

Financial Statements of

**RENFREW COUNTY
AND DISTRICT HEALTH UNIT**

Year ended December 31, 2021



Renfrew County and District Health Unit

"Optimal Health for All in Renfrew County and District"

June 28, 2022

MANAGEMENT REPORT

Management's Responsibility for the Financial Statements:

The accompanying financial statements for the Renfrew County and District Health Unit are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of the financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

The financial statements have been audited by Scott Rosien Black & Locke, independent external auditors appointed by the Board of Health. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Renfrew County and District Health Unit financial statements.

Heather G. Daly, CPA, CMA
CEO (A)/Director, Corporate Services

INDEPENDENT AUDITORS' REPORT

To the Chair and Members of the Board of Health of the
Renfrew County and District Health Unit

Opinion

We have audited the financial statements of the Renfrew County and District Health Unit, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Renfrew County and District Health Unit as at December 31, 2021, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Renfrew County and District Health Unit in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance are responsible for overseeing the Renfrew County and District Health Unit'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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Renfrew County and District Health Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Renfrew County and District Health Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Renfrew County and District Health Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Scott Rosiem Black + Locke

Chartered Professional Accountants
Licensed Public Accountants

Pembroke, Ontario
June 28, 2022

RENFREW COUNTY AND DISTRICT HEALTH UNIT



Statement of Financial Position

December 31, 2021, with comparative figures for 2020

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Financial Assets | | |
| Cash | \$ 3,550,333 | \$ 454,853 |
| Receivable from Province of Ontario (note 2) | - | 1,850,057 |
| Receivable from Government of Canada | 256,019 | 421,559 |
| Other receivables | 5,824 | 116,970 |
| Total financial assets | 3,812,176 | 2,843,439 |
| Financial Liabilities | | |
| Accounts payable and accrued liabilities | 1,266,478 | 1,866,794 |
| Payable to Province of Ontario (note 2) | 1,522,228 | - |
| Deferred revenue (note 3) | 21,730 | 23,652 |
| Total financial liabilities | 2,810,436 | 1,890,446 |
| Net Financial Assets | 1,001,740 | 952,993 |
| Non-Financial Assets | | |
| Tangible capital assets-net (note 4) | 3,113,520 | 2,690,438 |
| Prepaid expenses | 99,287 | 57,681 |
| | 3,212,807 | 2,748,119 |
| Accumulated Surplus (note 6) | \$ 4,214,547 | \$ 3,701,112 |

Related party transactions (note 8)
Commitments and contingencies (note 9)

On behalf of the Board:

| | |
|---|--------|
|  | Member |
|  | Member |

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

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Statement of Operations

Year ended December 31, 2021, with comparative figures for 2020

| | 2021 | 2021 | 2020 |
|---|--------------|---------------|--------------|
| | Budget | Actual | Actual |
| Revenue: | | | |
| Grants – Province of Ontario (note 7) | \$10,899,378 | \$ 10,061,231 | \$10,216,915 |
| Municipalities | 2,005,193 | 2,005,193 | 1,848,732 |
| | 12,904,571 | 12,066,424 | 12,065,647 |
| Interest | - | 6,449 | 15,574 |
| Interest on reserve funds | - | 7,657 | 9,264 |
| User fees | 25,000 | 1,440 | 5,945 |
| Program recoveries | - | 60,383 | - |
| | 12,929,571 | 12,142,353 | 12,096,430 |
| Expenditure: | | | |
| Mandatory Programs | 8,210,794 | 3,953,933 | 4,679,887 |
| Mandatory Programs – COVID-19 | - | 3,878,683 | 2,875,913 |
| Ontario Seniors Dental Care Program | 602,400 | 602,400 | 388,177 |
| Ontario Seniors Dental Care Program – New Dental Clinic Pembroke | 167,981 | 410 | - |
| Unorganized Territories | 53,200 | 22,754 | 25,036 |
| Unorganized Territories – COVID-19 | - | 30,446 | 28,164 |
| Public Health Inspector Practicum Program | 10,000 | 10,000 | 10,000 |
| Public Health Case and Contact Management | 1,773 | 1,773 | 23,327 |
| Temporary Pandemic Pay Initiative | - | - | 8,959 |
| Smoke-Free Ontario Enforcement Tablet Upgrade | 6,000 | 750 | - |
| School-Focused Nurses Initiative | 378,698 | 671,609 | 221,302 |
| Ontario Seniors Dental Care Program Capital Rainbow Valley Community Health Center | 15,534 | - | 4,164 |
| Healthy Babies Healthy Children | 689,154 | 583,371 | 894,397 |
| COVID-19 Extraordinary Costs | - | - | 771,537 |
| COVID-19 General Program | 1,561,130 | 689,328 | - |
| COVID-19 Vaccine Program | 1,232,907 | 1,023,818 | - |
| Amortization of tangible capital assets | - | 181,758 | 153,508 |
| Loss on disposal of tangible capital assets | - | 270 | 19,986 |
| Non-fundable expenses | - | (22,385) | 175,608 |
| | 12,929,571 | 11,628,918 | 10,279,965 |
| Annual surplus | - | 513,435 | 1,816,465 |
| Accumulated surplus, beginning of year | 3,701,112 | 3,701,112 | 1,884,647 |
| Accumulated surplus, end of year | \$ 3,701,112 | \$ 4,214,547 | \$ 3,701,112 |

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

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Statement of Change in Net Financial Assets

Year ended December 31, 2021, with comparative figures for 2020

| | 2021 | 2021 | 2020 |
|---|--------|--------------|--------------|
| | Budget | Actual | Actual |
| Annual surplus | \$ - | \$ 513,435 | \$ 1,816,465 |
| Amortization of tangible capital assets | - | 181,758 | 153,508 |
| Acquisition of tangible capital assets | - | (605,110) | (2,306,288) |
| Loss on disposal of capital assets | - | 270 | 19,987 |
| Decrease (increase) in prepaid expenses | - | (41,606) | 7,745 |
| Increase (decrease) in net financial assets | - | 48,747 | (308,583) |
| Net financial assets, beginning of year | - | 952,993 | 1,261,576 |
| Net financial assets, end of year | \$ - | \$ 1,001,740 | \$ 952,993 |

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

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Statement of Cash Flows

Year ended December 31, 2021, with comparative figures for 2020

| | 2021 | 2020 |
|---|--------------|--------------|
| Operations: | | |
| Annual surplus | \$ 513,435 | \$ 1,816,465 |
| Non-cash charge to operations: | | |
| Amortization of tangible capital assets | 181,758 | 153,508 |
| Loss on disposal of tangible capital assets | 270 | 19,987 |
| Changes in non-cash operating working capital: | | |
| Decrease (increase) in receivable from Government of Canada | 165,540 | (248,913) |
| Decrease (increase) in receivable from Province of Ontario | 1,850,057 | (1,850,057) |
| Decrease (increase) in other receivables | 111,146 | (110,064) |
| Decrease (increase) in prepaid expenses | (41,606) | 7,745 |
| Increase (decrease) in accounts payable and accrued liabilities | (600,316) | 961,350 |
| Increase (decrease) in payable to Province of Ontario | 1,522,228 | (272,827) |
| Decrease in deferred revenue | (1,922) | (148,998) |
| Increase in cash from operations | 3,700,590 | 328,196 |
| Capital: | | |
| Acquisition of tangible capital assets | (605,110) | (2,306,288) |
| Net investment in tangible capital assets | (605,110) | (2,306,288) |
| Increase (decrease) in cash | 3,095,480 | (1,978,092) |
| Cash, beginning of year | 454,853 | 2,432,945 |
| Cash, end of year | \$ 3,550,333 | \$ 454,853 |

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

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements

Year ended December 31, 2021

The Renfrew County and District Health Unit is established under the Health Protection and Promotion Act and provides programs and services in accordance with the legislative mandate for Boards of Health in Ontario.

1. Accounting Policies:

The financial statements of the Renfrew County and District Health Unit are the representation of management prepared in accordance with Canadian Public Sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted are as follows:

(a) Reporting Entity:

- (i) Programs included:

These statements reflect the assets, liabilities, revenues and expenditures of the following programs:

Public Health Programs
Healthy Babies Healthy Children Program

All inter-program assets and liabilities have been eliminated.

(b) Basis of Accounting:

- (i) Accrual Basis of Accounting

Sources of revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

- (ii) Deferred Revenue

Deferred revenue represents amounts which have been received but for which the related expenditure has yet to be incurred. This amount will be recognized as revenue in the fiscal year the expenditure is incurred.

- (iii) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenditures, provides the change in net financial assets for the year.

- (iv) Cash

Cash is defined as cash on hand and cash on deposit, net of outstanding cheques at the reporting date.

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 2

Year ended December 31, 2021

1. Accounting Policies - continued:

(b) Basis of Accounting - continued:

(v) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | Estimated useful life |
|------------------------------|-----------------------|
| Office furniture | 20 years |
| Medical and office equipment | 5 years |
| Information technology | 5 years |
| Telecommunications | 10 years |
| Leasehold improvements | term of lease |

Tangible capital assets are not amortized in the year of acquisition.

The Renfrew County and District Health Unit has a capitalization threshold so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of the transfer.

(vi) Government Transfers

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

(vii) Financial Instruments

The Renfrew County and District Health Unit has classified its cash as held for trading and is stated at fair value. Receivable from Government of Canada and other receivables are classified as loans and receivables which are measured at amortized cost. Accounts payable and accrued liabilities and payable to the Province of Ontario are classified as other liabilities, each of which is measured on an amortized cost basis.

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 3

Year ended December 31, 2021

1. Accounting Policies - continued:

(viii) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes.

Due to the inherent uncertainty in making estimates, actual results could differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

2. Receivable from (payable to) the Province of Ontario:

The net amount receivable from (payable to) the Province of Ontario is comprised of the following amounts:

| | 2021 | 2020 |
|---|----------------------|---------------------|
| Ministry of Health: | | |
| Mandatory Programs | \$ 1,502 | \$ 1,575 |
| Universal Influenza Immunization Program | 2,690 | 6,455 |
| Needle Exchange Program | (1,997) | (1,997) |
| Small Drinking Water Systems Program | (66) | (66) |
| Injury and Family Abuse Prevention Project | - | (16,063) |
| Promote Healthy Pregnancy and Child Development Project | - | (14,398) |
| Harm Reduction Program Enhancement | (360) | (360) |
| Unorganized Territories | (123) | (123) |
| Meningococcal C Vaccine Program | 12,223 | 901 |
| Human Papilloma Virus Vaccine Program | 14,722 | 1,105 |
| Community Infrastructure Renewal Fund | (810) | (810) |
| Ontario Seniors Dental Care Program | - | (115,380) |
| Covid-19 Extraordinary Costs | (35) | 796,565 |
| Covid-19 General Program | (882,910) | - |
| Covid-19 Vaccine Program | (600,637) | - |
| Temporary Pandemic Pay Initiative | - | (59,441) |
| School-Focused Nurses Initiative | 41,660 | (29,948) |
| Public Health Case & Contact Management Solution | - | 6,154 |
| Public Health Inspector Practicum Program | 2,494 | 2,494 |
| Public Health Inspector Tablets | 1,498 | - |
| Capital Project: Renovation Costs | - | 1,000,000 |
| Capital Project: OSDCP Pembroke Dental | - | 186,619 |
| Capital Project: OSDCP Rainbow Valley Dental | - | 34,466 |
| Ministry of Children, Community and Social Services | | |
| Healthy Babies Healthy Children Program | (112,079) | 82,231 |
| Ministry of Environment: | | |
| Environmental Protection Program | - | (29,922) |
| | \$(1,522,228) | \$ 1,850,057 |

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 4

Year ended December 31, 2021

3. Deferred revenue:

| | 2021 | 2020 |
|-----------------------|-----------|-----------|
| Municipal levy | \$ 20,737 | \$ 22,659 |
| You're The Chef grant | 993 | 993 |
| | <hr/> | <hr/> |
| | \$ 21,730 | \$ 23,652 |

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 5

Year ended December 31, 2021

4. Tangible Capital Assets:

| | Office Furniture | Medical and Office Equipment | Information Technology | Tele- Communications | Leasehold Improvements | 2021 Total | 2020 Total |
|--|---------------------|------------------------------------|---------------------------|-------------------------|---------------------------|---------------|---------------|
| COST | | | | | | | |
| Balance, beginning of year | \$ 325,129 | \$ 481,936 | \$ 521,265 | \$ 63,728 | \$ 1,798,143 | \$ 3,190,201 | \$ 1,197,643 |
| Additions during the year | - | 165,066 | 42,143 | - | 397,901 | 605,110 | 2,306,288 |
| Disposals during the year | (540) | - | (201) | - | - | (741) | (313,730) |
| Balance, end of year | \$ 324,589 | \$ 647,002 | \$ 563,207 | \$ 63,728 | \$ 2,196,044 | \$ 3,794,570 | \$ 3,190,201 |
| ACCUMULATED AMORTIZATION | | | | | | | |
| Balance, beginning of year | \$ 57,403 | \$ 46,131 | \$ 338,565 | \$ 57,664 | \$ - | \$ 499,763 | \$ 639,998 |
| Amortization for the year | 16,229 | 94,649 | 64,816 | 6,064 | - | 181,758 | 153,508 |
| Disposals during the year | (270) | - | (201) | - | - | (471) | (293,743) |
| Balance, end of year | \$ 73,362 | \$ 140,780 | \$ 403,180 | \$ 63,728 | \$ - | \$ 681,050 | \$ 499,763 |
| Net Book Value of Tangible Capital Assets | \$ 251,227 | \$ 506,222 | \$ 160,027 | \$ - | \$ 2,196,044 | \$ 3,113,520 | \$ 2,690,438 |

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 6

Year ended December 31, 2021

5. Pension Agreements:

The Renfrew County and District Health Unit, on behalf of its eligible employees, is a participant in the Ontario Municipal Employees Retirement System (OMERS). OMERS is a defined benefit pension plan, fully funded by equal contributions from participating employers and employees, and by the investment earnings of the OMERS Fund. OMERS pensions are calculated using a defined benefit formula, taking into account length of service and average annual wage that is designed to integrate with the pension payable from the Canada Pension Plan. The amount contributed to OMERS for 2021 was \$522,792 (2020 - \$534,205) for current service and is included as an expenditure on the Statement of Operations. At December 31, 2021 there is no liability for past service under this agreement.

Because OMERS is a multi-employee pension plan the Renfrew County and District Health Unit does not recognize any share of the last reported pension plan deficit for 2021 of \$69,000,000 based on the fair market value of the Plan's Assets, as this is a joint responsibility of all Ontario municipalities and their employees.

6. Accumulated Surplus:

| | 2021 | 2020 |
|-------------------------------------|---------------------|---------------------|
| Invested in tangible capital assets | \$ 3,113,520 | \$ 2,690,438 |
| General revenue | 231,540 | 209,227 |
| Reserve funds | 869,487 | 801,447 |
| | <u>\$ 4,214,547</u> | <u>\$ 3,701,112</u> |

(a) Continuity of reserve funds:

Reserve funds comprise funds set aside for specific purposes by the Board of Health.

| | Opening Balance January 1 2021 | Transfer | Interest | Closing Balance December 31 2021 |
|------------------------|---|------------------|-----------------|---|
| Payroll | \$ 599,425 | \$ - | \$ 5,700 | \$ 605,125 |
| Operations | 102,022 | 60,383 | 988 | 163,393 |
| Technological upgrades | 100,000 | - | 969 | 100,969 |
| Total Reserve Funds | <u>\$ 801,447</u> | <u>\$ 60,383</u> | <u>\$ 7,657</u> | <u>\$ 869,487</u> |

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 7

Year ended December 31, 2021

7. Grants - Province of Ontario:

| | 2021 | 2021 | 2020 |
|--|--------------|---------------|--------------|
| | Budget | Actual | Actual |
| Mandatory Programs | \$ 5,272,200 | \$ 5,272,127 | \$ 5,272,164 |
| Mitigation | 908,400 | 908,400 | 908,400 |
| Ontario Seniors Dental Care Program | 602,400 | 602,400 | 487,020 |
| Unorganized Territories | 53,200 | 53,200 | 53,200 |
| Covid-19 Extraordinary costs | - | - | 796,600 |
| Covid-19 General Program | 1,561,130 | 698,290 | - |
| Covid-19 Vaccine Program | 1,232,908 | 1,037,962 | - |
| School-Focused Nurses Initiative | 378,698 | 671,609 | 221,302 |
| Public Health Case and Contact Management | 1,773 | 1,773 | 23,327 |
| Public Health Inspector Practicum Program | 10,000 | 10,000 | 10,000 |
| SFO Enforcement Tablet Upgrades | 6,000 | 5,998 | - |
| Temporary Pandemic Pay Initiative | - | - | 8,959 |
| Capital Project: Renovation Costs | - | - | 1,000,000 |
| Capital Project: OSDCP Rainbow Valley Dental | 15,534 | 15,534 | 346,466 |
| Capital Project: OSDCP Pembroke Dental | 167,981 | 167,981 | 186,619 |
| Universal Influenza Immunization Program | - | 2,690 | 6,455 |
| Meningococcal C Vaccine Program/ Human | - | - | - |
| Papilloma Virus Vaccine Program | - | 26,945 | 2,006 |
| Healthy Babies Healthy Children | 689,154 | 586,322 | 894,397 |
| | \$10,899,378 | \$ 10,061,231 | \$10,216,915 |

8. Related Party Transactions:

The Renfrew County and District Health Unit recorded rent in the amount of \$43,990 (2020 - \$301,440) including non-rebateable Harmonized Sales Tax to the County of Renfrew which are included in the rent and utilities expense.

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 8

Year ended December 31, 2021

9. Commitments and Contingencies:

Long-term lease:

The Renfrew County and District Health Unit rents office space under long-term operating leases as disclosed below:

| | Barry's Bay | Renfrew | Pembroke | Total |
|---|-------------|-----------|--------------|--------------|
| Minimum annual rental payable including Harmonized Sales Taxes: | | | | |
| December 31, 2022 | 7,408 | 49,825 | 367,127 | 424,360 |
| December 31, 2023 | 7,408 | 25,159 | 367,127 | 399,694 |
| December 31, 2024 | 7,408 | - | 367,127 | 374,535 |
| December 31, 2025 | 1,852 | - | 367,127 | 368,979 |
| December 31, 2026 | - | - | 384,609 | 384,609 |
| December 31, 2027 | - | - | 384,609 | 384,609 |
| December 31, 2028 | - | - | 384,609 | 384,609 |
| December 31, 2029 | - | - | 384,609 | 384,609 |
| December 31, 2030 | - | - | 384,609 | 384,609 |
| | \$ 24,076 | \$ 74,984 | \$ 3,391,553 | \$ 3,490,613 |

The lease for the Pembroke location is for a ten-year term that expires December 31, 2030.

The lease for the Renfrew location, located in a County owned facility, is for a five-year term that expires June 30, 2023.

The lease for the Barry's Bay dental office location is for a five-year term that expires March 30, 2025.

Overdraft Lending Facility:

The Renfrew County and District Health Unit has signed an overdraft lending facility of \$500,000 and a one-time funding facility for up to \$2 million to cover the renovation costs at 141 Lake Street, Pembroke, Ontario. At December 31, 2021 the facilities have not been utilized.

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 9

Year ended December 31, 2021

10. Financial Instruments:

The fair value of cash, receivable from Government of Canada, other receivables, accounts payable and accrued liabilities and payable to Province of Ontario is approximately equal to their carrying value due to their short-term nature.

It is the Health Unit's opinion that the facility is not exposed to significant interest, currency or credit risks arising from its financial instruments.

11. Uncertainty due to COVID-19:

In March 2020 the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies. The overall effect of these events on the Health Unit and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

12. Budget Figures:

The operating budget approved by the Board of Health is reflected on the Statement of Operations. As per a province wide directive by the Ministry of Health, many of the initial budgeted program's operations and funding were re-directed to respond to the COVID-19 pandemic.

13. Comparative Figures:

Certain of the 2020 comparative figures have been reclassified to conform with the financial presentation adopted in 2021.

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 10

Year ended December 31, 2021

14. Segmented Information:

| 2021 | Salaries & Benefits | Fees, Honoraria & Purchased Services | Travel | Materials & Supplies | Rent & Utilities | Office & Tech | Telephone & Internet | Other | Total |
|---|---------------------|--------------------------------------|-------------------|----------------------|-------------------|-------------------|----------------------|-------------------|----------------------|
| Mandatory Programs | \$ 3,030,699 | \$ 409,005 | \$ 57,815 | \$ 83,830 | \$ 383,544 | \$ (106,833) | \$ 95,873 | \$ - | \$ 3,953,933 |
| Mandatory Programs - COVID-19 | 3,878,683 | - | - | - | - | - | - | - | 3,878,683 |
| Ontario Seniors Dental Care Program | 216,029 | 255,528 | 9,289 | 50,039 | 7,854 | 62,407 | 1,254 | - | 602,400 |
| Ontario Seniors Dental Care Program New Dental Clinic Pembroke | - | 410 | - | - | - | - | - | - | 410 |
| Unorganized Territories | 3,432 | - | 981 | - | - | 18,341 | - | - | 22,754 |
| Unorganized Territories - COVID-19 | 30,446 | - | - | - | - | - | - | - | 30,446 |
| Public Health Inspector Practicum Program | 8,549 | - | 1,451 | - | - | - | - | - | 10,000 |
| Public Health Case and Contact Mgmt | - | - | - | - | - | 1,773 | - | - | 1,773 |
| Smoke-Free Ontario Enforcement Tablet Upgrades | - | - | - | 750 | - | - | - | - | 750 |
| School-Focused Nurses Initiative | 671,609 | - | - | - | - | - | - | - | 671,609 |
| Healthy Babies Healthy Children | 555,770 | 2,239 | 17,801 | 3,140 | - | 656 | 3,765 | - | 583,371 |
| COVID-19 General Program | 108,008 | 391,204 | 9,895 | 23,454 | 10,914 | 134,042 | 11,811 | - | 689,328 |
| COVID-19 Vaccine Program | 796,751 | 40,233 | 44,681 | 8,651 | 7,561 | 124,942 | 999 | - | 1,023,818 |
| Amortization of tangible capital assets | - | - | - | - | - | - | - | 181,758 | 181,758 |
| Loss on disposal of tangible capital assets | - | - | - | - | - | - | - | 270 | 270 |
| Non-fundable expenses | (22,385) | - | - | - | - | - | - | - | (22,385) |
| Total expenditures | \$ 9,277,591 | \$ 1,098,619 | \$ 141,913 | \$ 169,864 | \$ 409,873 | \$ 235,328 | \$ 113,702 | \$ 182,028 | \$ 11,628,918 |

RENFREW COUNTY AND DISTRICT HEALTH UNIT

Notes to Financial Statements, page 11

Year ended December 31, 2021

14. Segmented Information (continued):

| 2020 | Salaries & Benefits | Fees, Honoraria & Purchased Services | Travel | Materials & Supplies | Rent & Utilities | Office & Tech | Telephone & Internet | Other | Total |
|--|---------------------|--------------------------------------|-------------------|----------------------|-------------------|-------------------|----------------------|-------------------|----------------------|
| Mandatory Programs | \$ 2,918,541 | \$ 701,743 | \$ 108,559 | \$ 111,851 | \$ 582,801 | \$ 147,713 | \$ 108,679 | \$ - | \$ 4,679,887 |
| Mandatory Programs - COVID-19 | 2,875,913 | - | - | - | - | - | - | - | 2,875,913 |
| Ontario Seniors Dental Care Program | 206,006 | 103,534 | 1,568 | 12,759 | 2,376 | 59,589 | 2,345 | - | 388,177 |
| Unorganized Territories | 8,122 | - | 91 | - | - | 16,823 | - | - | 25,036 |
| Unorganized Territories - COVID-19 | 28,164 | - | - | - | - | - | - | - | 28,164 |
| Public Health Inspector Practicum Program | 6,632 | - | 3,368 | - | - | - | - | - | 10,000 |
| Public Health Case and Contact Mgmt | 23,327 | - | - | - | - | - | - | - | 23,327 |
| Temporary Pandemic Pay Initiative | 8,959 | - | - | - | - | - | - | - | 8,959 |
| School-Focused Nurses Initiative | 221,302 | - | - | - | - | - | - | - | 221,302 |
| OSDCP Capital Rainbow Valley Community Health Centre | - | - | - | 4,164 | - | - | - | - | 4,164 |
| Healthy Babies Healthy Children | 859,182 | 86 | 25,382 | 3,095 | - | 6,652 | - | - | 894,397 |
| COVID-19 Extraordinary Costs | 771,537 | - | - | - | - | - | - | - | 771,537 |
| Amortization of tangible capital assets | - | - | - | - | - | - | - | 153,508 | 153,508 |
| Loss on disposal of tangible capital assets | - | - | - | - | - | - | - | 19,986 | 19,986 |
| Non-fundable expenses | 175,608 | - | - | - | - | - | - | - | 175,608 |
| Total expenditures | \$ 8,103,293 | \$ 805,363 | \$ 138,968 | \$ 131,869 | \$ 585,177 | \$ 230,777 | \$ 111,024 | \$ 173,494 | \$ 10,279,965 |

