



BOARD OF HEALTH FINANCE COMMITTEE MEETING

Wednesday, **April 24, 2024**
1:30 p.m. – 3:00 p.m.

Virtual via ZOOM

To ensure a quorum we ask that you please
RSVP 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**



FINANCE COMMITTEE MEETING

A G E N D A

Wednesday, April 24, 2024
Virtual via ZOOM

-
- 1. CALL TO ORDER**
 - 2. ROLL CALL**
 - 3. LAND ACKNOWLEDGMENT**
 - 4. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**
 - 5. APPROVAL OF THE AGENDA**
 - 6. APPROVAL OF MINUTES OF PREVIOUS MEETING**
 - 6.1 Meeting Minutes dated November 22, 2023 Schedule 6.1
 - 7. BUSINESS ARISING FROM MINUTES**
 - 8. NEW BUSINESS**
 - 8.1 2024 First Quarter Revenues & Expenses Schedule 8.1
 - 8.2 Summary of Annual Service Plan Submission Schedule 8.2
 - 8.3 Review of Audit Findings Schedule 8.3
 - 8.4 Review of Draft Audited Financial Statements Schedule 8.4
 - 9. DATE OF NEXT MEETING**

Wednesday, September 18, 2024 at 1:30 p.m.
 - 10. ADJOURNMENT**



FINANCE COMMITTEE MEETING MINUTES

Wednesday, November 22, 2023 at 1:30 p.m.
Hastings Prince Edward Public Health
Virtual Via ZOOM

- Present:** Mr. Garnet Thompson, Councillor, City of Belleville, Finance Chair
 Ms. Kimberly Carson, Mayor, Limerick Township, Hastings County
 Dr. Craig Ervine, Provincial Representative
 Mr. Michael Kotsovos, Councillor, City of Quinte West
 Phil St. Jean, Councillor, Prince Edward County
 Ms. Jan O'Neill, Mayor, Township of Marmora and Lake, Hastings County,
 Board Chair
- Also Present:** Dr. Ethan Toumishey, Medical Officer of Health and CEO
 Mr. David Johnston, Director of Corporate Services
 Ms. Amy Rankin, Finance Manager
 Ms. Catherine Lovell, Executive Assistant

1. **CALL TO ORDER**
 Meeting was called to order at 1:30 p.m. by Councillor Garnet Thompson.
2. **ROLL CALL**
3. **LAND ACKNOWLEDGMENT**
4. **DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF** – None
5. **APPROVAL OF THE AGENDA**
 THAT the agenda for the Finance Committee held on November 22, 2023 be approved as circulated.
MOTION:
 Moved by: Jan
 Seconded by: Craig
CARRIED

6. APPROVAL OF MINUTES OF PREVIOUS MEETING

THAT the minutes of meeting held on September 27, 2023 be approved as circulated.

MOTION:

Moved by: Jan

Seconded by: Michael

CARRIED

7. BUSINESS ARISING FROM MINUTES - None**8. NEW BUSINESS****8.1 January to October 2023 Revenues and Expenses**

THAT the January to October 2023 revenues and expenses report be received as circulated and recommend taking to the next Board meeting for information purposes.

MOTION:

Moved by: Phil

Seconded by: Craig

CARRIED

David Johnston, Director of Corporate Services reviewed the briefing note and the Summary of Revenues and Expenses report. There was a question of why some of the year-to-date actuals were above 100%. This is due to some programs having a fiscal year end other than December 31. Another amount was over the 100% due to favourable interest rates in the past year and there was some recovery of monies from vaccines, the denture program and the Food Handler course.

8.2 2024 Budget Approval

THAT the Finance Committee receive the 2024 budget as circulated and recommend approval to the Board at its next meeting.

MOTION:

Moved by: Jan

Seconded by: Michael

CARRIED

David Johnston reviewed the briefing note highlighting the fact that insurance costs are increasing by approximately 25% and this is something all health units across the province are having to deal with. In taking funds from the reserves the health unit will not be left with less than our set minimum and again, this is something that many health units are having to do given the current economic environment. There was further discussion.

9. **DATE OF NEXT MEETING**

Wednesday, February 28, 2024 at 1:30 p.m. - Virtual via ZOOM (Tentative)

10. **ADJOURNMENT**

That the Finance Committee meeting be adjourned at 2:05 p.m.

MOTION:

Moved by: Kim

Seconded by: Phil

CARRIED

Councillor Garnet Thompson,
Finance Committee Chair

Finance Committee Briefing Note

To:	Hastings Prince Edward Board of Health
Prepared by:	David Johnston, Director of Corporate Services
Reviewed by:	Dr. Ethan Toumishey, Medical Officer of Health and CEO
Date:	Wednesday, April 24, 2024
Subject:	2024 First Quarter Revenue and Expenses
Nature of Board Engagement	<input checked="" type="checkbox"/> For Information <input type="checkbox"/> Strategic Discussion <input type="checkbox"/> Board approval and motion required <input type="checkbox"/> Compliance with Accountability Framework <input type="checkbox"/> Compliance with Program Standards
Action Required:	Review of first quarter revenues and expenses and present to the Board of Health at May 1 meeting.
Notes regarding Revenues & Expenses	<p>The following notes are provided to assist in the review of the attached Summary of Revenues & Expenses for the period of January – March 2024.</p> <ul style="list-style-type: none"> • Within the Accountability Agreement reporting, we have separated costs to provide information related to ongoing Mandatory Programs and the Ontario Seniors Dental Program. • The Ontario Seniors Dental Program has a small balance left as of March 31. Demand for service is extremely high. Over 357 clients have been seen in our Belleville office since January, in addition to clients seen by our partner agencies. A base increase for this program has been requested. • On March 28, 2024 HPEPH received notification of funding to support Respiratory Syncytial Virus (\$25k) and COVID-19: Vaccine Program Enhancement (\$5k) since this funding expired March 31, 2024. • 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 and a new funding year began April 1.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Schedule 8.1

Summary of Revenues & Expenses for the period January 1 - March 31, 2024

For Finance Committee Review April 24, 2024

	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	2,347,441	326,794	2,674,235				2,674,235	12,211,900	9,537,665	22%
Ministry of Health Annual and one time grants			0	165,595			165,595	108,000	(57,595)	153%
Municipal Levies	892,300		892,300				892,300	3,798,300	2,906,000	23%
Ministry of Children, Community & Social Services			0		401,890		401,890	1,160,543	758,653	35%
Federal Grants			0			9,966	9,966	39,000	29,034	26%
Expenditure Recoveries	49,105	1,747	50,851				50,851	150,500	99,649	34%
Transfer from Reserves			0				0	459,000	459,000	
Total Revenues	3,288,846	328,541	3,617,386	165,595	401,890	9,966	4,194,838	17,927,243	13,732,405	23%
EXPENSES										
Salaries and Wages	1,973,536	82,775	2,056,311	129,351	222,224	6,949	2,414,835	10,791,743	8,376,908	22%
Staff Benefits	582,410	24,496	606,905	27,549	67,397	1,690	703,542	3,113,000	2,409,458	23%
Staff Training	13,832	315	14,147		4,600		18,747	174,000	155,253	11%
Travel Expenses	21,363	6,454	27,817	3,098	7,434	153	38,502	166,000	127,499	23%
Building Occupancy	242,625	13,128	255,753		40,000		295,753	1,032,000	736,247	29%
Office Expenses, Printing, Postage	19,992		19,992		2,015		22,007	65,000	42,993	34%
Materials, Supplies	62,513	10,135	72,648	7,148	6,842	1,174	87,813	361,000	273,187	24%
Professional & Purchased Services	183,397	165,476	348,872	76,557	4,500		429,930	1,265,000	835,070	34%
Communications Costs	19,034		19,034		10,000		29,034	121,500	92,466	24%
Information Technology	211,003	11,638	222,641		36,877		259,518	578,000	318,482	45%
Capital Expenditures			0				0	0	0	
Transfer to Capital/Operating Reserves	65,000		65,000				65,000	260,000	195,000	25%
Total Expenses	3,394,704	314,417	3,709,121	243,703	401,890	9,966	4,364,680	17,927,243	13,562,563	24%
VARIANCE	(105,858)	14,124	(91,735)	(78,108)	0	0	(169,842)	0	(169,842)	

Finance Committee 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, April 24, 2024
Subject:	Summary of Annual Service Plan Submission
Nature of Board Engagement	<input checked="" type="checkbox"/> For Information <input type="checkbox"/> Strategic Discussion <input type="checkbox"/> Board approval and motion required <input type="checkbox"/> Compliance with Accountability Framework <input type="checkbox"/> Compliance with Program Standards
Action Required:	Review the Annual Service Plan Summary
Background:	<p>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.</p> <p>The ASP provides the following content:</p> <ul style="list-style-type: none"> • 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. <p>Key Finance Committee Information:</p> <ul style="list-style-type: none"> • Mandatory base funding requested, per approved budget: \$10,614,900 • Ontario Seniors Dental Care Program (OSDCP): Requested additional \$289,800 to the approved \$1,307,200 program base funding to help support significant program demand. • There were no opportunities to request “One Time” funding to support programs. <p>ASP was submitted to the Ministry on April 2, 2024.</p>
Reviewed By:	Dr. Ethan Toumishey, Medical Officer of Health and CEO



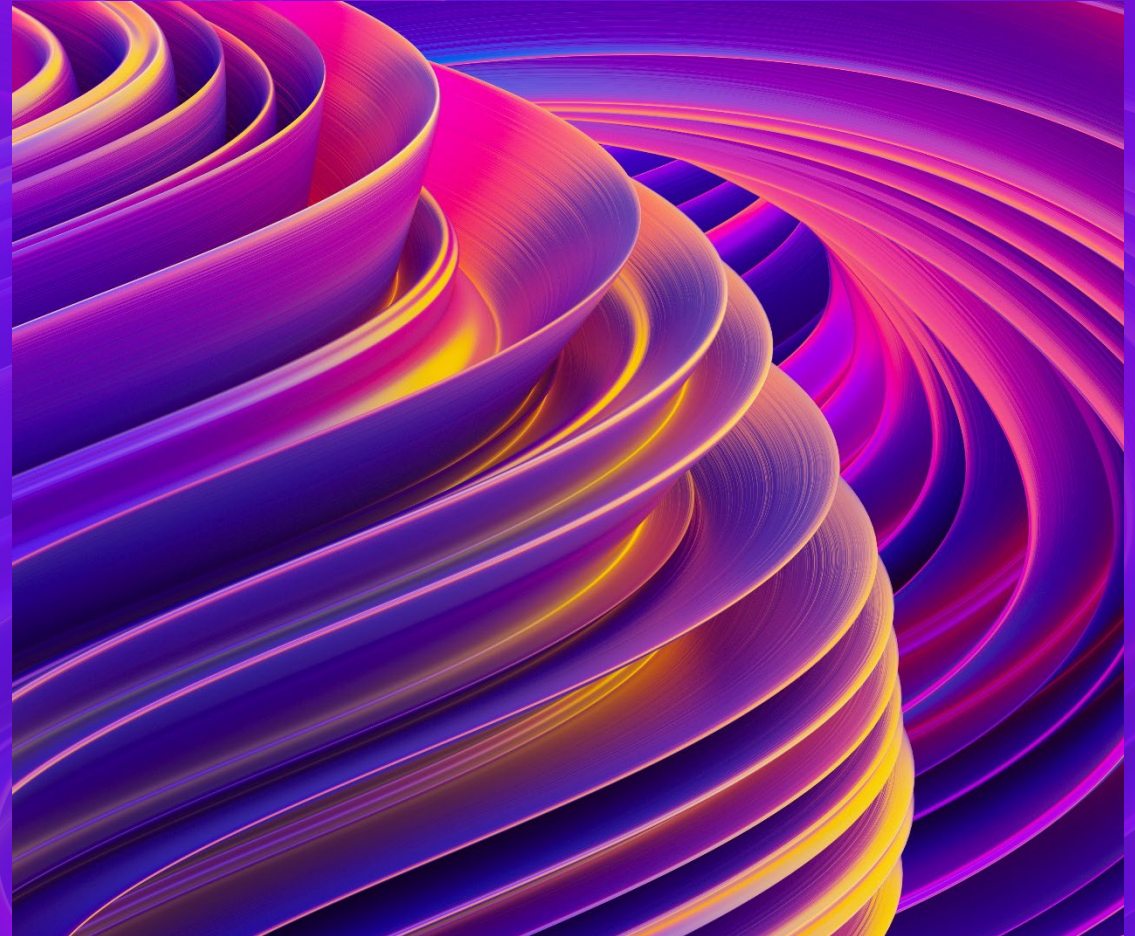
Hastings Prince Edward Public Health

Audit Findings Report
for the year ended
December 31, 2023

KPMG LLP

Prepared as of April 12, 2024 for presentation to the Finance
Committee on April 24, 2024

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



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Table of contents

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.

4	Highlights	5	Status	6	Materiality	8	Risks and results
9	Control deficiencies	12	Policies and practices	14	Specific topics	15	Independence
16	Appendices						

The purpose of this report is to assist you, as a member of the Finance Committee, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management and the Finance Committee 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.



Audit highlights

Status

We have completed the audit of the financial statements ("financial statements") of Hastings Prince Edward Public Health for the year ended December 31, 2023, with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.



Significant changes



Significant changes to our audit plan

- No changes to risk assessment
- No changes to audit strategy assessment

Risks and results



Significant risks



- We identified a significant financial reporting risk related to the presumed risk of management override of controls.



Other risks of material misstatement

- No matters to report.

Policies and practices & Specific topics



Significant unusual transactions



Accounting policies and practices



Other financial reporting matters



Going concern matters



No matters to report



Matters to report – see link for details

Materiality

Current year

\$425,000

Benchmark

Expenses

% Benchmark

2.45%

Audit Misstatement Posting Threshold

\$21,250

Uncorrected misstatements



Uncorrected misstatements

- We have not identified any adjustments which remain uncorrected.

Corrected misstatements



Corrected misstatements

- The management representation letter, a copy of which is included in [Appendix 1b: Management representation letter](#), includes all misstatements identified as a result of the audit, communicated to management, and subsequently corrected in the audited financial statements.

Control deficiencies



Significant deficiencies



Other observations





Status

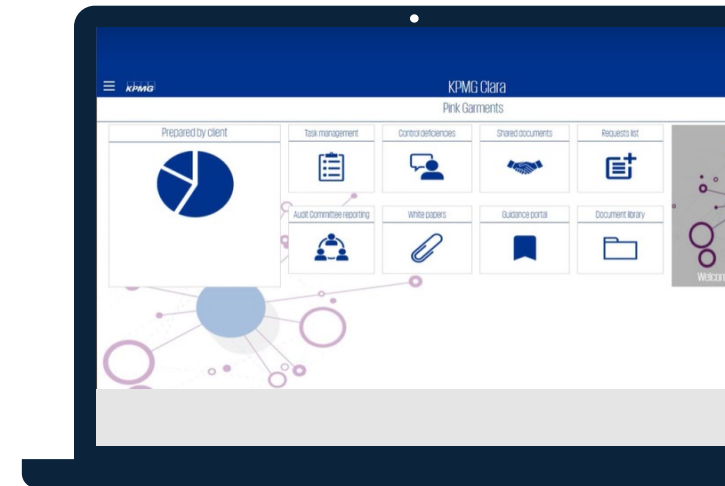
As of April 17, 2024 in preparation of our Audit Findings Report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

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

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

A draft of our auditor's report is provided in [Appendix 1a: Draft Auditor's Report](#).

KPMG Clara for Clients (KCfc)



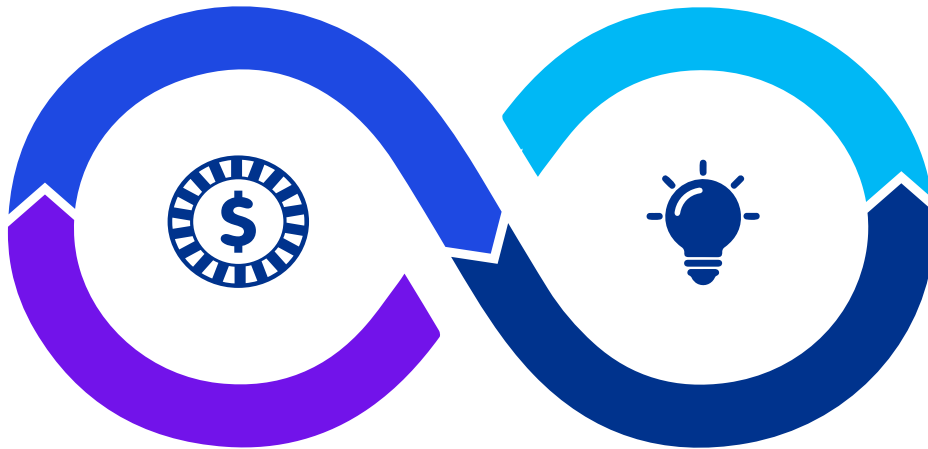
Real-time collaboration and transparency

We leveraged **KCfc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCfc to coordinate requests from management.



Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

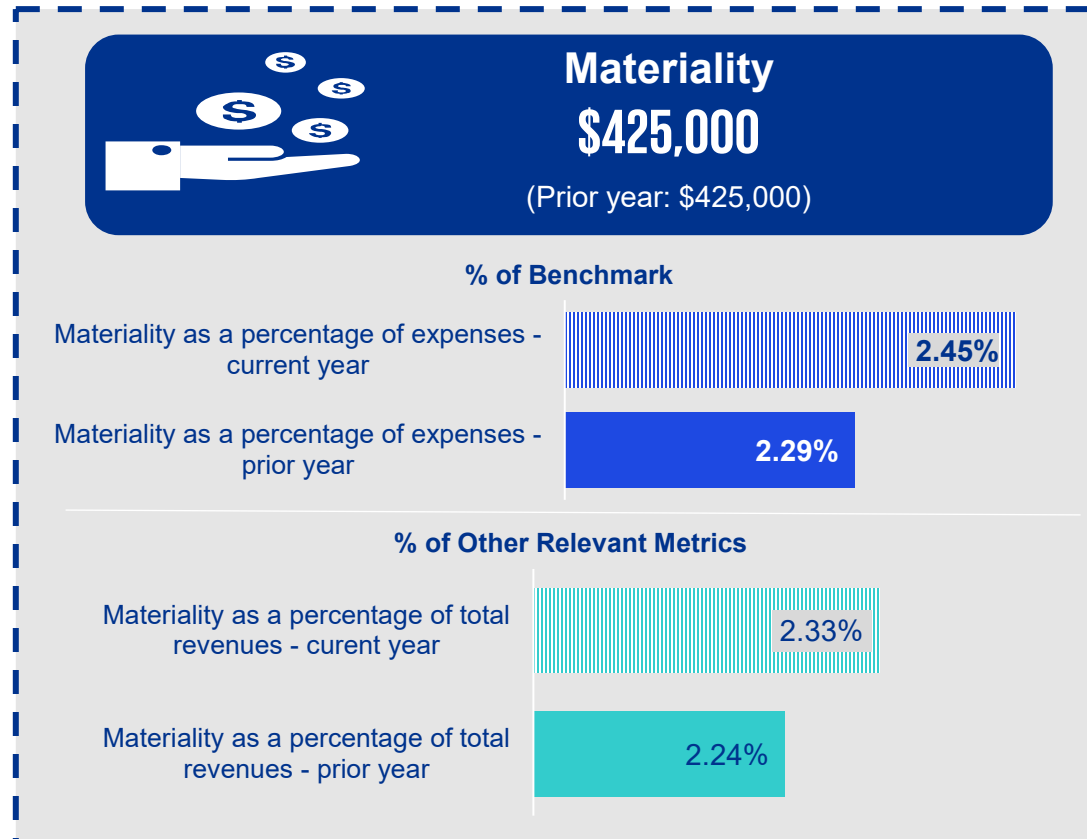
Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.

Materiality (continued)

Materiality has been set using the prior year audited financial statements. Performance materiality has been set at 75% of materiality or \$318,750. Our assessment of misstatements, if any, in amounts or disclosures at the completion of our audit will include the consideration of both qualitative and quantitative factors.



Prior year total expenses

\$17,343,631

(Prior year: \$18,532,242)

Prior year total revenues

\$18,239,737

(Prior year: \$18,945,369)

Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate. Current year expenses increased to \$17,385,057, therefore materiality represents 2.44% of the current year expenses. This falls within the acceptable range of our required benchmark of between 0.5% - 3.0%. No changes to materiality were required.

Significant risks and results

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



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

- Our procedures included:
 - We tested the design and implementation of controls surrounding the review of journal entries, and the business rationale for significant entries.
 - Using our KPMG Clara Journal Entry Analysis Tool, we analyzed 100% of the journal entries posted during the year.
 - In responding to risks of fraud and management override of controls, we set specific criteria to isolate high risk journal entries and adjustments in order to analyze for further insights into our audit procedures and findings. We focused on journal entries recorded and posted as part of the financial reporting process.
- We have not identified any specific additional risks of management override relating to this audit.
- There were no significant changes to management's process for making the critical accounting estimates and there were no indicators of possible management bias.
- No issues were noted.

Control deficiencies

Consideration of internal control over financial reporting (ICFR)



In planning and performing our audit, we considered ICFR relevant to the Entity'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 deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance. **We have not identified a significant deficiency in internal control over financial reporting. We have identified other observations related to processes in place at the Health Unit – see page 8.**



Control deficiencies (continued)



Prior year observations

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



Differences between sub-ledgers and general ledger

Prior year observation:

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 agree.

Current year update:

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 when comparing to the general ledger. We will continue to monitor this matter in fiscal 2024.



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 2024.

Control deficiencies (continued)



Prior year observations

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



Financial Sustainability

Prior year observation and recommendation:

KPMG notes that as of December 31, 2022, the Organization is in a net financial liability position of \$1,871,207, 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:

KPMG notes that as of December 31, 2023, the Organization is in a net financial liability position of \$1,009,664, 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.

Further, the Health Unit is currently in discussion regarding a voluntary merger with other Health Units such as Kingston, Frontenac, and Lennox & Addington Public Health ("KFL&APH") and Leeds, Grenville and Lanark District Health ("LGLDH") to create a new South East Health Unit effective in 2025. This is subject to the approval of the Ministry of Health.

On the basis of the above, KPMG notes that the observation still remains applicable. KPMG will continue to monitor this matter in fiscal 2024.

Accounting policies and practices



Initial selection

The following new significant accounting policies and practices were selected and applied during the period.

- The Corporation adopted Public Accounting Standard PS 3280 – Asset Retirement Obligations on January 1, 2023 and applied this transition on the modified retroactive basis. The impact of the implementation of this standard had no impact on the financial statements, however, the disclosures related to the adoption of this standard have been detailed in the notes to the financial statements.
- PS 1201 Financial Statement Presentation establishes general reporting principles and standards for the disclosure of information in government financial statements.
- PS 2601 Foreign Currency Translation establishes monetary assets and liabilities denominated in a foreign currency and non-monetary items denoted in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date.
- PS 3041 Portfolio Investments establishes guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments.
- PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. As a result of the adoption of the accounting standard, this has resulted in the recognition of an interest rate swap liability and accumulated remeasurement losses amounting to \$89,721 for the year ended December 31, 2023.



Revised

No matters to report.



Significant qualitative aspects

Significant accounting policies or practices are disclosed in note 1 to the financial statements.
No matters to report.

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



See [Appendix 3: Future accounting standards](#) for Public Sector Accounting Standards Board current projects and exposure drafts.



Significant qualitative aspects of financial statement presentation and disclosure



No matters to report.

Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
Illegal acts, including noncompliance with laws and regulations, or fraud	No matters to report
Other information in documents containing the audited financial statements	No matters to report
Significant difficulties encountered during the audit	No matters to report
Difficult or contentious matters for which the auditor consulted	No matters to report.
Management's consultation with other accountants	No matters to report
Disagreements with management	No matters to report
Related parties	No matters to report
Significant issues in connection with our appointment or retention	No matters to report
Other matters that are relevant matters of governance interest	No matters to report

Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code¹ and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



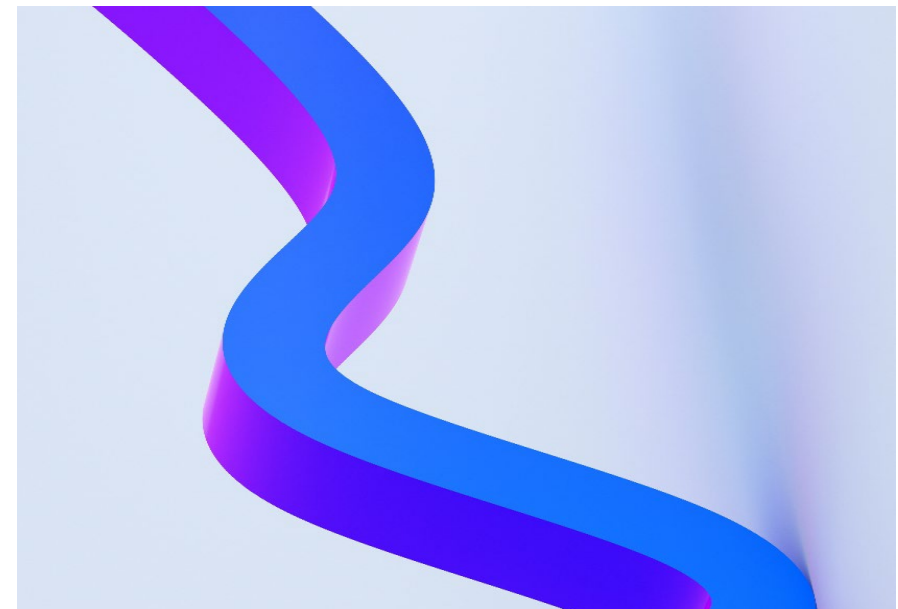
Restricted investments and relationships



Annual ethics and independence confirmation for staff

Statement of compliance

We confirm that, as of the date of this communication, **we are independent** of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.



¹ International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)

Appendices

1

Required
communications

2

Audit quality

3

Upcoming changes to
accounting standards

4

Insights





Appendix 1: Other required communications



Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to management.



CPAB communication protocol

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

- [CPAB Audit Quality Insights Report: 2021 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Interim Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)



Appendix 1a: Draft auditor's report

INDEPENDENT AUDITOR'S 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, 2023
- 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 remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, its results of operations, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 auditor's 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, whether due to fraud or error.

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

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

Auditor's 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.



Appendix 1a: Draft auditor's report (continued)

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)



Appendix 1b: Management representation letter

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

May 1, 2024

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, 2023.

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 January 4, 2024, 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.

Misstatements:

- 9) We approve the corrected misstatements identified by you during the audit described in [Attachment II](#).

Going concern:

- 10) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.



Appendix 1b: Management representation letter(continued)

- 11) 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:

- 12) 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).
- 13) 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: Mr. David Johnston, Director of Corporate Services

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 1b: Management representation letter(continued)

Attachment II – Summary of Audit Misstatements

Summary of corrected audit misstatement

Description	Statement of Financial Position effect ¹			Statement of Operations effect ¹
	Assets\$	Liabilities\$	Net Assets \$	
Audit misstatements greater than \$21,250 individually				
Dr. Remeasurement gains/(losses) on swaps	-	-	89,721	-
Cr. Interest rate swaps	-	(89,721)	-	-
To record the derivatives (interest rate swaps) at FMV on adoption of PS3450 as at December 31, 2023				
Total corrected audit misstatements	-	(89,721)	89,721	-

¹ Debit (Credit)



Appendix 2: Audit quality - How do we deliver audit quality?

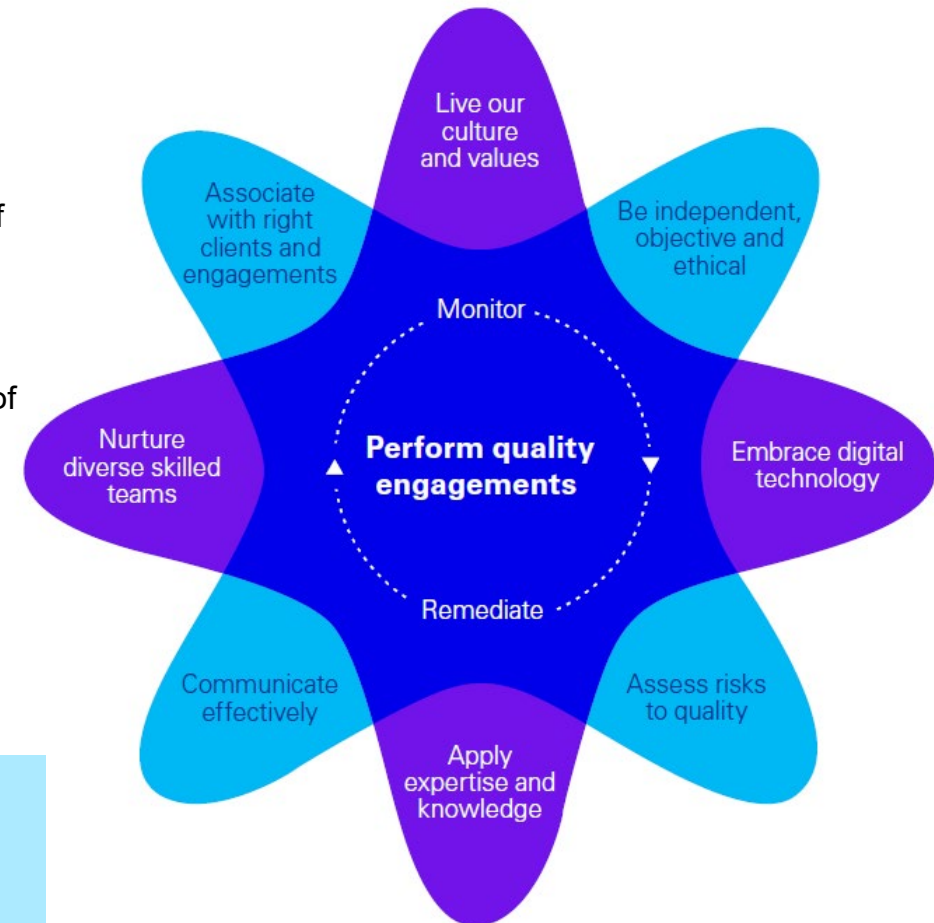
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 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 management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.

Appendix 2: Audit quality - Indicators (AQIs)

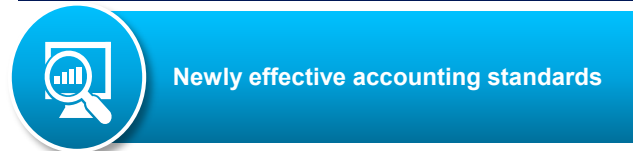
The objective of these measures is to provide the Finance Committee and management with more in-depth information about factors that influence audit quality within an audit process. Below you will find the current status of the AQIs that are relevant for the audit.





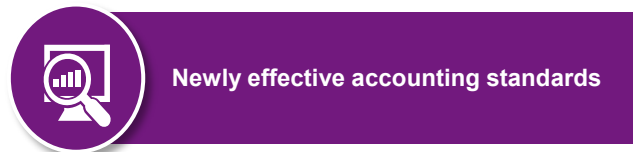
Appendix 3: Upcoming changes to accounting standards

Accounting changes



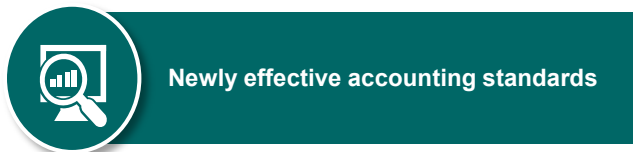
The amendments to PS 3400, *Revenue*, become effective for this year end (fiscal years beginning on or after April 1, 2023).

- The 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.



PS 3160, *Public Private Partnerships ("P3s")* becomes effective for this year end (fiscal years beginning on or after April 1, 2023).

- This standard 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.



PSG-8, *Purchased Intangibles*, becomes effective for this year end (fiscal years beginning on or after April 1, 2023).

- 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 4: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, Finance Committee and management.

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

Current Developments

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

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Accelerate 2024

The key issues driving the audit committee agenda in 2024.

Momentum

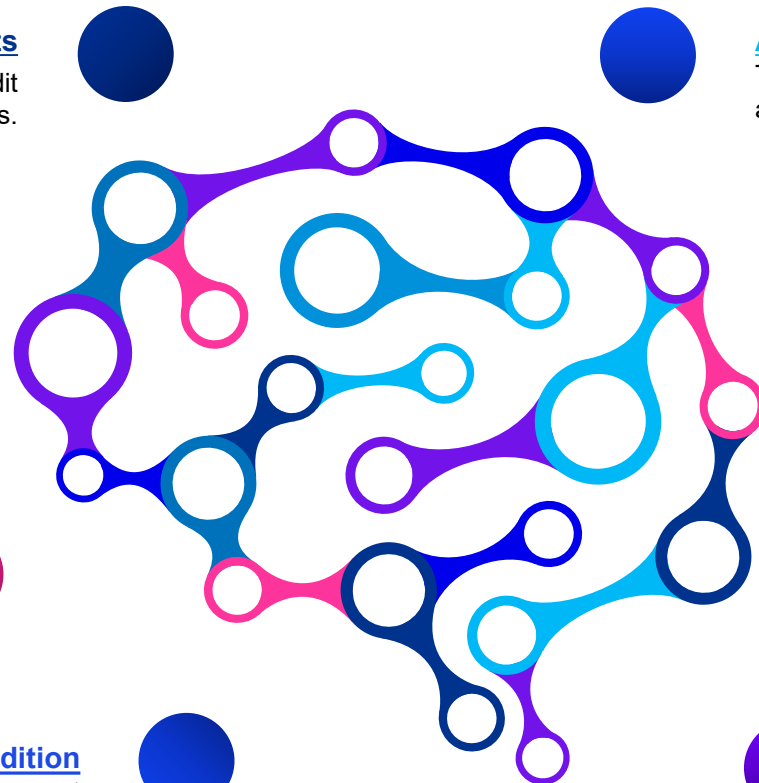
A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

IFRS Breaking News

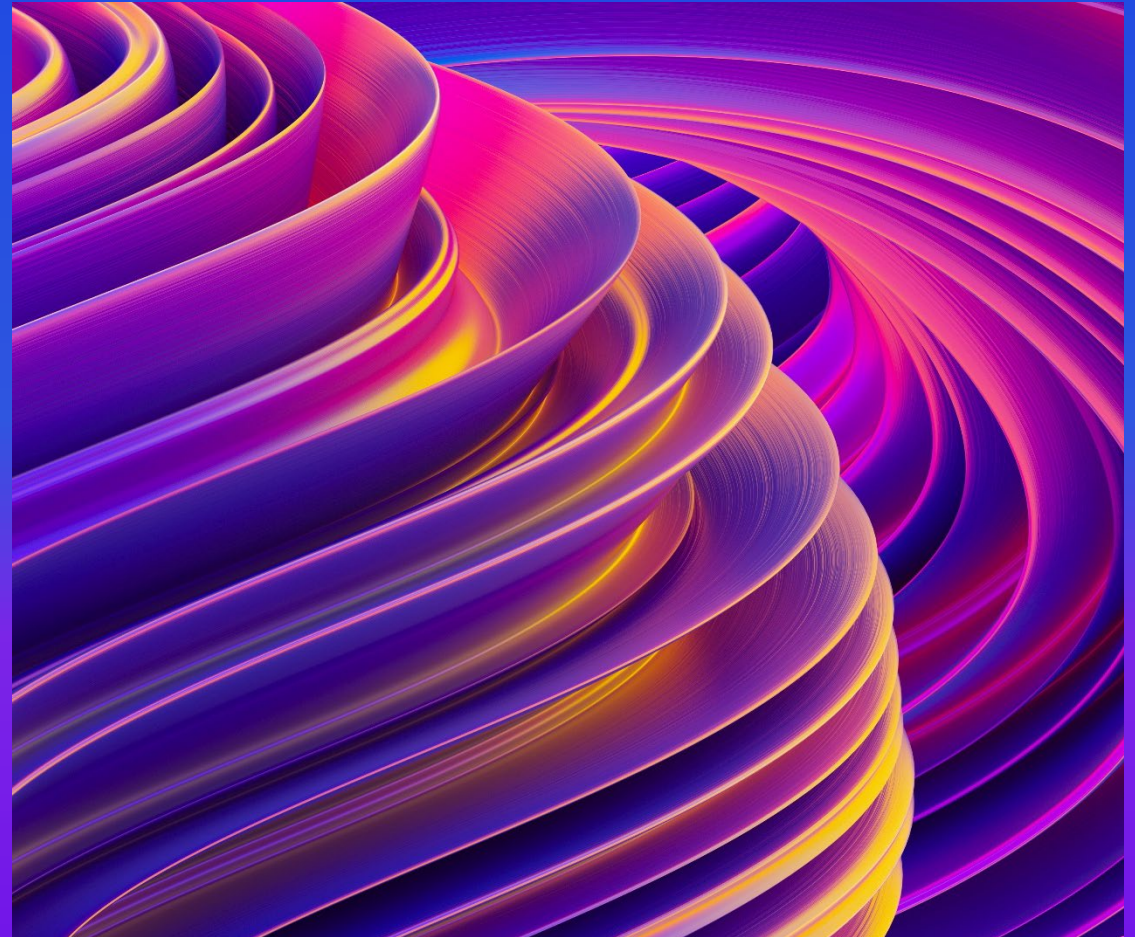
A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.





<https://kpmg.com/ca/en/home.html>

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Financial Statements of

**HASTINGS PRINCE EDWARD
PUBLIC HEALTH**

Year ended December 31, 2023

DRAFT

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Table of Contents

Year ended December 31, 2023

	Page
Independent Auditor’s Report	
Financial Statements	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Changes in Net Financial Liabilities	3
Statement of Accumulated Remeasurement Gains and Losses	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Schedule 1 - Program Operations	19

INDEPENDENT AUDITOR'S 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, 2023
- 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 remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, its results of operations, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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, whether due to fraud or error.

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

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

Auditor's 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, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash	\$ 4,734,873	\$ 2,639,417
Investments (note 3)	2,630,098	4,103,683
Accounts receivable	283,932	491,968
Due from Province of Ontario	465,969	49,962
	8,114,872	7,285,030
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	1,785,469	1,061,604
Due to Province of Ontario	716,189	951,778
Deferred revenue	282,385	623,219
Interest rate swaps (note 11)	89,721	—
Mortgage payable (note 10)	6,250,772	6,519,636
	9,124,536	9,156,237
Net financial liabilities	(1,009,664)	(1,871,207)
Non-financial assets:		
Tangible capital assets (note 14)	10,206,048	10,107,874
Prepaid expenses	226,086	244,522
	10,432,134	10,352,396
Commitments (note 6)		
Economic dependence (note 7)		
	\$ 9,422,470	\$ 8,481,189
Accumulated surplus is comprised of:		
Accumulated surplus (note 13)	\$ 9,512,191	\$ 8,481,189
Accumulated remeasurement losses	(89,721)	—
	\$ 9,422,470	\$ 8,481,189

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, 2023, with comparative information for 2022

	2023 Budget (note 12)	2023 Actual	2022 Actual
Revenue:			
Provincial funding (note 7)	\$ 13,813,994	\$ 14,298,314	\$ 14,315,918
Municipal levies (note 7)	3,630,108	3,630,108	3,491,385
Federal funding	128,988	40,550	174,161
Interest earned (note 3)	20,000	346,605	152,357
Expense recoveries (note 9)	102,700	76,414	81,581
Other revenue	—	24,068	24,335
	17,695,790	18,416,059	18,239,737
Expenses:			
Salaries	10,686,790	10,418,302	11,051,850
Benefits (note 4)	3,014,000	2,970,631	2,895,111
Staff training	202,000	119,265	155,248
Travel	178,000	158,465	115,481
Building occupancy (note 10)	1,312,000	820,942	799,687
Office and administration	774,000	835,854	555,250
Program supplies	437,000	443,659	436,022
Professional and purchased services	1,092,000	1,124,302	922,990
Amortization	—	493,637	411,992
	17,695,790	17,385,057	17,343,631
Annual surplus	—	1,031,002	896,106
Accumulated surplus, beginning of year	8,481,189	8,481,189	7,585,083
Accumulated surplus, end of year	\$ 8,481,189	\$ 9,512,191	\$ 8,481,189

See accompanying notes to financial statements.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Statement of Changes in Net Financial Liabilities

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

	2023 Budget (note 12)	2023 Actual	2022 Actual
Annual surplus	\$ —	\$ 1,031,002	\$ 896,106
Acquisition of tangible capital assets	—	(591,811)	(248,109)
Amortization of tangible capital assets	—	493,637	411,992
Change in prepaid expenses	—	18,436	(157,362)
Change in interest rate swap	—	(89,721)	—
Net decrease in financial liabilities	—	861,543	902,627
Net financial liabilities at beginning of year	—	(1,871,207)	(2,773,834)
Net financial liabilities at end of year	\$ —	\$ (1,009,664)	\$ (1,871,207)

See accompanying notes to financial statements.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Statement of Remeasurement Gains and Losses

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

	2023	2022
Accumulated remeasurement gains, beginning of year (note 2(a))	\$ 81,104	\$ —
Net unrealized losses attributable to:		
Derivatives – interest rate swaps (note 11)	(170,825)	—
Net remeasurement losses for the year	(170,825)	—
Accumulated remeasurement losses, end of year	\$ (89,721)	\$ —

See accompanying notes to financial statements.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Statement of Cash Flows

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

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,031,002	\$ 896,106
Amortization, which does not involve cash	493,637	411,992
Change in non-cash assets and liabilities:		
Accounts receivable	208,036	(288,873)
Due from Province of Ontario	(416,007)	(14,898)
Accounts payable and accrued liabilities	723,865	(77,606)
Due to Province of Ontario	(235,589)	509,157
Deferred revenue	(340,834)	(45,173)
Prepaid expenses	18,436	(157,362)
	1,482,546	1,233,343
Capital activities:		
Purchase of tangible capital assets	(591,811)	(248,109)
Financing activities:		
Principal repayments on mortgage payable	(268,864)	(258,055)
Investing activities:		
Redemption (purchase) of investments	1,473,585	(4,103,683)
Increase (decrease) in cash	2,095,456	(3,376,504)
Cash, beginning of year	2,639,417	6,015,921
Cash, end of year	\$ 4,734,873	\$ 2,639,417

See accompanying notes to financial statements.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2023

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, 2023

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
Communication systems	5 years
Office equipment	5 years
Computer equipment	5 years
Signage	5 years
Motor vehicles	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.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(h) Financial instruments:

The Financial instruments are recorded at fair value on initial recognition. Derivative instruments that are quoted in an active market are recorded at fair value.

All other financial instruments including investments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to subsequently record financial instruments at fair value.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized when they are transferred to the Statement of Operations and Accumulated Surplus.

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

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and Accumulated Surplus and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses.

When the asset is sold, the unrealized gain and losses previously recognized in the Statement of Remeasurement Gains and Losses are reversed and recognized in the Statement of Operations and Accumulated Surplus.

Long-term debt is recorded at amortized cost. Interest rate swaps are recorded at fair value.

The Public Sector Accounting Standards require an organization to clarify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(i) 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, 2023

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

- (a) The Health Unit adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments*, and PS 3450 *Financial Instruments*.
- (i) PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.
- (ii) PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denoted in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.
- (iii) PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.
- (iv) PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

A summary of the impact during the year is as follows:

Interest rate swap liability	\$	89,721
Accumulated remeasurement losses		(89,721)

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

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

- (b) On January 1, 2023, the Health Unit adopted Public Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings owned by public sector entities.

The adoption of this standard did not result in an accounting policy change for the Health Unit, and did not result in any adjustments to the financial statements as at January 1, 2023.

3. Investments:

The guaranteed investment certificates yields interest of 5.8% and matures on July 2024.

All investments are level 2 investments. There were no transfers between level 1, 2 and 3.

	2023	2022
Guaranteed investment certificates	\$ 2,630,098	\$ 4,103,683

Interest earned consists of:

	2023	2022
Investment income	\$ 195,680	\$ 86,510
Bank interest	150,925	65,847
	\$ 346,605	\$ 152,357

4. 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, 2023. At that time, the plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion actuarial deficit).

The amount contributed to OMERS for current services in 2023 was \$979,566 (2022 - \$963,319) and is included as an expense within benefits on the Statement of Operations and Accumulated Surplus.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

5. 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 \$5,078 (2022 - \$4,931) and are included in accounts payable and accrued liabilities on the Statement of Financial Position.

6. 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:

2024	\$	75,500
2025		6,495
2026		6,495
2027		6,495
2028		541
	\$	95,526

7. 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 78% (2022 - 78%) 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 22% (2022 - 22%). In fiscal 2023, the Province of Ontario provided mitigation funding in the amount of \$1,120,000 (2022 - \$1,120,000) to reduce the impact of the 2019 funding change. Mitigation funding will be reinvested to base funding in fiscal 2024.

The Health Unit is currently in discussion regarding a voluntary merger with other Health Units such as Kingston, Frontenac, and Lennox & Addington Public Health ("KFL&APH") and Leeds, Grenville and Lanark District Health ("LGLDH") to create a new South East Health Unit effective in 2025. This is subject to the approval of the Ministry of Health.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Reserves:

The Health Unit has established reserves as follows:

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

	2023	2022
Capital reserve, beginning of year	\$ 2,584,239	\$ 2,261,622
Transfer from operation – schedule 1	394,470	322,617
Capital reserve, end of year	2,978,709	2,584,239
HBHC reserve	45,859	45,859
Total reserves	\$ 3,024,568	\$ 2,630,098

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.

9. Expense recoveries:

Expense recoveries consist of:

	2023	2022
Provincial reimbursement of clinic costs	\$ 50,296	\$ 62,499
Program recoveries	14,937	11,667
Seniors dental	10,100	3,620
Nicotine replacement clinics	791	670
Other	290	3,095
Sexual health clinics	–	30
	\$ 76,414	\$ 81,581

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Mortgage payable:

Mortgage payable consists of the following:

	2023	2022
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.	\$ 6,250,772	\$ 6,519,636

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 \$262,930 (2022 - \$273,738) is included in building occupancy on the Statement of Operations and Accumulated Surplus.

Future principal repayments are estimated to be as follows:

2024	\$ 280,125
2025	291,857
2026	304,081
2027	316,817
2028	330,086
Thereafter	4,727,806
	<u>\$ 6,250,772</u>

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

11. Interest rate swap agreement:

The Health Unit is party to interest rate swap contracts to manage interest rate exposures for economic hedging and risk management purposes.

The interest rate swap contracts convert the floating rate interest obligations of the loan into fixed rate obligations and thus manage the Health Unit's exposure to interest rate risk. The loan with the interest rate swap and the fixed rates payable are disclosed in note 10. The maturity date of the interest rate swap is the same as the maturity date of the associated long-term debt which is 2040. The fair value of the interest rate swaps will vary based on prevailing market interest rates and the remaining term to maturity. The change in fair value of the interest rate swaps was an unrealized loss of \$170,825 (2022 – unrealized gain of \$81,104) for the year ended December 31, 2023.

The interest rate swap is a level 3 financial instrument and is measured at fair value using a valuation technique, taking into account market interest rates. The fair value of interest rate swaps is based on broker quotes.

12. Budget:

The Board of Health approved the budget for 2023 with a municipal levy of \$3,630,108 on November 2, 2022. 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.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

13. Accumulated surplus:

Accumulated surplus consists of:

	2023	2022
Tangible capital assets	\$ 10,206,048	\$ 10,107,874
Mortgage payable	(6,250,772)	(6,519,636)
	3,955,276	3,588,238
Reserves (note 8)	3,024,568	2,630,098
Unrestricted surplus	2,532,347	2,262,853
	<u>\$ 9,512,191</u>	<u>\$ 8,481,189</u>
	2023	2022
Unrestricted surplus, beginning of year	\$ 2,262,853	\$ 1,783,536
Annual surplus	1,031,002	896,106
	3,293,855	2,679,642
Change - tangible capital assets	(98,174)	163,883
Principal repayments in year	(268,864)	(258,055)
Transfer to capital reserve	(394,470)	(322,617)
Unrestricted surplus, end of year	<u>\$ 2,532,347</u>	<u>\$ 2,262,853</u>

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

14. Tangible capital assets:

Cost	Balance at December 31, 2022	Transfers and additions	Transfers, disposals and adjustments	Balance at December 31, 2023
Land	\$ 81,814	\$ —	\$ —	\$ 81,814
Buildings and site improvements	11,831,896	—	—	11,831,896
Leasehold improvements	197,010	—	—	197,010
Communications systems	93,585	—	—	93,585
Office equipment	600,896	11,274	—	612,170
Computer equipment	819,234	13,897	(253,760)	579,371
Signage	20,942	—	—	20,942
Motor vehicles	—	566,640	105,686	672,326
Assets under construction	105,686	—	(105,686)	—
Total	\$ 13,751,063	\$ 591,811	\$ (253,760)	\$ 14,089,114

Accumulated amortization	Balance at December 31, 2022	Amortization expense	Transfers, disposals and adjustments	Balance at December 31, 2023
Buildings and site improvements	\$ 2,200,508	\$ 295,081	\$ —	\$ 2,495,589
Leasehold improvements	197,010	—	—	197,010
Communications systems	93,585	—	—	93,585
Office equipment	504,162	44,649	—	548,811
Computer equipment	626,982	86,674	(253,760)	459,896
Signage	20,942	—	—	20,942
Motor vehicles	—	67,233	—	67,233
Total	\$ 3,643,189	\$ 493,637	\$ (253,760)	\$ 3,883,066

	Net book value December 31, 2022	Net book value December 31, 2023
Land	\$ 81,814	\$ 81,814
Buildings and site improvements	9,631,388	9,336,307
Leasehold improvements	—	—
Communications systems	—	—
Office equipment	96,734	63,359
Computer equipment	192,252	119,475
Signage	—	—
Motor vehicles	—	605,093
Assets under construction	105,686	—
Total	\$ 10,107,874	\$ 10,206,048

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

15. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Health Unit is exposed to credit risk with respect to accounts receivable on the Statement of Financial Position.

The Health Unit assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Health Unit at December 31, 2023 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations and Accumulated Surplus. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Statement of Operations and Accumulated Surplus. The balance of the allowance for doubtful accounts at December 31, 2023 is \$Nil (2022 - \$Nil).

There have been no significant changes to the credit risk exposure from 2022.

(b) Liquidity risk:

Liquidity risk is the risk that the Health Unit will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Health Unit manages its liquidity risk by monitoring its operating requirements. The Health Unit prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2022.

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Health Unit's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2023

15. Financial risks and concentration of credit risk:

(d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Health Unit to cash flow interest rate risk. The Health Unit is exposed to this risk through its interest bearing mortgage payable and its interest rate swaps.

The Health Unit mitigates interest rate risk on its term loans through derivative financial instruments (interest rate swaps) that exchanges the variable rate inherent in the term loan for a fixed rate (see note 11). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

There has been no change to the interest rate risk exposure from 2022.

HASTINGS PRINCE EDWARD PUBLIC HEALTH

Schedule 1 - Program Operations

Year ended December 31, 2023

	Mandatory Mandatory Core	100% MOH Ontario Seniors Dental Care Program	COVID-19: Vaccine Program	COVID-19: General Program	Ontario Seniors Dental Care Program	100% ONE TIME School- focused Nurses Initiative	New Purpose- Built Vaccine Refrigerator	ISPA Pandemic Recovery	PH Practicum Student	Ontario Seniors Dental Capital: Mobile Clinic	MCCSS Healthy Babies, Healthy Children	Federal Childrens Oral Health Initiative	Other Operating Fund	Capital Reserve	Totals 2023	2022
REVENUES																
Provincial approved funding MOH	9,366,550	1,275,453	130,000	160,000	133,000	400,000	12,000	25,000	20,000	542,852	-	-	-	-	12,064,855	12,553,165
Provincial approved funding MCCSS	-	-	-	-	-	-	-	-	-	-	1,048,786	-	-	-	1,048,786	1,163,273
Total Approved Provincial Funding	9,366,550	1,275,453	130,000	160,000	133,000	400,000	12,000	25,000	20,000	542,852	1,048,786	-	-	-	13,113,641	13,716,438
Provincial funding MOH Salary	135,500	-	-	-	-	-	-	-	-	-	-	-	-	-	135,500	133,789
Provincial funding Mitigation	1,120,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,120,000	1,120,000
Settlement adjustments	(70,098)	(3)	-	-	-	-	(726)	-	-	-	-	-	-	-	(70,827)	(654,309)
Provincial funding	10,551,952	1,275,450	130,000	160,000	133,000	400,000	11,274	25,000	20,000	542,852	1,048,786	-	-	-	14,298,314	14,315,918
Municipal levies	3,249,300	-	-	-	-	-	-	-	-	-	-	-	120,808	260,000	3,630,108	3,491,385
Federal funding	-	-	-	-	-	-	-	-	-	-	-	40,550	-	-	40,550	174,161
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	89,839	-	-	-	-	-	-	-	-	-	-	-	122,296	134,470	346,605	152,357
Rental income	24,068	-	-	-	-	-	-	-	-	-	-	-	-	-	24,068	24,335
Expenditure Recoveries	66,314	10,100	-	-	-	-	-	-	-	-	-	-	-	-	76,414	81,581
Total Revenues	13,981,473	1,285,550	130,000	160,000	133,000	400,000	11,274	25,000	20,000	542,852	1,048,786	40,550	243,104	394,470	18,416,059	18,239,737
EXPENDITURES																
Salaries	8,693,343	288,812	130,000	160,000	-	328,286	-	14,898	17,199	-	755,158	30,606	-	-	10,418,302	11,051,849
Benefits	2,587,706	83,754	-	-	-	71,714	-	10,102	2,801	-	205,505	9,049	-	-	2,970,631	2,895,111
Staff training	116,784	1,219	-	-	-	-	-	-	-	-	1,262	-	-	-	119,265	155,248
Travel	108,258	23,892	-	-	-	-	-	-	-	-	26,315	-	-	-	158,465	115,481
Building occupancy	773,892	35,800	-	-	-	-	-	-	-	-	11,250	-	-	-	820,942	799,687
Office expenses and administration	766,741	57,252	-	-	-	-	-	-	-	-	11,861	-	-	-	835,854	555,250
Program supplies	290,421	144,081	-	-	-	-	-	-	-	-	8,263	894	-	-	443,659	436,022
Professional and purchased services	338,527	650,740	-	-	133,000	-	-	-	-	-	2,035	-	-	-	1,124,302	922,990
Amortization	493,637	-	-	-	-	-	-	-	-	-	-	-	-	-	493,637	411,992
Total Expenditures	14,169,309	1,285,550	130,000	160,000	133,000	400,000	-	25,000	20,000	-	1,021,649	40,549	-	-	17,385,057	17,343,630
Annual surplus (deficit) before other items	(187,836)	-	-	-	-	-	11,274	-	-	542,852	27,138	-	243,104	394,470	1,031,002	896,106
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual surplus (deficit)	(187,836)	-	-	-	-	-	11,274	-	-	542,852	27,138	-	243,104	394,470	1,031,002	896,106
RECONCILIATION TO FUNDING																
Annual surplus (deficit) above	(187,836)	-	-	-	-	-	11,274	-	-	542,852	27,138	-	243,104	394,470	1,031,002	896,106
Add back amortization	493,637	-	-	-	-	-	-	-	-	-	-	-	-	-	493,637	411,992
Add transfers from reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add tangible capital asset adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less tangible capital asset acquisitions	(13,897)	-	-	-	-	-	(11,274)	-	-	(542,852)	-	-	-	-	(568,023)	(248,109)
Less principal repayments on mortgage	(268,864)	-	-	-	-	-	-	-	-	-	-	-	-	-	(268,864)	(258,055)
Less vacation/frozen sick leave	(23,040)	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,040)	(53,725)
Funding Surplus	-	-	-	-	-	-	-	-	-	-	27,138	-	243,104	394,470	664,712	748,209