

Financial Statements of

**THE CORPORATION OF
THE COUNTY OF HURON
BOARD OF HEALTH**

And Independent Auditors' Report thereon

Year ended December 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Members of Board of Health, Inhabitants and Ratepayers of The Corporation of the County of Huron Board of Health

Opinion

We have audited the financial statements of The Corporation of the County of Huron Board of Health (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of retained earnings 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, 2019 and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

July 15, 2020

THE CORPORATION OF THE COUNTY OF HURON BOARD OF HEALTH

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Cash	\$ 1,014	\$ 63,098
Trade receivable	15,054	9,229
Due from County of Huron	1,317,840	969,942
Prepaid expenses	7,235	3,183
	\$ 1,341,143	\$ 1,045,452
Liabilities		
Accounts payable and accrued liabilities	\$ 1,341,143	\$ 1,045,452
	\$ 1,341,143	\$ 1,045,452
Net financial assets and accumulated surplus	\$ -	\$ -

See accompanying notes to financial statements.

THE CORPORATION OF THE COUNTY OF HURON BOARD OF HEALTH

Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
Revenue:			
County of Huron	\$ 1,646,692	\$ 1,792,478	\$ 1,366,584
Province of Ontario grants	4,907,900	5,087,328	4,960,524
Other revenue	263,000	375,074	398,415
	<u>6,817,592</u>	<u>7,254,880</u>	<u>6,725,523</u>
Expenditures:			
Rent	246,597	247,922	246,512
Fees for service	365,831	696,501	543,402
Materials and supplies	212,223	318,387	251,528
Administration	106,573	163,421	101,268
Travel	129,325	133,412	126,057
Tangible capital asset usage charge	39,000	41,711	53,397
Salaries and wages	4,590,400	4,613,357	4,379,361
Employee benefits	1,127,643	1,040,169	1,023,999
	<u>6,817,592</u>	<u>7,254,880</u>	<u>6,725,524</u>
Accumulated surplus being annual surplus, end of year	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

THE CORPORATION OF THE COUNTY OF HURON BOARD OF HEALTH

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Annual surplus	\$ -	\$ -
Changes in items not involving cash:		
Trade receivable	(5,825)	(870)
Due from County of Huron	(347,898)	28,268
Prepaid expenses	(4,052)	-
Accounts payable and accrued liabilities	295,691	(33,861)
Decrease in cash	(62,084)	(6,463)
Cash, beginning of year	63,098	69,561
Cash, end of year	\$ 1,014	\$ 63,098

See accompanying notes to financial statements.

THE CORPORATION OF THE COUNTY OF HURON BOARD OF HEALTH

Notes to Financial Statements

Year ended December 31, 2019

Nature of operations:

The Corporation of the County of Huron Board of Health ("the Board of Health") financial statements are the representation of management prepared in accordance with Canadian generally accepted accounting principles prescribed for municipal governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

1. Significant accounting policies:

Significant accounting policies adopted by the Board of Health are as follows:

(a) Government transfers:

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

(b) Accrual basis of accounting:

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

(d) Revenue recognition:

Revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Where a portion of the revenue relates to a future period, it is deferred and recognized in that subsequent period.

THE CORPORATION OF THE COUNTY OF HURON BOARD OF HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(e) Tangible capital assets:

All tangible capital assets utilized by the Board of Health are held and reported by the Corporation of the County of Huron. A tangible capital asset usage charge is incurred by the Board of Health for its use of the tangible capital assets.

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Statement of changes in net debt

A separate statement of changes in net debt is not presented as the changes are readily apparent from the other financial statements.

THE CORPORATION OF THE COUNTY OF HURON BOARD OF HEALTH

Schedule - Reconciliation Report
(unaudited)
December 31, 2019

	Total actual operating costs	Capital costs	Total funding	Ministry	<u>Funding Breakdown</u> County	Other
Mandatory program	\$ 5,258,524	\$ 31,391	\$ 5,289,915	\$ 3,615,600	\$ 1,632,666	\$ 41,649
One-Time Transparency Funding (2018-2019)	6,000	-	6,000	6,000	-	-
HU Marger / Transition Funding	69,595	-	69,595	67,535	-	2,060
Vector-borne diseases	122,268	-	122,268	91,701	30,567	-
Infectious diseases control	113,384	-	113,384	111,200	2,184	-
Infection prevention and control nurses	92,463	-	92,463	90,100	2,363	-
Additional Nurses (SDOH)	180,634	-	180,634	180,500	134	-
CNO	124,165	-	124,165	121,500	2,665	-
Haines food safety	25,981	-	25,981	25,000	981	-
Water safety	15,500	-	15,500	15,500	-	-
Needle exchange	15,133	-	15,133	15,133	-	-
Harm Reduction Initiative	153,012	-	153,012	153,012	-	-
Small drinking water system	25,295	-	25,295	18,500	6,795	-
Influenza immunization	840	-	840	840	-	-
Meningococcal vaccine	5,185	-	5,185	5,185	-	-
Human papilloma vaccine	7,667	-	7,667	7,667	-	-
Smoke free Ontario strategy	319,260	-	319,260	313,231	6,029	-
Ontario Seniors Dental Program	117,703	-	117,704	117,524	180	-
LIPD program operating	131,600	-	131,600	131,600	-	-
United way project	69,377	-	69,377	-	-	69,377
County programs	401,294	-	401,294	-	139,306	261,988
	\$ 7,254,880	\$ 31,391	\$ 7,286,272	\$ 5,087,328	\$ 1,823,870	\$ 375,074