

Financial Statements of

ALGOMA PUBLIC HEALTH

Year ended December 31, 2023

ALGOMA PUBLIC HEALTH

Index to Financial Statements

Year ended December 31, 2023

Independent Auditor's Report

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KPMG LLP

111 Elgin Street, Suite 200
Sault Ste. Marie, ON P6A 6L6
Canada
Telephone 705 949 5811
Fax 705 949 0911

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Algoma Public Health

Opinion

We have audited the accompanying financial statements of Algoma Public Health (the "Board"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended December 31, 2023
- the statement of change in net debt for the year then ended December 31, 2023
- the statement of cash flows for the year then ended December 31, 2023
- 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 Board as at December 31, 2023, and its results of operations, its changes in net debt 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 Board 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



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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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board'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 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw



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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 Board 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'.

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
April 24, 2024

ALGOMA PUBLIC HEALTH

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Financial assets		
Cash	\$ 4,663,966	\$ 6,759,408
Accounts receivable	2,089,635	1,550,507
Receivable from participating municipalities	6,482	6,482
	<u>6,760,083</u>	<u>8,316,397</u>
Financial liabilities		
Accounts payable and accrued liabilities	1,402,404	1,319,570
Payable to the Province of Ontario	3,426,716	4,628,303
Deferred revenue (note 5)	280,411	317,901
Employee future benefit obligations (note 6)	2,835,275	2,849,656
Term loans (note 10)	3,308,095	3,702,106
	<u>11,252,901</u>	<u>12,817,536</u>
Net debt	(4,492,818)	(4,501,139)
Non-financial assets		
Tangible capital assets (note 7)	16,913,434	17,414,555
Prepaid expenses	128,517	-
	<u>17,041,951</u>	<u>17,414,555</u>
Contingencies (note 11)		
Commitments (note 13)		
Accumulated surplus (note 8)	<u>\$ 12,549,133</u>	<u>\$ 12,913,416</u>

See accompanying notes to financial statements.

ALGOMA PUBLIC HEALTH

Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 15)	2023	2022
Revenue:			
Municipal levy - public health	\$ 4,189,216	\$ 4,189,217	\$ 4,189,216
Provincial grants:			
Public health	13,099,089	14,288,528	13,993,704
Community health	1,230,164	1,231,013	1,859,641
Fees, other grants and recovery of expenditures	666,831	830,583	644,048
	19,185,300	20,539,341	20,686,609
Expenses (note 14):			
Public Health Programs (Schedule 1)	17,283,268	18,674,092	18,821,476
Community Health Programs (Schedule 2)			
Healthy Babies and Children	1,068,011	1,066,956	1,033,300
Nurse Practitioner	162,153	164,058	165,512
Stay on Your Feet	100,000	117,180	69,637
Infant Development	-	-	314,605
Brighter Futures for Children	114,447	120,403	101,914
Preschool Speech and Languages Initiative	-	-	9,476
PSL Communication Development	-	-	190,661
Community Mental Health	-	-	115,143
CMH/ASH Supportive Housing	-	-	23,496
CMH 1150 Units	-	-	21,768
Employee future benefits	-	(14,381)	20,117
Interest on long-term debt	63,410	63,410	70,435
Amortization of tangible capital assets	711,906	711,906	679,462
	19,503,195	20,903,624	21,637,002
Operating deficit	(317,895)	(364,283)	(950,393)
Accumulated surplus, beginning of year	12,913,416	12,913,416	13,863,809
Accumulated surplus, end of year	\$ 12,595,521	\$ 12,549,133	\$ 12,913,416

See accompanying notes to financial statements.

ALGOMA PUBLIC HEALTH

Statement of Change in Net Debt

Year ended December 31, 2023, with comparative information for 2022

	2023		
	Budget	2023	2022
	(note 15)		
Operating deficit	\$ (317,895)	\$ (364,283)	\$ (950,393)
Additions to tangible capital assets	-	(210,785)	(136,791)
Prepaid expenses	-	(128,517)	-
Amortization of tangible capital assets	711,906	711,906	679,462
	394,011	8,321	(407,722)
Net debt, beginning of year	(4,501,139)	(4,501,139)	(4,093,417)
Net debt, end of year	\$ (4,107,128)	\$ (4,492,818)	\$ (4,501,139)

See accompanying notes to financial statements.

ALGOMA PUBLIC HEALTH

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Operating deficit	\$ (364,283)	\$ (950,393)
Items not involving cash:		
Amortization of tangible capital assets	711,906	679,462
Employee future benefit obligations	(14,381)	20,117
	333,242	(250,814)
Change in non-cash working capital:		
Increase in accounts receivable	(539,128)	(927,136)
Decrease in receivable from participating municipalities	-	28,999
Increase (decrease) in accounts payable and accrued liabilities	82,834	(517,770)
(Decrease) increase in payable to the Province of Ontario	(1,201,587)	3,213,475
Decrease in deferred revenue	(37,490)	(232,165)
Increase in prepaid expenses	(128,517)	-
	(1,490,646)	1,314,589
Financing activities:		
Repayment of principal on term loans	(394,011)	(386,985)
	(394,011)	(386,985)
Capital activities:		
Additions to tangible capital assets	(210,785)	(136,791)
(Decrease) increase in cash	(2,095,442)	790,813
Cash, beginning of year	6,759,408	5,968,595
Cash, end of year	\$ 4,663,966	\$ 6,759,408

See accompanying notes to financial statements.

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

The Board of Health for the District of Algoma operating as Algoma Public Health (the "Board") is governed by a public health board as mandated by the Health Protection and Promotion Act for the purpose of promoting and protecting public health.

1. Significant accounting policies:

The financial statements are prepared in accordance with the Canadian generally accepted accounting principles for government organizations as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenue as they are earned and measurable. 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) Revenue recognition:

The operations of the Board are funded by the Province of Ontario, levies to participating municipalities and user fees. Funding amounts not received at year end are recorded as receivable. Funding amounts in excess of actual expenditures incurred during the year are repayable and are reflected as liabilities.

Certain programs of the Board operate on a March 31 fiscal year. Revenues received in excess of expenditures incurred at December 31 are deferred on the statement of financial position until related expenditures are incurred or upon final settlement.

(c) Prior years' funding adjustments:

The Ministry of Health (the "Ministry") undertakes financial reviews of the Board's operations from time to time, based on the Board's submissions of annual settlement forms. Adjustments to the financial statements, if any, a result of these reviews are accounted for in the period when notification is received from the Ministry.

(d) 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.

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(e) Tangible capital assets:

Tangible capital assets are recorded at cost which includes 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 the following number of years:

Asset	Years
Building	40
Leasehold improvements	10
Furniture and equipment	10
Vehicle	4
Computer equipment	3

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(f) Employee future benefit obligations:

The Board sponsors a defined benefit life and health care plan for all employees who retire from active service with an unreduced OMERS pension. The Board accrues its obligations under the defined benefit plan as the employees render the services necessary to earn these retirement benefits. The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and incorporates management's best estimates with respect to mortality and termination rates, retirement age and expected inflation rate with respect to employee benefit costs.

Actuarial gains (losses) on the accrued benefit obligation arise from the differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation.

(g) Use of estimates:

The preparation of financial statements 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 expenses during the reporting periods. Significant items subject to estimates and assumptions include the carrying amount of tangible capital assets, valuation allowances for accounts receivables, obligations related to employee future benefits and estimation of liabilities for asset retirement obligations. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(h) Financial instruments:

Financial instruments are classified into three categories: fair value, amortized cost or cost.

Fair value

The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

Amortized cost

Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

Cost

Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

The following chart shows the measurement method for each type of financial instrument:

Financial instrument	Measurement method
Cash	Amortized cost
Accounts receivable	Amortized cost
Receivable from participating municipalities	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Payable to the Province of Ontario	Amortized cost
Term loans	Amortized cost

Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(i) Asset retirement obligations:

The Board recognizes the fair value of an Asset Retirement Obligation (“ARO”) when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- 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 Board to complete remediation efforts.

2. Change in accounting policy – adoption of new accounting standards:

The Board adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments.

PS1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

2. Change in accounting policy – adoption of new accounting standards (continued):

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date.

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- 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 from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 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 (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

The impact of the adoption of the new standards did not have a material effect on the financial statement.

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Notes to Financial Statements

Year ended December 31, 2023

3. Participating municipalities:

The participating municipalities are as follows:

- City of Sault Ste. Marie
- City of Elliot Lake
- Town of Blind River
- Town of Bruce Mines
- Town of Thessalon
- Town of Spanish
- Municipality of Wawa
- Municipality of Huron Shores
- Village of Hilton Beach
- Township of Dubreuilville
- Township of Hilton
- Township of Jocelyn
- Township of Johnson
- Township of Laird
- Township of Macdonald, Meredith & Aberdeen Additional
- Township of North Shore
- Township of Plummer and Plummer Additional
- Township of Prince
- Township of St. Joseph
- Township of Tarbutt & Tarbutt Additional
- Township of White River
- Certain unincorporated areas in the District of Algoma

4. Credit facility:

The Board has an authorized line of credit available in the amount of \$500,000. The credit facility bears interest at prime + 0.75% and is unsecured. At December 31, 2023, \$Nil (2022 - \$Nil) was outstanding under the facility.

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

5. Deferred revenue:

The Board operates several additional programs funded by the Ministry. Excess funding received for these programs or programs funded for a program year which differs from the Health Unit's fiscal year is deferred in the accounts until the related costs and final settlements are determined.

A summary of the year's activity relating to those programs is as follows:

	2023	2022
Deferred revenue, beginning of year	\$ 317,901	\$ 550,066
Additional funding deferred during the year	9,278	45,815
Funding recognized as revenue in the year	(46,768)	(277,980)
Deferred revenue, end of year	\$ 280,411	\$ 317,901

6. Employee future benefits:

(a) Pension agreements:

The Board makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of 179 (2022 - 165) members of its staff. The plan is a multi-employer, defined-benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The multi-employer plan is valued on a current market basis for all plan assets.

The Board's contributions to OMERS equal those made by the employees. The amount contributed was \$1,263,039 (2022 - \$1,106,491) for current service and is included as an expense on the Statement of Operations and Accumulated Surplus. No pension liability for this type of plan is included in the Board's financial statements.

(b) Employee future benefit obligations:

Employee future benefit obligations are future liabilities of the Board to its employees and retirees for benefits earned but not taken as at December 31, 2023. The liabilities will be recovered from future revenues and consist of the following:

	2023	2022
Post-retirement benefits (i)	\$ 1,123,702	\$ 1,145,969
Non-vested sick leave (ii)	600,237	544,936
Accrued vacation pay (iii)	1,111,336	1,158,751
	\$ 2,835,275	\$ 2,849,656

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

6. Employee future benefits (continued):

(b) Employee future benefit obligations (continued):

(i) Post-retirement benefits:

The post-retirement benefit liability is based on an actuarial valuation performed by the Board's actuaries. The date of the most recent actuarial valuation of the post-retirement benefit plan is December 31, 2023. The significant actuarial assumptions adopted in estimating the Board's liability are as follows:

- Discount Rate 4.70%
- Health Care Trend Rate 4.0% to 6.5%

Information about the Board's future obligations with respect to these costs is as follows:

	2023	2022
Accrued benefit obligations, beginning of year	\$ 1,145,969	\$ 1,122,131
Current service cost	33,941	50,146
Interest cost	35,188	25,534
Benefits paid	(53,246)	(30,342)
Amortization of actuarial gains	(38,150)	(21,500)
Accrued benefit obligations, end of year	\$ 1,123,702	\$ 1,145,969

(ii) Non-vested sick leave:

Accumulated sick leave credits refers to the balance of unused sick leave credits which accrue to employees each month. Unused sick days are banked and may be used in the future if sick leave is beyond their yearly entitlement. No cash payments are made for unused sick time upon leaving the Board's employment.

(iii) Accrued vacation pay:

Accrued vacation pay represents the liability for vacation entitlements earned by employees but not taken as at December 31.

ALGOMA PUBLIC HEALTH

Notes to Consolidated Financial Statements

Year ended December 31, 2023

7. Tangible capital assets:

Cost	Balance at December 31, 2022	Additions	Transfers and disposals	Balance at December 31, 2023
Building	\$ 23,012,267	60,207	-	\$ 23,072,474
Leasehold improvements	1,583,164	-	-	1,583,164
Furniture and equipment	2,113,825	63,343	(31,304)	2,145,864
Vehicle	40,113	-	-	40,113
Computer equipment	3,284,893	87,235	-	3,372,128
Total	\$ 30,034,262	210,785	(31,304)	\$ 30,213,743

Accumulated Amortization	Balance at December 31, 2022	Disposals	Amortization expense	Balance at December 31, 2023
Building	\$ 6,206,384	-	549,472	\$ 6,755,856
Leasehold improvements	1,109,313	-	106,975	1,216,288
Furniture and equipment	2,010,880	(31,304)	27,221	2,006,797
Vehicle	40,113	-	-	40,113
Computer equipment	3,253,017	-	28,238	3,281,255
Total	\$ 12,619,707	(31,304)	711,906	\$ 13,300,309

	Net book value, December 31, 2022	Net book value, December 31, 2023
Building	\$ 16,805,883	\$ 16,316,618
Leasehold improvements	473,851	366,876
Furniture and equipment	102,945	139,067
Vehicle	-	-
Computer equipment	31,876	90,873
Total	\$ 17,414,555	\$ 16,913,434

ALGOMA PUBLIC HEALTH

Notes to Consolidated Financial Statements

Year ended December 31, 2023

7. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Transfers and disposals	Balance at December 31, 2022
Building	\$ 22,934,750	77,517	-	\$ 23,012,267
Leasehold improvements	1,583,164	-	-	1,583,164
Furniture and equipment	2,087,337	26,488	-	2,113,825
Vehicle	40,113	-	-	40,113
Computer equipment	3,252,107	32,786	-	3,284,893
Total	\$ 29,897,471	136,791	-	\$ 30,034,262

Accumulated Amortization	Balance at December 31, 2021	Disposals	Amortization expense	Balance at December 31, 2022
Building	\$ 5,659,533	-	546,851	\$ 6,206,384
Leasehold improvements	1,002,338	-	106,975	1,109,313
Furniture and equipment	1,987,501	-	23,379	2,010,880
Vehicle	40,113	-	-	40,113
Computer equipment	3,250,760	-	2,257	3,253,017
Total	\$ 11,940,245	-	679,462	\$ 12,619,707

	Net book value, December 31, 2021	Net book value, December 31, 2022
Building	\$ 17,275,217	\$ 16,805,883
Leasehold improvements	580,826	473,851
Furniture and equipment	99,836	102,945
Vehicle	-	-
Computer equipment	1,347	31,876
Total	\$ 17,957,226	\$ 17,414,555

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

8. Accumulated surplus:

Accumulated surplus is comprised of:

	2023	2022
Invested in tangible capital assets	\$ 16,913,434	\$ 17,414,555
Reserve fund (note 8)	2,064,546	2,005,166
Operating	(285,477)	45,457
Unfunded:		
Employee future benefits	(2,835,275)	(2,849,656)
Term loans	(3,308,095)	(3,702,106)
	<u>\$ 12,549,133</u>	<u>\$ 12,913,416</u>

9. Reserve fund:

The Board has set aside a reserve fund for specific purposes to be approved by the Board.

	2023	2022
Balance, beginning of year	\$ 2,005,166	\$ 1,405,894
Additions to reserve fund	–	587,849
Investment income	59,380	11,423
Balance, end of year	<u>\$ 2,064,546</u>	<u>\$ 2,005,166</u>

The reserve fund has been placed in a premium investment account and is included in cash on the statement of financial position. Interest is earned on daily balances and paid monthly at tiered annual rates from 2.5% to 3.5%.

10. Term loans:

	2023	2022
Term loan #1	\$ 3,114,793	\$ 3,485,781
Term loan #2	193,302	216,325
	<u>\$ 3,308,095</u>	<u>\$ 3,702,106</u>

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

10. Term loans (continued):

Principal payment due on the term loans is as follows:

Year	Annual payments
2024	\$ 399,867
2025	407,735
2026	415,757
2027	423,937
2028	432,278
Thereafter	1,228,521

Term loan #1 is a non-revolving loan bearing interest of 1.80%. The loan is repayable in blended monthly interest and principal payments of \$36,164 and matures on September 1, 2031. Security is in the form of an assignment of fire insurance and a borrowing resolution.

Term loan #2 bears interest of 1.80%. The loan is repayable in monthly interest and principal payments of \$2,244. The loan is due on September 1, 2031. Security is in the form of an assignment of fire insurance and a borrowing resolution.

Interest paid in the year was \$63,410 (2022 - \$70,435).

11. Contingencies:

The Board is periodically subject to legal claims or employee grievances. In the opinion of management, the ultimate resolution of any current claims or grievances would not have a material effect on the financial position (or results of operations) of the Board and any claims would not exceed the current insurance coverage. Accordingly, no provisions for losses has been reflected in the accounts of the Board for these amounts. Settlements, if any, resulting in a cost to the Board will be accounted for in the period the amounts can be determined.

12. Segmented information:

The Board provides a wide range of services to citizens of the District of Algoma. For management reporting purposes, the Board's operations and activities are organized and reported by programs. Programs were created for the purposes of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Public health services are provided by programs and their activities are reported in these funds. Certain programs have been separately disclosed in Schedule 2 – Expenditures – Community Health Programs.

ALGOMA PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

13. Commitments:

The Board is committed to minimum annual lease payments under various operating leases as follows:

Year	Annual payments
2024	\$ 196,104
2025	165,411
2026	115,022
2027	73,370
2028	6,114

The annual lease payments are exclusive of maintenance and other operating costs.

14. Expenses by object:

	2023	2022
Salaries and benefits	\$ 15,644,049	\$ 16,003,426
Materials and supplies	4,484,259	4,883,144
Amortization	711,906	679,462
Interest on long-term debt	63,410	70,435
	\$ 20,903,624	\$ 21,636,467

15. Budget:

The budget approved by the board was not prepared on a basis consistent with that used to report the actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures excluded amortization expense and included debt principal payments. As a result, the budget figures presented in the statements of operations and accumulated surplus and change in net debt represent the budget adopted by the board with adjustments as follows:

	2023
Adopted budget for the year	\$ -
Adjustments to adopted budget:	
Debt principal repayments	394,011
Amortization of tangible capital assets	(711,906)
Budget deficit per statement of operations and accumulated surplus	\$ (317,895)

16. Comparative information:

Certain comparative information has been reclassified to comply with the financial statement presentation adopted in the current year.

ALGOMA PUBLIC HEALTH

Statement of Revenue and Expenses – Public Health Programs

Schedule 1

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget	2023 Total	2022 Total
Revenue (Schedule 3)			
Provincial grant	\$ 13,099,089	\$ 14,288,528	\$ 13,993,704
Levies	4,189,216	4,189,217	4,189,216
Recoveries	452,384	593,000	459,112
	<u>17,740,689</u>	<u>19,070,745</u>	<u>18,642,032</u>
Expenses:			
Salaries and wages	10,699,094	11,439,383	11,324,888
Benefits	2,512,000	2,864,975	2,918,951
Accounting and audit	30,000	27,267	29,510
Equipment	925,892	867,490	932,484
Insurance	200,000	196,717	196,924
Occupancy and renovations	923,997	950,473	1,247,522
Office supplies	52,400	26,437	29,626
Professional development	125,424	94,029	122,219
Program promotion	34,500	23,470	56,966
Program supplies	400,027	424,629	484,927
Program administration (recovery)	53,000	44,785	30,378
Purchase professional services	903,136	1,240,780	982,008
Telephone and telecommunications	264,998	296,021	326,935
Travel	158,800	177,636	138,138
	<u>17,283,268</u>	<u>18,674,092</u>	<u>18,821,476</u>
Excess (deficiency) of revenue over expenses before the t	457,421	396,653	(179,444)
Interest on long-term debt	63,410	63,410	70,435
Amortization	711,906	711,906	679,462
Deficiency of revenue over expenses	\$ (317,895)	\$ (378,663)	\$ (929,341)

ALGOMA PUBLIC HEALTH

Schedule 2

Expenditures - Community Health Programs

Year ended December 31, 2023, with comparative information for 2022

	Healthy Babies and Children	Nurse Practitioner	Stay on Your Feet	Brighter Futures for Children	2023 Total	2022 Total
Salaries and employee benefits:						
Salaries	\$ 798,514	113,027	84,217	68,897	\$ 1,064,655	\$ 1,412,867
Employee benefits	215,117	25,431	17,056	17,432	275,036	294,465
	1,013,631	138,458	101,273	86,329	1,339,691	1,707,332
Supplies and services:						
Equipment	900	-	-	-	900	5,050
Occupancy and renovations	-	8,400	-	3,600	12,000	153,771
Office supplies	-	3,720	-	-	3,720	5,700
Insurance	-	1,200	-	-	1,200	1,200
Audit fees	3,053	1,480	-	-	4,533	9,819
Professional development	6,655	-	375	-	7,030	2,696
Program administration	-	-	-	-	-	6,750
Program supplies	2,864	-	15,220	29,821	47,905	52,855
Purchased professional services	3,000	6,000	-	-	9,000	68,669
Telephone and telecommunications	12,050	4,800	-	-	16,850	21,522
Travel	24,803	-	312	653	25,768	10,148
	53,325	25,600	15,907	34,074	128,906	338,180
Total expenditures	\$ 1,066,956	164,058	117,180	120,403	\$ 1,468,597	\$ 2,045,512

ALGOMA PUBLIC HEALTH

Summary of Public Health Programs for Settlement to the Province of Ontario

Schedule 3

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Public Health Funding	\$ 8,861,200	\$ 8,773,422
Levies	4,189,217	4,189,216
Sr. Dental	1,852,850	1,208,295
One Time Funding Mass Immunization	288,300	1,152,521
One Time Funding Mitigation	1,037,800	1,037,800
One Time Funding COVID-19 School Nurses	292,258	610,641
Unorganized	530,400	530,400
One Time Funding Infection Prevention and Control Hub	584,831	444,775
One Time Funding Temporary Nurse Retention Strategy	-	342,299
One Time Funding COVID-19 General Program	385,500	254,952
Land Control	196,325	245,845
Northern Ontario Fruits and Vegetables	117,400	117,400
Recoveries from Programs	165,379	114,128
Interest	231,296	99,141
Unorganized - Indigenous Communities	98,000	98,000
MOH and AMOH Compensation	125,988	94,385
One Time Funding Fire System Upgrade	23,526	64,374
One Time Funding PHI Practicum Student	42,559	19,950
One Time Funding Needle Exchange Program	36,181	15,475
One Time Funding Smoke Free Ontario Tablets	636	11,164
One Time Funding Vaccine Fridges	11,100	7,400
	19,070,746	19,431,583
Expenditures: (including capital items):		
Public Health Mandatory Programs	14,339,666	12,120,141
Public Health Mandatory Programs - COVID-19 Managed Costs	22,768	1,749,999
100% Provincial Funded Sr. Dental	1,852,850	1,208,295
One Time Funding Mass Immunization	288,300	1,152,521
One Time Funding COVID-19 School Nurses	292,258	610,641
100% Provincial Funded Unorganized	530,400	530,400
One Time Funding Infection Prevention and Control Hub	584,831	444,775
One Time Funding Temporary Nurse Retention Strategy	-	342,299
One Time Funding COVID-19 General Program	385,500	254,952
Land Control	196,325	186,536
100% Funded Northern Ontario Fruits and Vegetables	117,400	117,400
100% Funded Indigenous Communities	98,000	98,000
100% Funded MOH and AMOH Compensation	125,988	94,385
One Time Funding Fire System Upgrade	23,526	64,374
One Time Funding PHI Practicum Student	42,559	19,950
One Time Funding Needle Exchange Program	36,181	15,475
One Time Funding Smoke Free Ontario Tablets	636	11,164
One Time Funding Vaccine Fridges	11,100	7,400
	18,948,288	19,028,707
Excess of revenues over expenditures, before undernoted	122,457	402,876
Prior year funding adjustment	-	(789,550)
Excess (deficiency) of revenues over expenditures	\$ 122,457	\$ (386,674)