100%
Website design	Straight-line	20%
Vehicles and equipment	Straight-line	10%
Equipment – vaccine refrigerators	Straight-line	20%

### (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, 2023

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## 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, 2023

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## 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.

### (k) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market would be recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value would be recognized in the statement of remeasurement gains and losses until they are realized, when they would be transferred to the statement of operations. As there have been no unrealized changes in fair value to note, a statement of remeasurement gains and losses has not been presented.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

# BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2023

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## 1. Summary of significant accounting policies (continued):

### (k) Financial instruments (continued):

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Fair value measurements are those derived market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

All financial instruments are Level 1. The Health Unit has selected to account for transactions at the trade date.

### (l) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that the future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

A liability for asset retirement obligations has not been recorded in these financial statements. Given the nature of the assets, the age of the facilities and the remediation work completed to date it was determined there is no further legal obligation on the part of the Health Unit to complete remediation efforts.

# BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2023

## 2. Employee benefit obligations:

An actuarial estimate of future liabilities has been completed using the most recent actuarial valuation dated December 31, 2021 and forms the basis for the estimated liability reported in these financial statements. The valuation of the plan is updated from a walk forward of the December 31, 2021 results. The next full valuation of the plan will be as of December 31, 2024.

	2023	2022
Accumulated sick leave benefits	\$ 563,488	\$ 594,549
Other post-employment benefits	1,826,848	1,702,504
	2,390,336	2,297,053
Vacation pay and other compensated absence	1,379,834	1,637,829
	\$ 3,770,170	\$ 3,934,882

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

	2023	2022
Discount	4.00%	4.00%
Health-care trend rate		
Initial	5.42%	5.75%
Ultimate	3.75%	3.75%
Salary escalation factor	2.75%	2.75%

The Health Unit has established reserves in the amount of \$675,447 (2022 - \$675,447) to mitigate the future impact of these obligations. The accrued benefit obligations as at December 31, 2023 are \$2,891,129 (2022 - \$2,833,758).

	2023	2022
Benefit plan expenses:		
Current service costs	\$ 201,023	\$ 191,394
Interest	112,252	110,564
Amortization of actuarial loss	35,912	29,440
	\$ 349,187	\$ 331,398

Benefits paid during the year were \$255,904 (2022 - \$273,241). The net unamortized actuarial loss of \$500,793 (2022 - \$563,705) 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, 2023

### 3. Tangible capital assets:

Cost:

	Land	Building	Leasehold improvements	Computer hardware	Computer software	Website design	Furniture and equipment	Parking lot resurfacing	2023 Total
Balance, January 1, 2022	\$ 26,938	14,966,096	2,699,586	3,677,404	423,933	69,845	3,939,616	252,346	26,055,764
Additions	-	62,956	790,665	79,838	-	-	265,649	-	1,199,108
Balance, December 31, 2023	\$ 26,938	15,029,052	3,490,251	3,757,242	423,933	69,845	4,205,265	252,346	27,254,872

Accumulated amortization:

	Land	Building	Leasehold improvements	Computer hardware	Computer software	Website design	Furniture and equipment	Parking lot resurfacing	Total
Balance, January 1, 2022	\$ -	3,813,029	679,729	3,086,623	423,933	69,845	2,602,262	226,395	10,901,816
Amortization	-	374,939	227,147	335,454	-	-	192,151	14,851	1,144,542
Balance, December 31, 2023	\$ -	4,187,968	906,876	3,422,077	423,933	69,845	2,794,413	241,246	12,046,358

Net book value:

	Land	Building	Leasehold improvements	Computer hardware	Computer software	Website design	Furniture and equipment	Parking lot resurfacing	Total
At December 31, 2022	\$ 26,938	11,153,067	2,019,857	590,781	-	-	1,337,354	25,951	15,153,948
At December 31, 2023	26,938	10,841,084	2,583,375	335,165	-	-	1,410,852	11,100	15,208,514

# BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2023

### 3. Tangible capital assets (continued):

Cost:

	Land	Building	Leasehold improvements	Computer hardware	Computer software	Website design	Furniture and equipment	Parking lot resurfacing	2022 Total
Balance, January 1, 2022	\$ 26,938	9,944,791	2,191,024	3,507,830	415,207	69,845	3,121,327	252,346	19,529,308
Additions	-	5,021,305	508,562	169,574	8,726	-	818,289	-	6,526,456
Balance, December 31, 2022	\$ 26,938	14,966,096	2,699,586	3,677,404	423,933	69,845	3,939,616	252,346	26,055,764

Accumulated amortization:

	Land	Building	Leasehold improvements	Computer hardware	Computer software	Website design	Furniture and equipment	Parking lot resurfacing	Total
Balance, January 1, 2022	\$ -	3,501,642	486,454	2,717,994	415,207	69,845	2,441,656	201,160	9,833,958
Amortization	-	311,387	193,275	368,629	8,726	-	160,606	25,235	1,067,858
Balance, December 31, 2022	\$ -	3,813,029	679,729	3,086,623	423,933	69,845	2,602,262	226,395	10,901,816

Net book value:

	Land	Building	Leasehold improvements	Computer hardware	Computer software	Website design	Furniture and equipment	Parking lot resurfacing	Total
At December 31, 2021	\$ 26,938	6,443,149	1,704,570	789,836	-	-	679,671	51,186	9,695,350
At December 31, 2022	26,938	11,153,067	2,019,857	590,781	-	-	1,337,354	25,951	15,153,948



# BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2023

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#### 4. Commitments and contingencies:

(a) Line of credit:

The Health Unit has available an operating line of credit of \$500,000 (2022 - \$500,000). There is \$Nil balance outstanding on the line of credit at year end (2022 - \$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, 2023 are as follows:

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No later than one year	\$	268,087
Later than one year and no later than 5 years		642,499
Later than five years		822,780
	\$	1,733,366

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(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, 2023

## 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	Capital Infrastructure Project	Balance, end of year
Invested in tangible capital assets	\$ 15,153,948	(1,144,542)	1,199,108	-	\$ 15,208,514
Unfunded employee benefit obligation	(3,934,882)	164,712	-	-	(3,770,170)
Working capital reserve	3,248,187	1,114,025	(1,199,108)	62,957	3,226,061
Public health initiatives	2,000,000	-	-	-	2,000,000
Corporate contingencies	500,000	-	-	-	500,000
Facility and equipment repairs and maintenance	499,998	5,691	-	(62,957)	442,732
Sick leave and vacation	675,447	-	-	-	675,447
Research and development	56,860	-	-	-	56,860
	\$ 18,199,558	139,886	-	-	\$ 18,339,444

## 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 2023 was \$2,157,752 (2022 - \$1,849,843) 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, 2023

## 7. Per capita revenue from municipalities:

	2023	2022
City of Greater Sudbury	\$ 8,055,880	\$ 7,808,068
Town of Espanola	250,848	241,050
Township of Sable and Spanish River	163,784	148,068
Municipality of French River	140,236	131,183
Municipality of Markstay-Warren	142,165	128,641
Township of Northeastern Manitoulin & The Islands	122,532	117,657
Township of Chapleau	114,176	105,855
Township of Central Manitoulin	98,165	94,598
Municipality of St. Charles	72,163	63,914
Township of Assiginack	45,811	41,673
Town of Gore Bay	44,174	40,856
Township of Baldwin	29,099	27,874
Township of Billings (and part of Allan)	30,677	27,693
Township of Gordon (and part of Allan)	26,937	24,788
Township of Nairn & Hyman	23,840	21,883
Township of Tehkummah	22,087	20,067
Municipality of Killarney	21,328	19,159
Township of Burpee	14,316	15,074
Township of Cockburn Island	292	-
	<b>\$ 9,418,510</b>	<b>\$ 9,078,101</b>

## 8. Administration expenses:

	2023 Budget	2023 Actual	2022 Actual
Professional fees	\$ 1,681,119	\$ 1,102,188	\$ 2,786,448
Building maintenance	693,338	471,170	485,640
Advertising	135,265	93,713	160,944
Telephone	69,060	161,173	285,525
Rent	473,945	548,513	623,738
Utilities	243,324	181,087	170,376
Liability insurance	191,590	185,311	162,596
Staff education	125,431	47,255	125,951
Postage	74,100	84,509	62,780
Memberships and subscriptions	41,384	45,108	41,999
	<b>\$ 3,728,556</b>	<b>\$ 2,920,027</b>	<b>\$ 4,905,997</b>

# BOARD OF HEALTH FOR THE SUDBURY & DISTRICT HEALTH UNIT

(OPERATING AS PUBLIC HEALTH SUDBURY & DISTRICTS)

Notes to Financial Statements

Year ended December 31, 2023

## 9. Revenues and expenses by funding sources:

	OLHA	UIIP	Men C	HPV	Unorganized Territories	Ontario Sr. Dental Care Program	MOH/ AMOH	MCCSS: HBHC & PPNP	HIV-Aids Anonymous Testing	Non-Ministry	Sub-Total
<b>Revenue:</b>											
Provincial grants											
Operation	\$ 17,132,785	-	-	-	-	1,098,118	17,000	1,593,516	63,519	-	19,904,938
Mitigation grant	1,179,500	-	-	-	-	-	-	-	-	-	1,179,500
One-time	-	-	-	-	-	-	-	-	-	-	-
Unorganized territories	-	-	-	-	1,092,500	-	-	-	-	-	1,092,500
Municipalities	9,418,510	-	-	-	-	-	-	-	-	-	9,418,510
Plumbing and inspections	357,806	-	-	-	-	-	-	-	-	-	357,806
Interest	410,752	-	-	-	-	-	-	-	-	135,523	546,275
Other	235,603	7,745	20,800	33,821	-	8,038	-	-	-	136,564	442,571
	28,734,956	7,745	20,800	33,821	1,092,500	1,106,156	17,000	1,593,516	63,519	272,087	32,942,100
<b>Expenses:</b>											
Salaries and wages	19,080,684	6,347	17,942	29,731	706,012	351,952	17,000	1,242,679	50,963	65,801	21,569,111
Benefits	5,486,237	1,292	2,858	4,090	206,806	87,466	-	330,575	12,556	13,237	6,145,117
Transportation	127,258	106	-	-	89,632	291	-	14,212	-	129	231,628
Administration (note 9)	1,964,910	-	-	-	26,740	518,992	-	588	-	36,603	2,547,833
Supplies and materials	850,371	-	-	-	63,310	101,069	-	5,462	-	13,731	1,033,943
Small operational equipment	889,731	-	-	-	-	1,908	-	-	-	-	891,639
Amortization of tangible capital assets	1,144,542	-	-	-	-	-	-	-	-	-	1,144,542
	29,543,733	7,745	20,800	33,821	1,092,500	1,061,678	17,000	1,593,516	63,519	129,501	33,563,813
Annual surplus (deficit)	(808,777)	-	-	-	-	44,478	-	-	-	142,586	(621,713)
Capital expenditures	330,073	-	-	-	-	44,478	-	-	-	-	374,551
Annual surplus (deficit) net of capital expenditures	\$ (1,138,850)	-	-	-	-	-	-	-	-	142,586	(996,264)

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, 2023

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

	2022-23 One-time Funding						2023-24 One-time Funding							Total	
	Sub-Total	COVID-19 Infection Prevention and Control Hub	COVID-19 School Focused Nurses	One-Time Nursing Initiative (TRIN)	Needle Exchange Program	Capital	COVID-19 General	COVID-19 Vaccine	Merger Planning	COVID-19 Infection Prevention and Control Hub	COVID-19 School Focused Nurses	One-Time Nursing Initiative (TRIN)	Non-ISPA Vaccination clinic catch up		PHI Practicum
<b>Revenue:</b>															
Provincial grants															
Operation	\$ 19,904,938	-	-	-	-	-	-	-	-	-	-	-	-	-	19,904,938
Mitigation grant	1,179,500	-	-	-	-	-	-	-	-	-	-	-	-	-	1,179,500
One-time	-	408,864	201,072	13,878	61,031	22,442	345,979	2,322,100	56,950	599,862	300,000	-	132,629	9,196	5,213,160
Unorganized territories	1,092,500	-	-	-	-	-	-	-	-	-	-	-	-	-	1,092,500
Municipalities	9,418,510	-	-	-	-	-	-	-	-	-	-	-	-	-	9,418,510
Plumbing and inspections	357,806	-	-	-	-	-	-	-	-	-	-	-	-	-	357,806
Interest	546,275	-	-	-	-	-	-	-	-	-	-	-	-	-	546,275
Other	442,571	-	-	-	-	-	-	-	-	-	-	-	-	-	442,571
	32,942,100	408,864	201,072	13,878	61,031	22,442	345,979	2,322,100	56,950	599,862	300,000	-	132,629	9,196	38,155,260
<b>Expenses:</b>															
Salaries and wages	21,569,111	328,518	167,221	12,500	-	-	192,174	1,683,414	800	505,069	246,020	-	103,487	7,877	24,816,191
Benefits	6,145,117	68,967	33,851	1,378	-	-	67,912	297,222	-	87,414	53,980	-	13,869	1,319	6,771,029
Transportation	231,628	586	-	-	-	-	10,233	46,315	-	2,416	-	-	93	-	291,271
Administration (note 9)	2,547,833	2,197	-	-	-	-	52,317	252,921	56,125	782	-	-	7,852	-	2,920,027
Supplies and materials	1,033,943	8,596	-	-	61,031	-	12,608	13,655	25	4,181	-	-	7,328	-	1,141,367
Small operational equipment	891,639	-	-	-	-	-	10,735	28,573	-	-	-	-	-	-	930,947
Amortization of tangible capital assets	1,144,542	-	-	-	-	-	-	-	-	-	-	-	-	-	1,144,542
	33,563,813	408,864	201,072	13,878	61,031	-	345,979	2,322,100	56,950	599,862	300,000	-	132,629	9,196	38,015,374
Annual surplus (deficit)	(621,713)	-	-	-	-	22,442	-	-	-	-	-	-	-	-	739,157
Capital expenditures	374,551	-	-	-	-	22,442	-	-	-	-	-	-	-	-	739,157
Annual surplus (deficit) net of capital expenditures	\$ (996,264)	-	-	-	-	-	-	-	-	-	-	-	-	-	(996,264)

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, 2023

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## 10. Budget information:

The Budget adopted by the Board of Directors on November 10, 2022, was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget did not include amortization of tangible capital assets. As a result, the budget figures presented in the statement of operations and accumulated surplus represent the Budget adopted by the Board of Directors on November 10, 2022 including subsequent budget amendments, with adjustments as follows:

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Budget surplus for the year	\$	–
Less: amortization		1,067,859
<b>Budget deficit per the statement of operations and accumulated surplus</b>	<b>\$</b>	<b>1,067,859</b>

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## 11. 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.