BOARD OF HEALTH MEETING

Wednesday, May 3, 2023

9:30 a.m. – 11:30 a.m.

In-Person

To ensure a quorum we ask that you please
RSVP (Regrets Only) to
clovell@hpeph.ca or 613-966-5500, Ext 231

Hastings Prince Edward Public Health

2019 - 2023 Strategic Plan

Our Vision

Healthy Communities, Healthy People.

Our Mission

Together with our communities, we help people become as healthy as they can be.

Our Values Show We CARE

Collaboration

Advocacy

Respect

Excellence

Our Strategic Priorities

Community Engagement

Staff Engagement and Culture

Population Health Assessment and Surveillance

Program Standards

Health Promotion

BOARD OF HEALTH MEETING AGENDA

Wednesday, May 3, 2023

9:30 to 11:30 a.m.

In-Person Meeting

1. **CALL TO ORDER**

2. **LAND ACKNOWLEDGMENT** (Board Chair to speak full version)

   Hastings Prince Edward Public Health is situated and provides services on the traditional territory of the Anishinaabe, Huron-Wendat and Haudenosaunee people.

3. **DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**

4. **APPROVAL OF THE AGENDA**

5. **APPROVAL OF THE MINUTES OF THE PREVIOUS BOARD MEETING**
   - 5.1 Meeting Minutes of Wednesday, March 1, 2023 — Schedule 5.1

6. **BUSINESS ARISING FROM THE MINUTES**

7. **DEPUTATIONS -** None

8. **COMMITTEE REPORTS**
   - 8.1 Finance Committee Report
     - 8.1.1 2023 First Quarter Revenues & Expenses — Schedule 8.1.1
     - 8.1.2 Summary of Annual Service Plan Submission — Schedule 8.1.2
     - 8.1.3 Review Audit Findings Report — Schedule 8.1.3
     - 8.1.4 Review of Draft Audited Financial Statements — Schedule 8.1.4

9. **REPORT OF THE MEDICAL OFFICER OF HEALTH**

10. **STAFF REPORTS**
    - 10.1 Opioid Monitoring Dashboard (Presentation) — Schedule 10.1
    - 10.2 Ontario Seniors Dental Care Program (Presentation) — Schedule 10.2

11. **CORRESPONDENCE AND COMMUNICATIONS**

12. **NEW BUSINESS**

13. **INFORMATION ITEMS** (Available for viewing online at hpePublicHealth.ca) — Schedule 13.0

14. **DATE OF NEXT MEETING –** Wednesday, June 7, 2023 at 9:30 a.m.

15. **ADJOURNMENT**

HASTINGS PRINCE EDWARD
Public Health

BOARD OF HEALTH MEETING MINUTES

Wednesday, March 1, 2023
Hastings Prince Edward Public Health (HPEPH)

Present: Ms. Jan O'Neill, Mayor, Municipality of Marmora & Lake, County of Hastings, Chair
Ms. Kimberly Carson, Mayor, Limerick Township, Hastings County
Dr. Craig Ervine, Provincial Representative
Mr. John Hirsch, Councillor, Prince Edward County
Mr. Michael Kotsovos, Councillor, City of Quinte West, Vice Chair
Ms. Kate MacNaughton, Councillor, Prince Edward County
Mr. Garnet Thompson, Councillor, City of Belleville

Regrets: Mr. David McCue, Councillor, City of Quinte West
Dr. Jeffrey Allin, Provincial Representative
Mr. Sean Kelly, Councillor, City of Belleville

Also Present: Dr. Ethan Toumishey, Medical Officer of Health and CEO
Mr. David Johnston, Director of Corporate Services
Ms. Nancy McGeachy, Director of Clinical Programs
Ms. Shelly Brown, Director of Community Programs
Ms. Catherine Lovell, Executive Assistant

1. CALL TO ORDER

Chair O'Neill called the meeting to order at 9:33 a.m.

Introductions were made around the table.

2. LAND ACKNOWLEDGMENT - Spoken by Chair O'Neill

3. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

There was no disclosure of pecuniary interest.

4. APPROVAL OF THE AGENDA

THAT the agenda for the Board of Health (Board) meeting on Wednesday, March 1, 2023 be approved as circulated.

MOTION:
Moved by: Kim
Seconded by: Craig
CARRIED

5. CLOSED SESSION

THAT the Board convene in closed session for the purpose of a discussion as it relates to Section 239 (2) of the Municipal Act, and more specifically,

(b) personal matters about an identifiable individual, including municipal or local board employees;

(d) labour relations or employee negotiations; and

(e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.

MOTION:
Moved by: Garnet
Seconded by: Craig
CARRIED

6. MOTIONS ARISING FROM CLOSED SESSION

THAT the Board endorse the actions approved in the Closed Session and direct staff to take appropriate action.

MOTION:
Moved by: Garnet
Seconded by: John
CARRIED

7. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING - February 1, 2023

THAT the minutes of the regular meeting of the Board held on February 1, 2023 be approved as circulated.

MOTION:
Moved by: Garnet
Seconded by: Craig
CARRIED

8. BUSINESS ARISING FROM MINUTES - None

9. DEPUTATIONS – None

10. COMMITTEE REPORTS - Finance Committee - **Garnet Thompson**

10.1.1 2022 Fourth Quarter Revenues and Expenses
10.1.2 Status of GIC Investments

THAT the Board receive the fourth quarter revenues and expenses report and the investment update report as circulated.

MOTION
Moved by: Garnet
Seconded by: Kim
CARRIED

11. REPORT OF THE MEDICAL OFFICER OF HEALTH - **Dr. Toumishey**

THAT the report of the Medical Officer of Health be received as presented. 10:10 a.m.

MOTION
Moved by: Kim
Seconded by: Michael
CARRIED

- Dr. Toumishey noted that respiratory illnesses continue to be active in our region and we are seeing a persistent level of risk as the illnesses continue to circulate. It is imperative the public continue to take steps to minimize the risk of spreading these diseases, such as getting vaccines, staying home when sick and masking.
- An update on school immunizations: originally approximately 7,500 letters were sent to parents of children whose vaccinations were not up to date. In the next round of letters being sent (in March), we are sending just over 5,000 letters for children who are still outstanding on their immunizations. The Health Unit will be holding extra immunization clinics during the March Break to help parents get their children vaccinated. It was noted by a member that it may take more time to catch up as we do not have an abundance of family physicians available in the area and their may be gaps in updating records due to the retirement of physicians, but the Health Unit is here to help with that.
- A reminder to the public on private water supplies such as a well, to start thinking about having their water tested, especially as the temperatures get warmer or if opening up a cottage that is on a well.
- Norovirus is on the rise as it commonly occurs in winter with the common symptoms of diarrhea and vomiting. To reduce risk clean hands often, just alcohol sanitizer will not kill the norovirus, soap and water must be used. People infected with norovirus are contagious once they feel ill and for up to three days after symptoms have stopped.
- Discussion followed Dr. Toumishey's update.

12. STAFF REPORTS

THAT the Board approve receipt of all staff reports as presented.

MOTION
Moved by: Kate
Seconded by: Kim
CARRIED

12.1 2022 AODA Annual Report
12.2.0 2022 Occupational Health and Safety Report
12.3 2022 Privacy Report
12.4 2022 Enforcement Report
12.5 Healthy Families Update

THAT the Board of Health endorse and approve the updated Health & Safety and Workplace Violence & Harassment Policy Statements as circulated.

MOTION
Moved by: John
Seconded by: Kim
CARRIED

13. CORRESPONDENCE AND COMMUNICATIONS - None

14. NEW BUSINESS

15. INFORMATION ITEMS

THAT the Board of Health receive the information items as circulated.

MOTION
Moved by: Kim
Seconded by: Garnet
CARRIED

Chair O'Neill drew the Board's attention to the information items listed within the agenda and found on the Public Health website.

16. DATE OF NEXT MEETING – Wednesday, May 3, 2023

17. ADJOURNMENT

THAT this meeting of the Board be adjourned at 10:45 a.m.

MOTION:
Moved by: Kim
Seconded by: Craig
CARRIED

_____
Jan O'Neill, Board of Health Chair

Schedule 8.1.1

Board of Health Briefing Note

To:	Hastings Prince Edward Board of Health
Prepared by:	David Johnston, Director of Corporate Services
Approved by:	Dr. Ethan Toumishey, Medical Officer of Health and CEO
Date:	Wednesday, May 3, 2023
Subject:	**First Quarter Summary of Revenues and Expenses**
Nature of Board Engagement	☒ **For Information** ☐ Strategic Discussion ☒ **Board approval and motion required** ☐ Compliance with Accountability Framework ☐ Compliance with Program Standards
Action Required:	Review and approve receipt of first quarter revenues and expenses report for 2023.
Comments:	The following notes are provided to assist in the review of the attached Summary of Revenues & Expenses for the period of January – March 2023. • Within the Accountability Agreement reporting, we have separated costs to provide information related to ongoing Mandatory Programs and the Ontario Seniors Dental Care Program. • Overall, as of March 31 there have been no significant events impacting budget plans. • Healthy Babies Healthy Children (Ministry of Children, Community, Social Services - MCCSS) and Federal Grants balance to zero as this represents an April – March fiscal year, all funds have been spent. A new funding year began April 1. • The Ontario Seniors Dental Care Program has a small balance left as of March 31. We continue to receive dental invoices from service providers in April for the first quarter which will utilize the balance. Demand for service continues to be extremely high.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Summary of Revenues & Expenses for the period January 1 - March 31, 2023

Schedule 8.1.1

For Board of Health Review May 3, 2023

	Ministry of Health Accountability Agreement			Other Grants and Contracts			Totals and Budget Analysis			
	Mandatory Programs	100% Seniors Dental Program	TOTAL Ministry of Health Programs	Ministry of Health Annual and one time Grants	MCCSS HBHC (April-March)	Federal Grants (April-March)	YEAR TO DATE TOTAL	ANNUAL BUDGET	YTD Budget Variance	YTD Actuals as % of budget (3/12 = 25%)
REVENUES										
Ministry of Health Mandatory and 100% Programs	2,324,191	295,047	2,619,238				**2,619,238**	**10,743,452**	8,124,214	24%
Ministry of Health Annual and one time grants			0	233,447			**233,447**	**790,000**	556,553	30%
Ministry of Health Mitigation Funding			0				**0**	**1,120,000**	1,120,000	0%
Municipal Levies	912,108		912,108				**912,108**	**3,630,108**	2,718,000	25%
Ministry of Children, Community & Social Services			0		262,995		**262,995**	**1,160,543**	897,548	23%
Federal Grants			0			11,516	**11,516**	**39,000**	27,484	30%
Expenditure Recoveries	32,852	2,245	35,097				**35,097**	**122,700**	87,603	29%
Transfer from Reserves			0				**0**	**0**	0	
Total Revenues	**3,269,151**	**297,292**	**3,566,443**	**233,447**	**262,995**	**11,516**	**4,074,401**	**17,605,803**	**13,531,402**	23%
EXPENSES										
Salaries and Wages	1,922,376	56,356	1,978,732	155,135	189,465	8,528	**2,331,861**	**10,628,983**	8,297,122	22%
Staff Benefits	646,081	18,946	665,027	52,155	40,488	2,609	**760,279**	**3,006,560**	2,246,281	25%
Staff Training	23,294	264	23,557		1,059		**24,617**	**200,400**	175,783	12%
Travel Expenses	25,486	62	25,548		5,599		**31,146**	**171,000**	139,854	18%
Building Occupancy	282,206	8,950	291,156		11,250		**302,406**	**1,052,000**	749,594	29%
Office Expenses, Printing, Postage	18,339		18,339		523		**18,861**	**65,000**	46,139	29%
Materials, Supplies	41,708	15,877	57,585		6,262	378	**64,226**	**420,860**	356,634	15%
Professional & Purchased Services	159,883	180,658	340,542				**340,542**	**1,092,000**	751,458	31%
Communications Costs	25,765	1,175	26,940		2,750		**29,690**	**129,000**	99,310	23%
Information Technology	275,342	9,168	284,510		5,600		**290,110**	**550,000**	259,890	53%
Capital Expenditures	0		0				**0**	**30,000**	30,000	0%
Transfer to Capital/Operating Reserves	65,000		65,000				**65,000**	**260,000**	195,000	25%
Total Expenses	**3,485,479**	**291,457**	**3,776,936**	**207,290**	**262,995**	**11,516**	**4,258,737**	**17,605,803**	**13,347,066**	24%
VARIANCE	**(216,328)**	**5,835**	**(210,493)**	**26,157**	**0**	**0**	**(184,336)**	**0**	**(184,336)**	

Schedule 8.1.2

Board of Health Briefing Note

To:	Hastings Prince Edward Board of Health
Prepared by:	David Johnston, Director of Corporate Services
Approved by:	Dr. Ethan Toumishey, Medical Officer of Health and CEO
Date:	Wednesday, May 3, 2023
Subject:	**Annual Service Plan for 2023**
Nature of Board Engagement	☒ **For Information** ☐ Strategic Discussion ☒ **Board approval and motion required** ☒ **Compliance with Accountability Framework** ☐ Compliance with Program Standards
Action Required:	Board approval and motion required. 1. THAT the Board of Health approves the Annual Service Plan as recommended by the Finance Committee.

Background:	The Annual Service Plan (ASP) document supports the Public Health accountability framework by describing the complete picture of programs and services being delivered by boards of health and within the context of the Standards. It helps demonstrate that board of health programs and services align with the priorities of their communities. The ASP also demonstrates accountability for planning and use of funding per program and service.
	
	The ASP provides the following content:
	• Community assessment, including local population health issues and priority populations.
	• Program plans, including summary details on community needs/priorities, key partners/stakeholders, programs/services that boards of health plan to deliver under each Standard, and public health interventions within each program.
	• Budget submission for each program.
	• One-time funding requests.
	• Board of health membership, apportionment of costs, and certification.
	
	Key Finance Committee Information:
	• Mandatory base funding requested, per approved budget.
	• Ontario Seniors Dental Care Program (OSDCP): additional base funds requested, per approved budget, to support significant program demand.
	• "One Time" funding requests include:
	  ○ A Purpose-Built Vaccine Refrigerator (due for replacement)
	  ○ Public Health Inspector Practicum Program funding
	  ○ OSDCP funding to catch-up on community back-log
	  ○ Funding to support Immunization of School Pupils Act (ISPA)
	  ○ Extraordinary costs for COVID-19 General Program
	  ○ Extraordinary costs for COVID-19 Vaccine Program
	Note: ASP was submitted to the Ministry on April 3, 2023

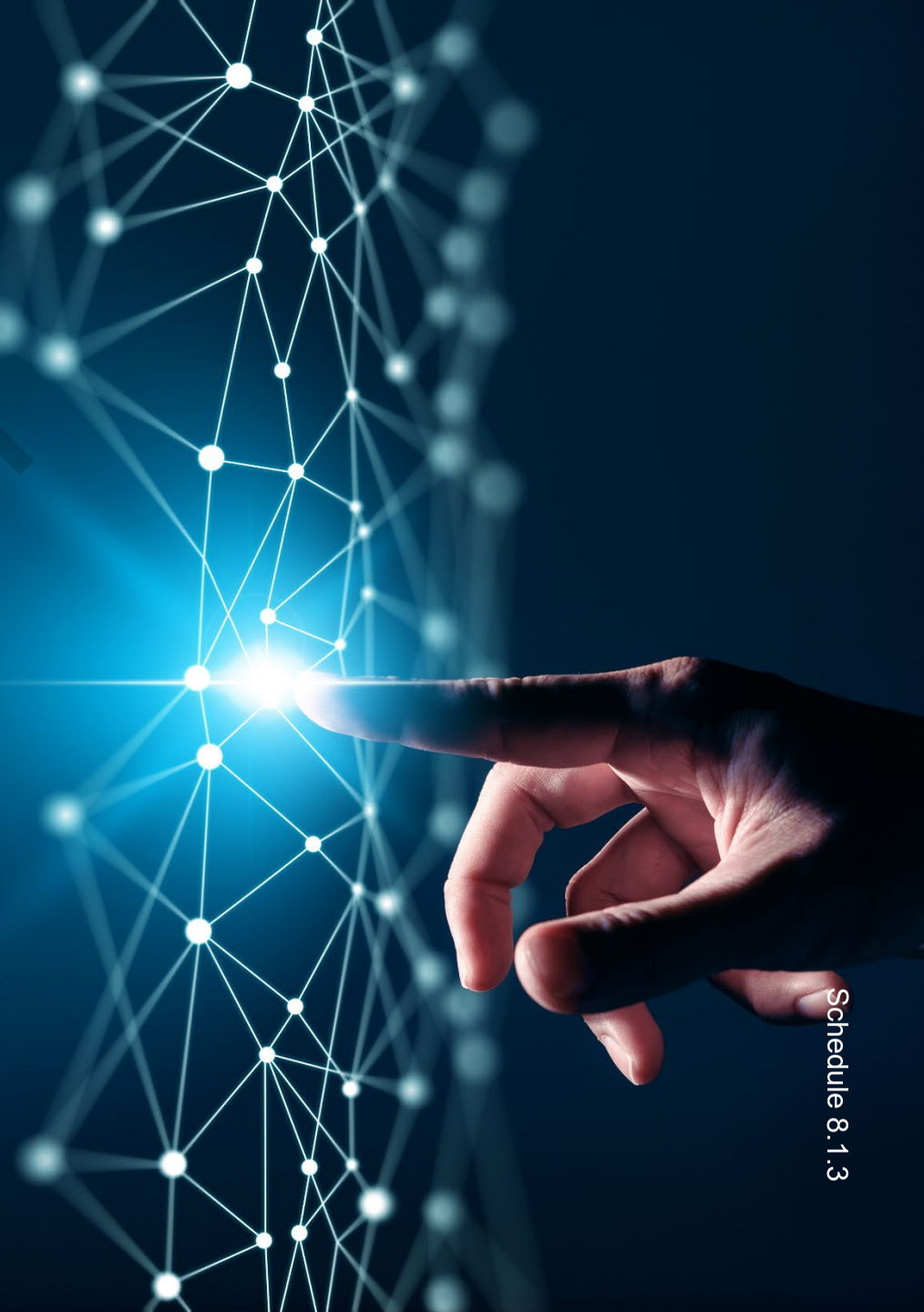
Hastings Prince Edward Public Health

Audit Findings Report for the year ended December 31, 2022

KPMG LLP

Prepared on March 28, 2023 for the Board of Health meeting on May 3, 2023

kpmg.ca/audit



Schedule 8.1.3

KPMG contacts

Key contacts in connection with this engagement

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Table of contents

The purpose of this report is to assist you, as a member of the Board of Health, in your review of the results of our audit of the financial statements as at and for the period ended December 31, 2022. This report is intended solely for the information and use of Management and the Board of Health and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Digital use information

This Audit Findings Report is also available as a "hyper-linked" PDF document.

If you are reading in electronic form (e.g. In "Adobe Reader" or "Board Books"), clicking on the home symbol on the top right corner will bring you back to this slide.

Click on any item in the table of contents to navigate to that section.

Audit highlights

Status of the audit

We have completed the audit of the financial statements ("financial statements") of Hastings Prince Edward Public Health (the "Organization") for the year ended December 31, 2022, with the exception of certain remaining outstanding procedures, which are highlighted on page 5 of this report.

Significant changes to our audit plan

There were no significant changes to our audit plan.

Audit risks and results – significant risks

No matters to report.

Audit risks and results – going concern assessment

No matters to report.

Uncorrected audit misstatements

We did not identify any misstatements that remain uncorrected.

Corrected audit misstatements

We did not identify any misstatements that were subsequently corrected during the audit.

Newly effective auditing standards

CAS 315, *Identifying and Assessment the Risks of Material Misstatement,* was effective for the fiscal 2022 audit. See Appendix 2: Newly effective auditing standards.

Significant unusual transactions

No matters to report.

Control deficiencies

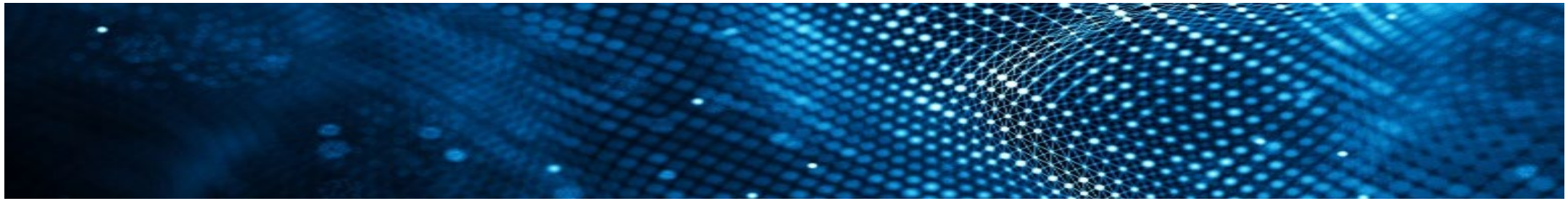
We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting. See page 11 for certain required communications regarding control deficiencies.

Accounting policies and practices

No matters to report.

Other financial reporting matters

No matters to report.



Status of the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Board of Health;
- Obtaining evidence of the Board approval of the financial statements;
- Completion of our subsequent events review procedures up to the date of our auditors' report; and
- Receipt of the signed management representation letter.

We will update the Board of Health, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditor's report, a draft of which is provided in Appendix 1a: Draft Auditor's Report, will be dated upon the completion of any remaining procedures.

Risk assessment summary

Our audit is risk-based, and begins with an assessment of risks of material misstatement in your financial statements.

We draw upon our understanding of the Organization and its environment (e.g. the industry, the wider economic environment in which the business operates, etc.), our understanding of the Organization's components of its system of internal control, including our business process understanding.

		Risk of fraud	Risk of error	Risk Rating
●	Management override of controls	✓		Significant
●	Cash		✓	Base
●	Capital assets		✓	Base
●	Investments		✓	Base
●	Government contributions (including related receivables, payables and deferred revenue)		✓	Base
●	Expenditures (including related accounts payable and accrued liabilities)		✓	Base
●	Financial reporting		✓	Base

Legend:

- ● PRESUMED RISK OF MATERIAL MISSTATEMENT
- ● OTHER AREA OF FOCUS

We did not uncover any significant findings as a result of the procedures performed over the areas highlighted above.

Significant risks and results

We highlight our significant findings in respect of **significant risks**.

Management Override of Controls

RISK OF FRAUD

Significant risk	Estimate?	Key audit matter?
Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.	No	No

Our response

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Assessed the design and implementation of controls surrounding the journal entry process;
- Determined the criteria to identify high-risk journal entries and other adjustments; and
- Tested high-risk journal entries and other adjustments.

Findings

We did not uncover any issues during the performance of the procedures described above.

Audit misstatements

Materiality is established to identify risks of material misstatements, to develop an appropriate audit response to such risks, and to evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors. Materiality for fiscal 2022 was set at $425,000 which translated into an audit misstatement posting threshold of $21,250. As such, all misstatements identified during the audit greater than $21,250 have been recorded on our summary of adjustments and differences.

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the Board of Health that all identified adjustments or differences be corrected, if any.

Uncorrected differences

We did not identify any differences that remain uncorrected.

Corrected adjustments

The management representation letter, which has been provided to management directly, includes all adjustments that were communicated to management and subsequently corrected in the financial statements.

Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to Hastings Prince Edward Public Health's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting

A significant deficiency in internal control over financial reporting is a deficiency, or combination of deficiencies, in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

We did not identify any significant deficiencies in internal control over financial reporting.

Control deficiencies (continued)

Prior year observations

We have included our follow-up to the other observations identified in the prior year.

Review of bank reconciliations

Prior year observation and recommendation:

During our field work, we noted that that bank reconciliations and journal entries were not reviewed on a regular basis. We recommended that bank reconciliations and journal entries should be reviewed on a monthly basis to ensure adequate internal controls are present in each of these key areas related to financial reporting.

Recommendation:

As part of our testing over bank balances in the current year, we obtained and reviewed the bank reconciliations and noted the same observation as in the prior year. We will continue to monitor this matter in fiscal 2023.

Differences between sub-ledgers and general ledger

Prior year observation and recommendation:

During our review of the year-end bank reconciliation, we noted there were minimal differences between the report and what was recorded in the general ledger. We recommended that adjustments be made to ensure these balances agreed in the fiscal 2022 year.

Recommendation:

As part of our testing over bank balances in the current year, we obtained and reviewed the bank reconciliations and noted the same observation as in the prior year. We will continue to monitor this matter in fiscal 2023.

Control deficiencies (continued)

Prior year observations

We have included our follow-up to the other observations identified in the prior year.

Capital asset policy

Prior year observation and recommendation:

During the audit, we noted that the Organization did not have a formal capital asset policy. We recommended that a policy be developed and approved by the Board of Directors. This would lead to improved consistency and simplification of the financial reporting process relating to tangible capital assets.

Recommendation:

As part of our testing over capital assets in the current year, we obtained and reviewed a copy of the capital asset policy, noting that it is appropriate and reflects the size and scale of the Organization's operations. We consider this matter resolved.

Indirect tax policies

Prior year observation and recommendation:

During our review of the indirect tax policy questionnaire, we noted that there was no formal process in place to review and/or identify difference ITC rates and claims. KPMG recommended developing a robust HST identification process.

Recommendation:

On review of the questionnaire in the current year, KPMG notes that the above observation still remains applicable. KPMG will continue to monitor this matter in fiscal 2023.

Control deficiencies (continued)

Current year observations

We identified certain other observations related to processes in place at the Organization. These have been summarized below.

Financial Sustainability

Observation:

KPMG notes that as of December 31, 2022, the Organization is in a net financial liability position of $1,871,207 (2021 - $2,773,834), whereby the Organization's liabilities exceed its assets. KPMG also notes that, similar to other Public Health Boards, the Organization has received mitigation funding during the year to support costs. We understand this mitigation funding is not expected to continue beyond 2023 and is to be discontinued in 2024.

Recommendation:

Given the efforts of management to continue focusing on a balanced budget and discretionary spend, we believe the Organization will continue to operate into the foreseeable future as a going concern. However, as costs pressures continue and mitigation funding is no longer available, KPMG recommends a continued focus on the financial health of the Organization is critical, as is continued conversation with the Ministries and the implementation of long-term financial planning.

Control deficiencies (continued)

Current year observations

We identified certain other observations related to processes in place at the Organization. These have been summarized below.

Payroll

Observation:

During the year, management identified errors in the payroll system during the process of allocating staff salary expenses. As a result of the errors identified, the management had to manually realign staff salaries with the corresponding program in order to ensure that the allocation is accurate.

Recommendation:

We completed payroll testing as part of the audit and did not note any errors that management had not already corrected.

Effective in 2023, management has plans to make necessary upgrades to ensure that the payroll system is able to process these allocations accurately and thereby, eliminating the need for manual intervention. We support management with this change in process.

Significant accounting policies and practices

Initial selections of significant accounting policies and practices

There were no new significant accounting policies and practices that were selected and applied during the period.

Description of new or revised significant accounting policies and practices

There were no changes to significant accounting policies and practices. As a result, there was no impact on the financial statements.

Significant qualitative aspects of the accounting policies and practices

There are no items to report.

Future implementation

Accounting pronouncements issued but not yet effective have not been disclosed in the notes to the financial statements. However, the most significant pronouncement in the near term relates to Asset Retirement Obligations (“AROs”) that will be applicable for fiscal 2023.

Other financial reporting matters

We also highlight the following:

Financial statement presentation - form, arrangement, and content

No matters to report.

Concerns regarding application of new accounting pronouncements

The most significant pronouncement in the near term relates to Asset Retirement Obligations ("AROs") that will be applicable for fiscal 2023. We will be available to provide the Health Unit the assistance they may require to properly implement this new accounting standard.

Significant qualitative aspects of financial statement presentation and disclosure

No matters to report.

Appendices

1. Other required communications
2. Newly effective auditing standards
3. Future accounting pronouncements
4. Technology
5. Audit Quality
6. Audit and assurance insights

Appendix 1: Other required communications

CPAB communication protocol

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

- CPAB Audit Quality Insights Report: 2022 Interim Inspection Results
- CPAB Audit Quality Insights Report: 2021 Annual Inspections Results
- CPAB Audit Quality Insights Report: 2020 Annual Audit Quality Assessments

Auditors' Report

The conclusion of our audit is set out in our draft auditors' report as attached.

Matters pertaining to independence and confidentiality

We are independent of Hastings Prince Edward Public Health, and we have a robust and consistent system of quality control.

Confidentiality of our clients' information is an on-going professional and business requirement of both KPMG and our overall profession. In addition to our internal confirmation of independence of team members, we request confirmation and acknowledgement of our policies regarding confidentiality of Hastings Prince Edward Public Health's information.

Representations of management

In accordance with professional standards, a copy of our management representation letter is provided to the Board of Health. The management representation letter is attached for your review.

Schedule 8.1.3

Appendix 1a: Draft auditors' report

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Hastings Prince Edward Public Health

Opinion

We have audited the financial statements of Hastings Prince Edward Public Health (the “Entity”), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial liabilities 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, 2022, and its results of operations and its cash flows year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 auditors' 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 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.

Appendix 1a: Draft auditors' report (continued)

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

Management is responsible for the preparation and fair presentation of these 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 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.

Appendix 1a: Draft auditors' report (continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity's 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
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

May 3, 2023

Appendix 1b: Management representation letter

KPMG LLP
Chartered Professional Accountants
863 Princess Street, Suite 400
Kingston, Ontario K7L 5N4
Canada

April 26, 2023

We are writing at your request to confirm our understanding that your review was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Hastings Prince Edward Public Health ("the Entity") as at and for the period ended December 31, 2022.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in Attachment I to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated March 1, 2022, including for:
   a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
   b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
      — the names of all related parties and information regarding all relationships and transactions with related parties;
      — the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
   c) providing you with unrestricted access to such relevant information.
   d) providing you with complete responses to all enquiries made by you during the engagement.
   e) providing you with additional information that you may request from us for the purpose of the engagement.
   f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
   g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
   h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

Internal control over financial reporting:

2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

3) We have disclosed to you:
   a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
   b) all information in relation to fraud or suspected fraud that we are aware of that involves:
      — management;
      — employees who have significant roles in internal control over financial reporting; or
      — others
      where such fraud or suspected fraud could have a material effect on the financial statements.
   c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
   d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
   e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

5) We have disclosed to you the identity of the Entity's related parties.
6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Non-SEC registrants or non-reporting issuers:

11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).

Schedule 8.1.3

Appendix 1b: Management representation letter (continued)

12) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

HASTINGS PRINCE EDWARD PUBLIC HEALTH

_____

By: Ms. Valerie Dunham, Director of Administration

_____

By: Ms. Amy Rankin, Finance Manager, Corporate Services

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Appendix 2: Newly effective auditing standards

CAS 315 (Revised) Identifying and Assessing the Risks of Material Misstatement has been revised, reorganized and modernized in response to challenges and issues with the previous standard. It aims to promote consistency in application, improve scalability, reduce complexity, support a more robust risk assessment and incorporate enhanced guidance material to respond to the evolving environment, including in relation to information technology. Conforming and consequential amendments have been made to other International Standards on Auditing.

Affects both preparers of financial statements and auditors

Applies to audits of financial statements for periods beginning on or after 15 December 2021

See here for more information from CPA Canada

We design and perform risk assessment procedures to obtain an understanding of the:

- entity and its environment;
- applicable financial reporting framework; and
- entity's system of internal control.

The audit evidence obtained from this understanding provides a basis for:

- identifying and assessing the risks of material misstatement, whether due to fraud or error; and
- the design of audit procedures that are responsive to the assessed risks of material misstatement.

Appendix 2: Newly effective auditing standards (continued)

Key change	Impact on the audit team	Impact on management
Overall, a more robust risk identification and assessment process, including: • New requirement to take into account how, and the degree to which, 'inherent risk factors' affect the susceptibility of relevant assertions to misstatement • New concept of significant classes of transactions, account balances and disclosures and relevant assertions to help us to identify and assess the risks of material misstatement • New requirement to separately assess inherent risk and control risk for each risk of material misstatement • Revised definition of significant risk for those risks which are close to the upper end of the spectrum of inherent risk	When assessing inherent risk for identified risks of material misstatement, we consider the degree to which inherent risk factors (such as complexity, subjectivity, uncertainty, change, susceptibility to management bias) affect the susceptibility of assertions to misstatement. We use the concept of the spectrum of inherent risk to assist us in making a judgement, based on the likelihood and magnitude of a possible misstatement, on a range from higher to lower, when assessing risks of material misstatement The changes may affect our assessments of the risks of material misstatement and the design of our planned audit procedures to respond to identified risks of material misstatement. If we do not plan to test the operating effectiveness of controls, the risk of material misstatement is the same as the assessment of inherent risk.	If the effect of this consideration is that our assessment of the risks of material misstatement is higher, then our audit approach may increase the number of controls tested and/or the extent of that testing, and/or our substantive procedures will be designed to be responsive to the higher risk. We may perform different audit procedures and request different information compared to previous audits, as part of a more focused response to the effects identified inherent risk factors have on the assessed risks of material misstatement.

Appendix 2: Newly effective auditing standards (continued)

Key change	Impact on the audit team	Impact on management
Overall, a more robust risk identification and assessment process, including evaluating whether the audit evidence obtained from risk assessment procedures provides an appropriate basis to identify and assess the risks of material misstatement	When making this evaluation, we consider all audit evidence obtained, whether corroborative or contradictory to management assertions. If we conclude the audit evidence obtained does not provide an appropriate basis, then we perform additional risk assessment procedures until audit evidence has been obtained to provide such a basis.	In certain circumstances, we may perform additional risk assessment procedures, which may include further inquires of management, analytical procedures, inspection and/or observation.
Overall, a more robust risk identification and assessment process, including performing a 'stand back' at the end of the risk assessment process	We evaluate whether our determination that certain material classes of transactions, account balances or disclosures have no identified risks of material misstatement remains appropriate.	In certain circumstances, this evaluation may result in the identification of additional risks of material misstatement, which will require us to perform additional audit work to respond to these risks.

Appendix 2: Newly effective auditing standards (continued)

Key change	Impact on the audit team	Impact on management
Modernized to recognize the evolving environment, including in relation to IT	New requirement to understand the extent to which the business model integrates the use of IT. When obtaining an understanding of the IT environment, including IT applications and supporting IT infrastructure, it has been clarified that we also understand the IT processes and personnel involved in those processes relevant to the audit. Based on the identified controls we plan to evaluate, we are required to identify the: • IT applications and other aspects of the IT environment relevant to those controls • related risks arising from the use of IT and the entity's general IT controls that address them. Examples of risks that may arise from the use of IT include unauthorized access or program changes, inappropriate data changes, risks from the use of external or internal service providers for certain aspects of the entity's IT environment or cybersecurity risks.	We will expand our risk assessment procedures and are likely to engage more extensively with your IT and other relevant personnel when obtaining an understanding of the entity's use of IT, the IT environment and potential risks arising from IT. This might require increased involvement of IT audit professionals. Changes in the entity's use of IT and/or the IT environment may require increased audit effort to understand those changes and affect our assessment of the risks of material misstatement and audit response. Risks arising from the use of IT and our evaluation of general IT controls may affect our control risk assessments, and decisions about whether we test the operating effectiveness of controls for the purpose of placing reliance on them or obtain more audit evidence from substantive procedures. They may also affect our strategy for testing information that is produced by, or involves, the entity's IT applications.
Enhanced requirements relating to exercising professional skepticism	New requirement to design and perform risk assessment procedures in a manner that is not biased toward obtaining audit evidence that may be corroborative or toward excluding audit evidence that may be contradictory. Strengthened documentation requirements to demonstrate the exercise of professional scepticism.	We may make changes to the nature, timing and extent of our risk assessment procedures, such as our inquires of management, the activities we observe or the accounting records we inspect.

Appendix 2: Newly effective auditing standards (continued)

Key change	Impact on the audit team	Impact on management
Clarification of which controls need to be identified for the purpose of evaluating the design and implementation of a control	We will evaluate the design and implementation of controls that address risks of material misstatement at the assertion level as follows: • Controls that address a significant risk. • Controls over journal entries, including non-standard journal entries. • Other controls we consider appropriate to evaluate to enable us to identify and assess risks of material misstatement and design our audit procedures	We may identify new or different controls that we plan to evaluate the design and implementation of, and possibly test the operating effectiveness to determine if we can place reliance on them. We may also identify risks arising from IT relating to the controls we plan to evaluate, which may result in the identification of general IT controls that we also need to evaluate and possibly test whether they are operating effectively. This may require increased involvement of IT audit specialists.

Appendix 3: Future accounting pronouncements

Asset retirement obligations ("AROs")

Effective date	Summary and implications

December 31, 2023	• The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets.
	• The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). As a result of the new standard, the public sector entity will:
	  ◦ Consider how the additional liability will impact net debt, as a new liability will be recognized.
	  ◦ Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements.

Financial instruments & foreign currency translation

Effective date	Summary and implications
December 31, 2023	• Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. • Hedge accounting is not permitted. • A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations. • PS 3450 *Financial Instruments* was amended subsequent to its initial release to include various federal government narrow-scope amendments.

Appendix 3: Future accounting pronouncements (continued)

Revenue

Effective date	Summary and implications
December 31, 2024	• The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. • The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. • The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.

Public Private Partnerships ("P3s")

Effective date	Summary and implications
December 31, 2024	• PSAB has introduced Section PS3160, which includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. The standard may be applied retroactively or prospectively. • The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends. • The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.

Purchased intangibles

Effective date	Summary and implications
December 31, 2024	• The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles. • Narrow scope amendments were made to *PS 1000 Financial statement concepts* to remove the prohibition to recognize purchased intangibles and to *PS 1201 Financial statement presentation* to remove the requirement to disclose purchased intangibles not recognized. • The guideline can be applied retroactively or prospectively.

Appendix 3: Future accounting pronouncements (continued)

Asset Retirement Obligations (ARO's): key audit risks

1. Do you have **completeness** of ARO's on your financial statements, particularly in terms of assets identified as in-scope?
2. Have you determined **measurement** of ARO's based on reliable data and costing models?
3. Have you correctly applied an appropriate **transition method**?
4. Do you have adequate **documentation** of your process and audit working papers enabling auditability?

Appendix 3: Future accounting pronouncements (continued)

Asset retirement obligations: implementation project

Project planning

- Project team is cross-functional and includes Finance and non-Finance personnel.
- Sufficient personnel resources are available for the implementation project.
- Where required, external experts have been engaged.
- The project plan identifies who is responsible for each project task.
- Project timelines are reasonable.
- Auditor involvement has been scheduled at each significant project milestone.
- Asset retirement obligations policy has been drafted.
- Recurring project updates are provided to the Audit Committee or other governance body to engage them in the implementation process.

Scoping

- The tangible capital assets listing reconciles to the audited financial statements.
- Agreements (e.g. leases, statutory rights of way, etc.) have been reviewed for potential legal obligations.
- Productive and non-productive assets have been included in the scoping analysis.
- Assets with similar characteristics and risks have been grouped together in the scoping analysis.
- All relevant legal acts, regulations, guidelines, etc. have been identified.
- Relevant internal stakeholders have been interviewed to obtain information about potential retirement obligations.

Measurement

- Cost information is relevant and reliable.
- Only costs directly attributable to legally required retirement activities have been included in the liability.
- If applicable, the discount rate is consistent with the risks and timelines inherent in the cash flows.
- If discounting is applied, it is based on reliable information to inform the timing of future cash flows.
- Asset retirement obligations have been linked to specific tangible capital assets.
- The useful life of the tangible capital asset remain appropriate and are consistent with estimated asset retirement date.
- The transition method selected is appropriate based on the measurement information available.
- Calculations are mathematically accurate.

Financial reporting

- Financial statements have been mocked up to include asset retirement obligations.
- Note disclosures, including significant accounting policies, have been drafted.
- Documentation prepared during the project has been reviewed to ensure it is accurate and complete.
- Plans have been implemented for the annual post-implementation review and update of the asset retirement obligation liability.

Appendix 3: Future accounting pronouncements (continued)

Asset retirement obligations: implementation milestones

PHASE 1
Step 1: Development of a PS3280 compliant policy. Include a definition for in-scope assets, productive and non-productive assets, and document known sources of legal obligations (such as regulations and contracts) as well as key roles and responsibilities for retirement obligation identification, measurement and reporting.
Step 2: Identification of TCA/sites inventory. Develop an inventory of potential in-scope assets or sites based on existing TCA listings, and inventories used for PS3260 contaminated sites. Reconcile the listing of TCA items to the audited financial statements. Assess in-scope assets against PS3280 recognition criteria.
Milestone – KPMG Audit Team review of PS3280 policy, asset listings, and in-scope assets
PHASE 2
Step 3: Measure the estimated liability. Assess available information, and consider the need for additional environmental assessment of any sites. Document key assumptions and variables, and selection of transition method. Determine if discounting will be applied for any assets. Consider impacts on useful life assumptions for in-scope assets. Document measurement methodology and range of estimate for in-scope assets.
Milestone – KPMG Audit Team review of measurement methodology and range of estimates
Step 4: Reporting. Prepare a library of documentation and assumptions supporting each retirement obligation for audit purposes, and comprehensive documentation of the process followed for implementation. Prepare template financial statements and related note disclosure for 2023 year end.
Milestone – KPMG Audit Team review of working papers and template financial statements

Appendix 4: Technology - Continuous improvement powered by transformation

Our investment: $5B
We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

Responsive delivery model
Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

Result: A better experience
Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.

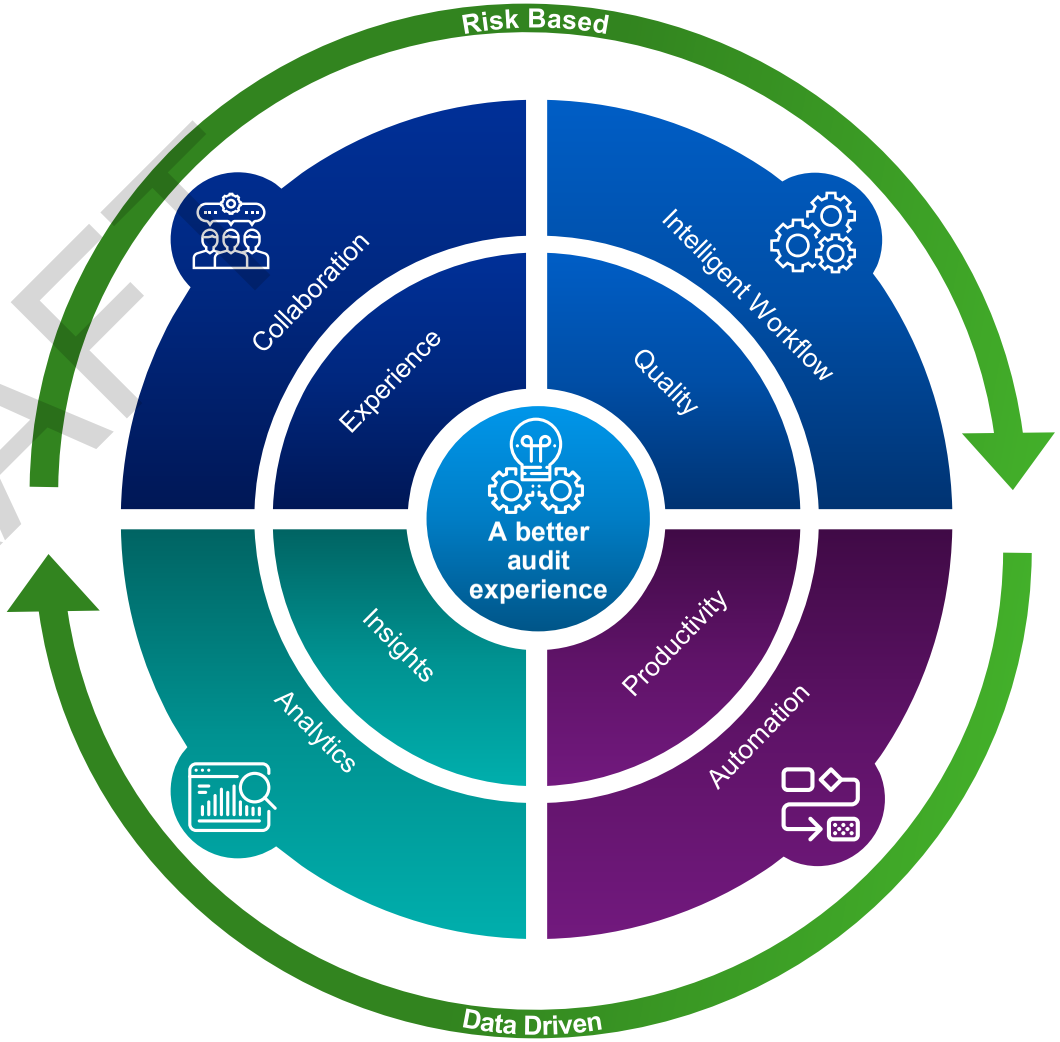
Appendix 4: Technology - KPMG Clara - Bringing the audit to one place

Streamlined client experience
And deeper insights into your business, translating to a better audit experience.

Secure
A secure client portal provides centralized, efficient coordination with your audit team.

Intelligent workflow
An intelligent workflow guides audit teams through the audit.

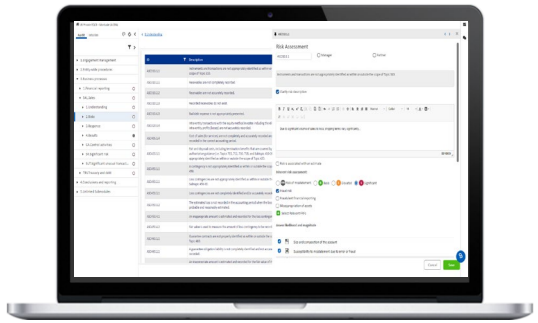
Increased precision
Advanced data analytics and automation facilitate a risk-based audit approach, increasing precision and reducing your burden.



Appendix 4: Technology - Our audit platform - KPMG Clara

Building upon our sound audit quality foundations, we are making significant investments to drive consistency and quality across our global audit practices. We've committed to an ongoing investment in innovative technologies and tools for engagement teams, such as KPMG Clara, our smart audit platform.

KPMG Clara workflow

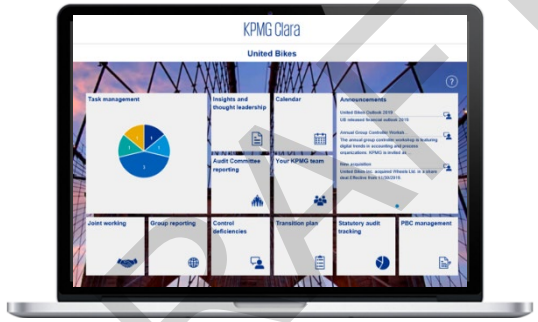


Globally consistent execution

A modern, intuitively written, highly applicable audit methodology that allows us to deliver globally consistent engagements.

Learn more

KPMG Clara for clients



Real-time collaboration and transparency

Allows the client team to see the real-time status of the engagement and who from our KPMG team is leading on a deliverable.

Learn more

KPMG Clara analytics

Insights-driven efficient operations

Using the latest technologies to analyze data, KPMG Clara allows us to visualise the flow of transactions through the system, identify risks in your financial data and perform more specific audit procedures.

Learn more

Appendix 5: Audit quality: How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. Our **Global Quality Framework** outlines how we deliver quality and how every partner and staff member contributes to its delivery.

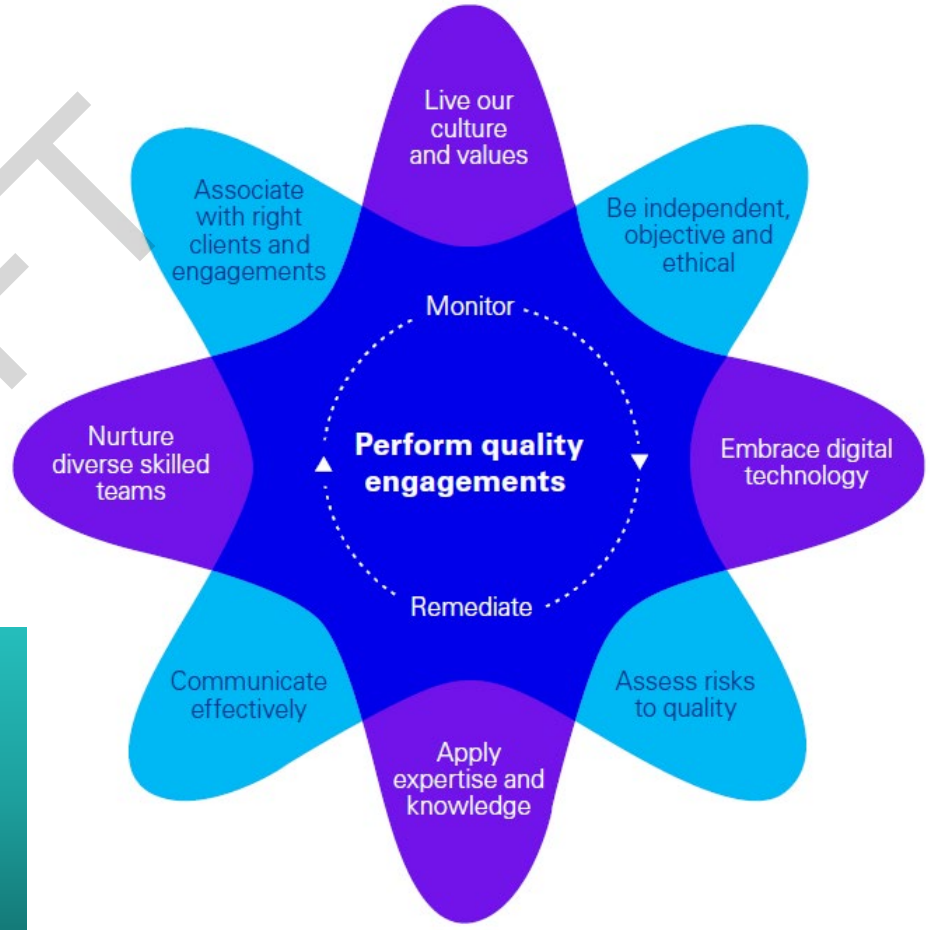
Perform quality engagement sits at the core along with our commitment to continually monitor and remediate to fulfil on our quality drivers.

Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.

KPMG 2022 Audit Quality and Transparency Report

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality controls;** and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics** and **integrity.**



Schedule 8.1.3

Appendix 6: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

Accelerate
The key issues driving the audit committee agenda in 2023.

KPMG Audit & Assurance Insights
Curated research and insights for Audit Committees and boards.

Board Leadership Centre
Leading insights to help board members maximize boardroom opportunities.

KPMG Climate Change Financial Reporting Resource Centre
Our climate change resource centre provides insights to help you identify the potential financial statement impacts to your business.

Current Developments
Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

Momentum
A quarterly newsletter providing curated insights for management, boards and Audit Committees.

Audit Committee Guide – Canadian Edition
A practical guide providing insight into current challenges and leading practices shaping Audit Committee effectiveness in Canada

Uncertain Times Financial Reporting Resource Centre
Uncertain times resource center provides insights to support clients facing challenges relating to COVID-19, natural disasters and geopolitical events.

KPMG Learning Academy
Technical accounting and finance courses designed to arm you with leading-edge skills needed in today's disruptive environment.

Environmental, social and governance (ESG)
Building a sustainable, resilient and purpose-led organization

IFRS Breaking News
A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.

Other Insights

kpmg.ca

KPMG member firms around the world have 227,000 professionals, in 145 countries.

Financial Statements of

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Year ended December 31, 2022

HASTINGS PRINCE EDWARD PUBLIC HEALTH

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Year ended December 31, 2022

INDEPENDENT AUDITOR'S REPORT

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(hereinafter referred to as the "financial statements").

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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 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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.
- 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's 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

(date)

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Statement of Financial Position

As at December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash	$ 2,639,417	$ 6,015,921
Investments (note 2)	4,103,683	–
Accounts receivable	491,968	203,095
Due from Province of Ontario	49,962	35,064
	7,285,030	6,254,080
Financial liabilities:		
Accounts payable and accrued liabilities	1,061,604	1,139,210
Due to Province of Ontario	951,778	442,621
Deferred revenue	623,219	668,392
Mortgage payable (note 9)	6,519,636	6,777,691
	9,156,237	9,027,914
	(1,871,207)	(2,773,834)
Non-financial assets:		
Tangible capital assets (note 13)	10,107,874	10,271,757
Prepaid expenses	244,522	87,160
	10,352,396	10,358,917
Commitments (note 5)		
Economic dependence (note 6)		
Accumulated surplus (note 12)	$ 8,481,189	$ 7,585,083

See accompanying notes to financial statements.

On behalf of the Board:

_____ Member

_____ Member

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022 (note 11)	Actual 2022	Actual 2021
Revenue:			
Provincial funding	$ 14,559,943	$ 14,315,918	$ 15,318,706
Municipal levies	3,491,385	3,491,385	3,439,788
Federal funding	128,988	174,161	104,489
Interest earned (note 2)	26,000	152,357	29,501
Expense recoveries (note 8)	112,700	81,581	29,059
Other revenue	300,000	24,335	23,826
	18,619,016	18,239,737	18,945,369
Expenses:			
Salaries	11,895,016	11,051,850	12,130,478
Benefits	3,210,000	2,895,111	3,154,320
Staff training	159,000	155,248	59,844
Travel	178,000	115,481	121,249
Building occupancy (note 9)	1,301,000	799,687	786,909
Office and administration	663,000	555,250	558,649
Program supplies	442,000	436,022	470,168
Professional and purchased services	771,000	922,990	860,601
Amortization	–	411,992	390,024
	18,619,016	17,343,631	18,532,242
Annual surplus	–	896,106	413,127
Accumulated surplus, beginning of year	7,585,083	7,585,083	7,171,956
Accumulated surplus, end of year	$ 7,585,083	$ 8,481,189	$ 7,585,083

See accompanying notes to financial statements.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Statement of Changes in Net Financial Liabilities

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022 (note 11)	Actual 2022	Actual 2021
Annual surplus	$ –	$ 896,106	$ 413,127
Acquisition of tangible capital assets	–	(248,109)	(47,455)
Amortization of tangible capital assets	–	411,992	390,024
Change in prepaid expenses	–	(157,362)	109,483
Net decrease in net financial liabilities	–	902,627	865,179
Net financial liabilities at beginning of year	–	(2,773,834)	(3,639,013)
Net financial liabilities at end of year	$ –	$ (1,871,207)	$ (2,773,834)

See accompanying notes to financial statements.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 896,106	$ 413,127
Amortization, which does not involve cash	411,992	390,024
Change in non-cash assets and liabilities:		
Accounts receivable	(288,873)	(27,571)
Due from Province of Ontario	(14,898)	518,632
Accounts payable and accrued liabilities	(77,606)	(192,661)
Due to Province of Ontario	509,157	231,092
Deferred revenue	(45,173)	465,972
Prepaid expenses	(157,362)	109,483
	1,233,343	1,908,098
Capital activities:		
Purchase of tangible capital assets	(248,109)	(47,455)
Financing activities:		
Principal repayments on mortgage payable	(258,055)	(247,682)
Investing activities:		
Purchase of investments	(4,103,683)	–
Increase (decrease) in cash	(3,376,504)	1,612,961
Cash, beginning of year	6,015,921	4,402,960
Cash, end of year	$ 2,639,417	$ 6,015,921

See accompanying notes to financial statements.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2022

Hastings Prince Edward Public Health (the "Health Unit") is governed by the Ontario Board of Public Health as mandated by the Health Protection and Promotion Act for the purposes of promoting and protecting public health.

1. Significant accounting policies:

The financial statements of the Health Unit are the representation of management prepared in accordance with accounting policies prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada for local governments and their boards. Significant aspects of the accounting policies adopted by the Health Unit are as follows:

(a) Basis of accounting:

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

Provincial funding received from the Ministry of Health and the Ministry of Children, Community & Social Services (collectively the “Ministries”) are subject to annual final reviews and approval by the Ministries. Any adjustments resulting from the review will be reflected in the year of Ministry approvals as an adjustment to provincial funding revenue on the Statement of Operations and Accumulated Surplus.

(b) Deferred revenue:

Deferred revenue represents special program grants which have been received but for which related program costs have yet to be incurred. These amounts will be recognized as revenue in the fiscal year that the program costs are incurred.

(c) Government transfers:

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

(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.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(e) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Building and site improvements	40 years
Vehicles	5 years
Communication systems	5 years
Office equipment	5 years
Computer equipment	5 years
Signage	5 years
Leasehold improvements	remaining term of lease

Assets under construction are not amortized until the asset is available for productive use.

When conditions indicate that a tangible capital asset no longer contributes to the Health Unit's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential.

The resulting net adjustment would be reported as an expense on the Statement of Operations and Accumulated Surplus.

(f) Pension benefits:

The Health Unit accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

(g) Investments:

Investments are recorded at cost plus accrued interest and amortization of purchase premiums and discounts. If the market value of investments becomes lower than cost and this decline in value is considered to be other than temporary, the investments are written down to the market value.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Investments:

Investments consist of:

	2022 Cost	2022 Fair value	2021 Cost	2021 Fair value
Guaranteed investment certificates	$ 4,103,683	$ 4,103,683	$ –	$ –

Guaranteed investment certificates yield interest of 4.20% to 4.25% and mature between June and September 2023.

Interest earned consists of:

	2022	2021
Investment income	$ 86,510	$ –
Bank interest	65,847	29,501
	$ 152,357	$ 29,501

3. Pension agreement:

The Health Unit makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employer plan. The plan is a contributory 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.

OMERS is a multi-employer plan, therefore, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Health Unit does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2022. At that time, the plan reported a $6.7 billion actuarial deficit (2021 - $3.1 billion actuarial deficit).

The amount contributed to OMERS for current services in 2022 was $963,319 (2021 - $986,031) and is included as an expense on the Statement of Operations and Accumulated Surplus.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2022

4. Liability for vested sick leave benefits:

Under the previous sick leave benefit plan, unused sick leave could be accumulated, and employees could become entitled to a cash payment when they leave the Health Unit's employment.

In 1988, the Health Unit introduced an employee benefit package which includes short and long term disability insurance. As part of the package, the accumulated sick leave days were frozen at the levels existing at the date of implementation of the plan.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amount to $4,931 (2021 - $4,859) and are included in accounts payable and accrued liabilities on the Statement of Financial Position.

5. Commitments:

The Health Unit leases office accommodation in Picton, Trenton and Bancroft and also leases office equipment. The future minimum lease payments are as follows:

2023	$	136,460
2024		75,012
2025		6,495
2026		6,495
2027 and thereafter		7,036
	$	231,498

In addition to the above, the Health Unit has an outstanding contract for the purchase of two mobile dental clinics in the amount of $675,698 plus taxes. Of this amount, $550,000 plus taxes remains outstanding at December 31, 2022. The Ontario government has provided funding for the costs of these mobile clinics, which is included as a component of deferred revenue on the Statement of Financial Position.

6. Economic dependence:

The majority of the revenue of the Health Unit is provided by the Province of Ontario and by four funding municipalities. The Province of Ontario funds 70% (2021 - 70%) of mandated public health programs while the Counties of Hastings and Prince Edward and the Cities of Belleville and Quinte West combine to fund the remaining 30% (2021 - 30%). In fiscal 2022, the Province of Ontario provided mitigation funding in the amount of $1,120,000 (2021 - $1,120,000) to reduce the impact of the 2019 funding change. Mitigation funding will continue for the 2023 fiscal year and will be discontinued in fiscal 2024. The Health Unit will incorporate this funding decrease into their 2024 balanced budget.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2022

7. Reserves:

The Health Unit has established reserves as follows:

The capital reserve is restricted to building replacement, expansion, renovations or major repairs.

	2022	2021
Capital reserve, beginning of year	$ 2,261,622	$ 1,989,035
Revenues for year – schedule 1	322,617	272,587
Capital reserve, end of year	2,584,239	2,261,622
HBHC reserve	45,859	45,859
Total reserves	$ 2,630,098	$ 2,307,481

The Health Babies Healthy Children ("HBHC") reserve is restricted to fund future costs of the program in excess of provincial funding. There were no changes to the HBHC reserve during the year.

8. Expense recoveries:

Expense recoveries consist of:

	2022	2021
Provincial reimbursement of clinic costs	$ 62,499	$ 17,102
Program recoveries	11,667	1,232
Seniors dental	3,620	2,408
Other	3,095	3,236
Nicotine replacement clinics	670	4,515
Sexual health clinics	30	566
	$ 81,581	$ 29,059

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2022

9. Mortgage payable:

Mortgage payable consists of the following:

	2022	2021
Bankers acceptance, interest at Canadian Imperial Bank of Commerce BA rate at time of renewal plus 0.48% per annum acceptance fee. Interest is fixed with an interest rate swap agreement at 4.11%. Interest paid in advance at time of renewal with an adjustment at next monthly renewal to swapped rate. Principal is reduced each monthly renewal based on a blended monthly payment of principal and interest of $44,316. Remaining balances due January 2040.	$ 6,519,636	$ 6,777,691

The mortgage is secured by a general security agreement creating a first ranking security interest in all personal property of the Health Unit and a first mortgage over the property located at 179 North Park Street, Belleville, Ontario.

Interest expense of $273,738 (2021 - $283,823) is included in building occupancy on the Statement of Operations and Accumulated Surplus.

Future principal repayments are estimated to be as follows:

2023	$ 268,864
2024	280,125
2025	291,857
2026	304,081
2027	316,817
Thereafter	5,057,892
	$ 6,519,636

10. Interest rate swap agreement:

The Health Unit entered into an interest rate swap agreement on March 5, 2014, effective January 2, 2015, which fixes the long-term interest rates associated with the mortgage payable. Under this agreement, the Health Unit pays interest on the notional principal at a fixed rate, and receives interest on the same notional principal at a variable rate based on Bankers' Acceptance rates. At the December 2022 renewal, the interest rate including stamping fee on the Bankers' Acceptance was 1.49% . There is no exposure to loss on the notional principal amount since the amount is netted by agreement; however, as interest rates fluctuates, the fair value of the swap rises and falls.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2022

10. Interest rate swap agreement (continued):

Under the swap agreement, the Health Unit pays a fixed rate of 4.11% per annum on the notional principal. As at December 31, 2022, the notional principal of this agreement was $6,519,636 (2021 - $6,777,691) with the notional principal being reduced monthly in a systematic manner until the contract matures on January 3, 2040.

11. Budget:

The Board of Health approved the budget for 2022 with a municipal levy of $3,491,385 on December 1, 2021. During the year, the Health Unit entered into additional program agreements or amendments to program agreements. The budgets of these program changes are not reflected in the budget amounts presented.

12. Accumulated surplus:

Accumulated surplus consists of:

	2022	2021
Tangible capital assets	$ 10,107,874	$ 10,271,757
Mortgage payable	(6,519,636)	(6,777,691)
	3,588,238	3,494,066
Reserves (note 7)	2,630,098	2,307,481
Unrestricted surplus	2,262,853	1,783,536
	$ 8,481,189	$ 7,585,083

	2022	2021
Unrestricted surplus, beginning of year	$ 1,783,536	$ 1,548,109
Annual surplus	896,106	413,127
	2,679,642	1,961,236
Change – tangible capital assets	163,883	342,569
Principal repayments in year	(258,055)	(247,682)
Capital reserve net revenues	(322,617)	(272,587)
Unrestricted surplus, end of year	$ 2,262,853	$ 1,783,536

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2022

13. Tangible capital assets:

Cost	Balance at December 31, 2021	Transfers and additions	Transfers, disposals and adjustments	Balance at December 31, 2022
Land	$ 81,814	$ –	$ –	$ 81,814
Buildings and site improvements	11,803,281	28,615	–	11,831,896
Leasehold improvements	197,010	–	–	197,010
Communications systems	93,585	–	–	93,585
Office equipment	612,387	12,593	(24,084)	600,896
Computer equipment	654,796	206,901	(42,463)	819,234
Signage	20,942	–	–	20,942
Assets under construction	105,686	–	–	105,686
Total	$ 13,569,501	$ 248,109	$ (66,547)	$ 13,751,063

Accumulated amortization	Balance at December 31, 2021	Amortization expense	Transfers, disposals and adjustments	Balance at December 31, 2022
Buildings and site improvements	$ 1,905,427	$ 295,081	$ –	$ 2,200,508
Leasehold improvements	197,010	–	–	197,010
Communications systems	92,834	751	–	93,585
Office equipment	482,628	45,618	(24,084)	504,162
Computer equipment	598,903	70,542	(42,463)	626,982
Signage	20,942	–	–	20,942
Total	$ 3,297,744	$ 411,992	$ (66,547)	$ 3,643,189

	Net book value December 31, 2021	Net book value December 31, 2022
Land	$ 81,814	$ 81,814
Buildings and site improvements	9,897,854	9,631,388
Leasehold improvements	–	–
Communications systems	751	–
Office equipment	129,759	96,734
Computer equipment	55,893	192,252
Signage	–	–
Assets under construction	105,686	105,686
Total	$ 10,271,757	$ 10,107,874

14. Fair value of financial instruments:

The Health Unit's financial instruments are comprised of cash, accounts receivable, accounts payable and accrued liabilities, mortgage payable and interest rate swap agreement. Unless otherwise noted, it is management's opinion that the Health Unit is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. Impairment of accounts receivable at year end was $Nil (2021 - $Nil).

The fair values of the financial instruments approximate their carrying values due to the short term nature of the instruments except for the mortgage loan payable and interest rate swap agreement. The fair value of the underlying mortgage loan approximates carrying value due to the interest rate being reset monthly. At December 31, 2022, the fair value of the remaining interest rate swap is a liability of $81,104 (2021 - $1,041,490).

The Health Unit has access to a line of credit in the amount of $1,000,000 with its corporate banker which bears interest at prime and was undrawn at year-end (2021 - $250,000).

15. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the Health Unit has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Increased costs related to the purchase of materials and supplies
- Closure of administrative and nonessential services within which it operates based on Public Health recommendations
- Mandatory working from home requirements for those able to do so
- Continuous re-evaluation of the team's work assignments
- Mandatory on-site client and staff screening and tracking protocols

The Health Unit incurred a total of $2,844,896 (2021 - $7,239,712) in COVID-19 related costs in fiscal 2022. Of this amount, mandatory program funding paid for expenses amounting to $2,291,498 (2021 - $5,269,770). The Health Unit made a separate submission to cover one-time COVID-19 costs and received funding in the form of vaccine program costs and general COVID-19 program funding of $293,398 and $260,000 (2021 - $1,294,942 and $675,000), respectively, to fund the balance of COVID-19 related costs.

The Health Unit continues to respond to the pandemic and plan for continued operational and financial impacts during the 2022 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues as the Agency has access to sufficient financial resources to sustain operations in the coming year.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Schedule 1 - Program Operations

Year ended December 31, 2022

	Mandatory	100% MOH	ONE TIME								MCCSS	Federal		Other		Totals	
	Mandatory Core	Ontario Seniors Dental Care Program	COVID-19: Vaccine Program	COVID-19: General Program	School-focused Nurses Initiative	New Purpose-Built Vaccine Refrigerator	Needle Exchange Program	Temporary Retention Incentive for Nurses	PHI Practicum Student	Ontario Seniors Dental Capital: Mobile Clinic	Healthy Babies, Healthy Children	Childrens Oral Health Initiative	Canada Prenatal Nutrition Program	Operating Fund	Capital Reserve	2022	2021
REVENUES																	
Provinical approved funding MOH	9,273,784	1,117,978	600,000	260,000	787,743	10,000	19,000	278,660	36,000	-	-	-	-	-	-	12,383,165	13,013,264
Provinical approved funding MCCSS	-	-	-	-	-	-	-	-	-	-	1,163,273	-	-	-	-	1,163,273	1,160,543
Total Approved Provincial Funding	9,273,784	1,117,978	600,000	260,000	787,743	10,000	19,000	278,660	36,000	-	1,163,273	-	-	-	-	13,546,438	14,173,807
Provincial funding MOH Salary	133,789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,789	133,331
Provincial funding Mitigation	1,120,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,120,000	1,120,000
Settlement adjustments	(133,789)	22,824	(306,611)	-	-	-	-	-	-	-	-	-	(66,733)	-	-	(484,309)	(159,348)
Provincial funding	10,393,784	1,140,802	293,389	260,000	787,743	10,000	19,000	278,660	36,000	-	1,163,273	-	(66,733)	-	-	14,315,918	15,318,706
Municipal levies	2,854,475	-	-	-	-	-	-	-	-	-	-	-	-	376,910	260,000	3,491,385	3,439,788
Federal funding	-	-	-	-	-	-	-	-	-	-	-	36,426	137,735	-	-	174,161	104,489
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	41,058	-	-	-	-	-	-	-	-	-	-	-	-	48,682	62,617	152,357	29,501
Expenditure Recoveries	77,961	3,620	-	-	-	-	-	-	-	-	-	-	-	-	-	81,581	29,059
Rental income	24,335	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,335	23,826
Total Revenues	13,391,613	1,144,422	293,389	260,000	787,743	10,000	19,000	278,660	36,000	-	1,163,273	36,426	71,002	425,592	322,617	18,239,737	18,945,369
EXPENDITURES																	
Salaries	8,785,355	286,636	-	152,829	626,657	-	-	259,840	28,341	-	821,754	29,722	60,715	-	-	11,051,849	12,130,478
Benefits	2,129,190	77,392	170,207	107,171	161,086	-	-	18,820	3,570	-	216,354	5,944	5,376	-	-	2,895,111	3,154,320
Staff training	154,542	121	-	-	-	-	-	-	-	-	585	-	-	-	-	155,248	59,844
Travel	63,075	-	34,263	-	-	-	-	-	4,088	-	13,202	236	618	-	-	115,481	121,249
Building occupancy	699,905	32,282	-	-	-	-	-	-	-	-	67,500	-	-	-	-	799,687	786,909
Office expenses and administration	484,162	27,840	5,968	-	-	-	-	-	-	-	37,280	-	-	-	-	555,250	558,649
Program supplies	308,746	65,615	33,445	-	-	-	19,000	-	-	-	4,399	524	4,294	-	-	436,022	470,168
Professional and purchased services	216,749	654,535	49,506	-	-	-	-	-	-	-	2,200	-	-	-	-	922,990	860,601
Amortization	411,992	-	-	-	-	-	-	-	-	-	-	-	-	-	-	411,992	390,024
Total Expenditures	13,253,716	1,144,422	293,389	260,000	787,743	-	19,000	278,660	36,000	-	1,163,273	36,426	71,002	-	-	17,343,630	18,532,242
Annual surplus (deficit) before other items	137,897	-	-	-	-	10,000	-	-	-	-	-	-	-	425,592	322,617	896,106	413,127
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual surplus (deficit)	137,897	-	-	-	-	10,000	-	-	-	-	-	-	-	425,592	322,617	896,106	413,127
RECONCILIATION TO FUNDING																	
Annual surplus (deficit) above	137,897	-	-	-	-	10,000	-	-	-	-	-	-	-	425,592	322,617	896,106	413,127
Add back amortization	411,992	-	-	-	-	-	-	-	-	-	-	-	-	-	-	411,992	390,024
Less tangible capital asset acquisitions	(238,109)	-	-	-	-	(10,000)	-	-	-	-	-	-	-	-	-	(248,109)	(47,455)
Less principal repayments on mortgage	(258,055)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(258,055)	(247,682)
Less vacation/frozen sick leave	(53,725)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(53,725)	-
Funding Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	425,592	322,617	748,209	508,014

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Schedule 2 - Program Funding Reconciliation - Ministry of Children, Community and Social Services

Year ended December 31, 2022

				Totals	
	January - March 2022	April - December 2022	January - March 2023	2022 Calendar Totals	2022-2023 Fiscal Totals
REVENUES					
Provinical approved funding MCCSS	265,725	870,410	290,133	1,136,135	1,160,543
Total Approved Provincial Funding	265,725	870,410	290,133	1,136,135	1,160,543
Settlement adjustments	0	0	0	0	0
Provincial funding	265,725	870,410	290,133	1,136,135	1,160,543
Total Revenues	265,725	870,410	290,133	1,136,135	1,160,543
EXPENDITURES					
Salaries	200,431	621,323	189,465	821,754	810,788
Benefits	17,628	198,726	40,488	216,354	239,214
Staff training		585	1,059	585	1,644
Travel	2,131	11,071	5,599	13,202	16,670
Building occupancy	33,750	33,750	11,250	67,500	45,000
Office expenses and administration	10,650	26,630	8,873	37,280	35,502
Program supplies	36	4,363	6,262	4,399	10,625
Professional and purchased services	1,100	1,100		2,200	1,100
Amortization				0	0
Total Expenditures	265,725	897,548	262,995	1,163,273	1,160,543
Annual surplus (deficit) before other items	(0)	(27,138)	27,138	(27,138)	0
Loss on disposal of tangible capital assets	0			0	0
Annual surplus (deficit)	(0)	(27,138)	27,138	(27,138)	0
RECONCILIATION TO FUNDING					
Annual surplus (deficit) above	(0)	(27,138)	27,138	(27,138)	0
Add back amortization				0	0
Add transfers from reserve				0	0
Add loss on disposal of tangible capital assets				0	0
Add tangible capital asset adjustment				0	0
Less tangible capital asset acquisitions				0	0
Less principal repayments on mortgage				0	0
Less vacation/frozen sick leave				0	0
Funding Surplus	(0)	(27,138)	27,138	(27,138)	0

Board of Health Briefing Note

To:	Hastings Prince Edward Board of Health
Prepared by:	Yvonne DeWit, Epidemiologist and Jeremy Owens, Public Health Nurse
Approved by:	Stephanie McFaul, Program Manager
Date:	Wednesday, May 3, 2023
Subject:	**Opioid Monitoring Dashboard**
Nature of Board Engagement	☒ **For Information** ☐ Strategic Discussion ☐ Board approval and motion required ☐ Compliance with Accountability Framework ☒ **Compliance with Program Standards**
Action Required:	No action required.
Background:	As outlined in the Substance Use Prevention and Harm Reduction Guideline under the Ontario Public Health Standards (OPHS), the Board of Health shall implement an opioid overdose early warning system.[1] An opioid overdose early warning system is a surveillance tool that helps identify emerging trends in opioid-related incidents. Data presented in these tools is often preliminary so that data can be available in a timely fashion. The development of an integrated surveillance system for accurate and timely identification of substance-related harms within HPEC was also a key recommendation in the 2019 HPEPH report "The Impact of Opioids and Other Drugs in Hastings and Prince Edward Counties".[2] Surveillance is defined in the OPHS as the "systematic and ongoing collection, collation, and analysis of health-related information that is communicated in a timely manner to all who need to know, so that action can be taken." To fulfill these requirements and recommendations, HPEPH led the creation of the Opioid Monitoring Dashboard (OMD), an interactive online dashboard which reports opioid-related harms in the community. This dashboard consolidates data available from community partners, and reports information about calls to emergency medical services, suspected and confirmed drug poisonings attended by police services, emergency department visits for opioid poisonings, deaths related to opioid poisonings, suspected drug-related deaths (includes non-opioid drugs and deaths from chronic drug use), and overdoses that are reported directly via HPEPH Website. If data related to opioid-poisonings is not available or is less timely, data for more generic drug overdoses is used as well. The dashboard also uses annual data to describe characteristics of opioid-related incidents including, when available, age group, location, sex or gender, day of the week and time of day. The dashboard also contains data on the distribution of naloxone kits distributed by HPEPH and community partners. The OMD was developed in collaboration with many community partners. Most notably, the following agencies are contributing their data to the dashboard: Hastings Quinte Paramedic Services, Belleville Police Service, and four local OPP detachments in our region (Quinte West, Bancroft, Prince Edward County, and Centre Hastings). The OMD was circulated to a wide range of community

	partners to review and provide feedback prior to launching the tool, including the Hastings Prince Edward Ontario Health Team and Quinte Health. The tool was also presented at the Harm Reduction Alliance for awareness and feedback. Actionable recommendations received were integrated into the OMD. The HPEPH *2019-2025 Population Health Assessment and Surveillance Strategy* identified reviewing, revising, and creating surveillance plans as a key action towards achieving the priority of accessing, interpreting, and using data products. As such, a surveillance plan was developed for the OMD which captures how information about opioids will be obtained, summarized, and communicated via the dashboard. It also links the surveillance to action by identifying data-based thresholds for responses including community partner notices and media releases. This project contributed to two key activities of the Strategic Plan – increasing compliance with OPHS mandates (Program Standards) and improving access to data, use of data products, and surveillance knowledge exchange (Population Health Assessment and Surveillance).
Reviewed By:	Dr. Ethan Toumishey, Medical Officer of Health and CEO

References:

1. Substance Use Prevention and Harm Reduction Guideline, 2018 [2018 Jan 1], Ministry of Health and Long-Term Care. [Downloaded 2022 Dec 12]. Available from: https://www.health.gov.on.ca/en/pro/programs/publichealth/oph_standards/docs/protocols_guidelines/Substance_Use_Prevention_and_Harm_Reduction_Guideline_2018_en.pdf
2. Bergeron V, Cheyne B, Schultz K, Vance S. The Impact of Opioids and Other Drugs in Hastings and Prince Edward Counties: A Situational Assessment, Belleville, ON. Hastings Prince Edward Public Health; 2019. Available from: https://hpepublichealth.ca/wp-content/uploads/2019/11/Situational-Assessment-Opioid-and-Other-Drugs-Final.pdf

HASTINGS PRINCE EDWARD Public Health

Opioid Monitoring Dashboard

Yvonne DeWit, Epidemiologist
Jeremy Owens, Public Health Nurse

Board of Health
Wednesday, May 3, 2023

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HASTINGS PRINCE EDWARD Public Health

Background and Introduction

- Harms from opioid overdoses are an issue for our community
- Data about opioid overdoses can be delayed and has been difficult for community partners and the general public to access
- Developed an interactive tool, the Opioid Monitoring Dashboard
  - Combines data from many sources to summarize opioid harms
  - Will be updated monthly
- Dashboard will be launched publicly today: hpePublicHealth.ca/opioid-monitoring-dashboard

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Opioid Monitoring Dashboard

Development

- Collaboration and engagement with community partners was essential to success of the project
- Presented early prototype of tool to select community partners
- Built relationships and procedures for obtaining data including setting up data sharing agreements
- Improved prototype by incorporating feedback and added additional data as it became available
- Circulated completed version among community partners for review, feedback, and approval (where applicable)

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Opioid Monitoring Dashboard

Dashboard Demonstration

hpePublicHealth.ca/opioid-monitoring-dashboard

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Opioid Monitoring Dashboard

Data Sources

Dataset	Organization Providing Data
Police Incidents	**Belleville Police Service** **4 local OPP detachments** (Quinte West, Bancroft, Prince Edward County, Centre Hastings)
Emergency Medical Services Calls	**Hastings Quinte Paramedic Services**
Emergency Department (ED) Visits for Opioid Poisonings	Annual data: HPEPH (National Ambulatory Care Reporting System data from the MOH accessed via IntelliHealth) Preliminary data: Ontario Ministry of Health via HPEPH
Fatal Opioid Poisonings	Suspect Drug-Related Deaths, Preliminary Confirmed and Probable Opioid-Related Deaths: Office of the Chief Coroner of Ontario via HPEPH Opioid-Related Deaths: Public Health Ontario via the PHO Interactive Opioid Tool
Naloxone Kit Distribution	HPEPH
Anonymous Overdose Reporting	HPEPH via website

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Opioid Monitoring Dashboard

Surveillance Plan

- Captures how information about opioids will be obtained, summarized, and communicated via OMD
- Links the surveillance to action by identifying data-based thresholds for responses
  - Notification and collaboration with community partners
  - Public notices and media releases
  - Outreach activities

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HASTINGS PRINCE EDWARD Public Health

Schedule 10.2

Board of Health Briefing Note

To:	Hastings Prince Edward Board of Health
Prepared by:	Kelly Palmateer, Acting Program Manager, Oral Health
Approved by:	Nancy McGeachy, Director of Clinical Programs
Date:	Wednesday May 3, 2023
Subject:	**Ontario Seniors Dental Care Program**
Nature of Board Engagement	☒ **For Information** ☐ Strategic Discussion ☒ **Board approval and motion required** ☐ Compliance with Accountability Framework ☐ Compliance with Program Standards
Action Required:	Board of Health advocacy for increase in base funding for the Ontario Seniors Dental Program.
Background:	***The Ontario Seniors Dental Care Program (OSDCP) is mandated under the standard Chronic Disease Prevention & Well-Being Requirement 5. The Ontario Seniors Dental Care Program shall be provided by the board of health in accordance with the Oral Health protocol.*** The OSDCP was implemented in 2020 at Hastings Prince Edward Public Health. Public health units receive operating funds for implementation of the program at the local level. Over the course of three years, it has been identified that there is insufficient funding for the OSDCP to support the demands of eligible clients within our communities. In March 2022, Dr. Golden submitted an Oral Health Advocacy Letter to the Ministry on behalf of the Board of Health. The letter advocated for support of additional funding for oral health services under OSDCP. The program has previously received one-time funding but continues to experience waitlists due to service demands. An increase in baseline funding would ensure equitable access to dental services for eligible seniors within the OSDCP budget.
Reviewed By:	Dr. Ethan Toumishey, Medical Officer of Health and CEO

HASTINGS PRINCE EDWARD Public Health

ONTARIO SENIORS DENTAL CARE PROGRAM

Kelly Palmateer,
Acting Program Manager

Board of Health
Wednesday, May 3, 2023

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Ontario Seniors Dental Care Program Mandates

- Standard- Chronic Disease Prevention & Well-being
- Requirement 5: The board of health shall provide the Ontario Seniors Dental Care Program in accordance with the Oral Health Protocol, 2018

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Ontario Seniors Dental Care Program-
Preventive Services

Number of services provided to OSDCP clients in 2022:

- **590** Professional cleanings
- **529** Polishes
- **515** Fluoride varnishes
- **79** Silver Diamine Fluoride

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HASTINGS PRINCE EDWARD Public Health

Ontario Seniors Dental Care Program-
Restorative Services

Number of services provided to OSDCP clients in 2022:

- **229** New Patient Exams
- **137** Specific / Recall exams provided to clients
- **101** Emergency exams
- **253 (875)** Restorative (Fillings) treatments provided to clients
- **135** Clients were provided with extractions with **416** extractions completed in total

External Partners

- Partners provided **863** services to OSDCP clients
  - **124** of these services were provided by Specialists
  - **156** OSDCP clients were provided with denture treatment

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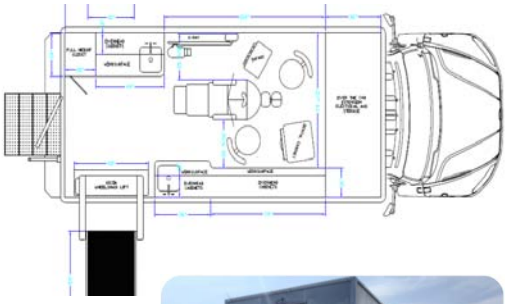
Mobile Van Update



- Provide OSDCP treatment in communities throughout HPEC
- Attend community events to promote HSO & OSDCP
- Utilize the mobile van at HPEPH Belleville as an additional clinical room
- Partnership with KFL&A PH

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Challenges the Ontario Seniors Dental Care Program Face

- Current wait list of ~180 plus eligible OSDCP clients
- Budgetary Constraints

Next Step:

- The Board of Health can support the clients eligible for OSDCP along with Public Health by advocating for an increase in base funding to the Ontario Seniors Dental Care Program to support the need within our communities and Ontario

Do we have any questions?

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Listing of Information Items
Board of Health Meeting – May 3, 2023

1. Sudbury & Districts Public Health - Letter to Premier Ford re Community Engagement to Address Food Insecurity dated February 24, 2023
2. Sudbury & Districts Public Health - Letter to Premier Ford re Provincial Funding for Consumption and Treatment Services dated February 24, 2023
3. Windsor-Essex County Health Unit - Letter to Deputy Premier Sylvia Jones re Letter of Support - Physical Literacy for Healthy Active Children dated February 28, 2023
4. Northwestern Health Unit - Letter to Prime Minister Trudeau re Alcohol Health Warning Labels dated March 3, 2023
5. Renfrew County and District Health Unit - Announces new Medical Officer of Health - Dr. Jason Morgenstern dated February 28, 2023
6. Peterborough Public Health - Letter to Sylvia Jones and Steve Clark re Improved Indoor Air Quality in Public Settings dated March 3, 2023
7. Peterborough Public Health - Letter to Jean-Yves Duclos and Dominic LeBlanc re Improved Indoor Air Quality in Public Settings dated March 3, 2023
8. North Bay Parry Sound District Health Unit - Letter to Doug Ford, Sylvia Jones and Merrilee Fullerton re Food Insecurity in Ontario dated March 3, 2023
9. 2022 Annual Report of the Chief Medical Officer of Health of Ontario - *Being Ready - Ensuring Public Health Preparedness for Infectious Outbreaks and Pandemics*
10. Southwestern Public Health - Letter to Peter Bethlenfalvy re support of alPHa's 2023 Pre-Budget Submission dated March 24, 2023
11. Sudbury & Districts Public Health - Letter to Doug Ford re Minimum Wage Increase dated April 11, 2023
12. City of Hamilton - Letter to Sylvia Jones re 2023 PHS Annual Service & Budget Submission; Support for Sufficient, Stable and Sustained Funding for Local Public Health Agencies dated April 3, 2023
13. alPHa - Letter to Jean-Yves Duclos re Bill S-254, an Act to amend the Food and Drugs Act (warning label on alcoholic beverages) dated April 17, 2023
14. alPHa - Letter to Chrystia Freeland re Budget 2023 and Oral Health dated April 5, 2023
15. alPHa - Letter to Justin Trudeau and Jean-Yves Duclos re Restricting Marketing to Children dated April 5, 2023
16. Simcoe Muskoka District Health Unit - Letter to Jean-Yves Duclos re support for Bill s-254 An Act to amend the Food and Drugs Act (warning label on alcoholic beverages) dated March 15, 2023

The above information items can be found on the Hastings Prince Edward Public Health's website through the link in the Agenda Package or by going to our website at hpePublicHealth.ca.

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