

Financial Statements of

**THE CORPORATION OF THE
LEEDS, GRENVILLE & LANARK
DISTRICT HEALTH UNIT**

Year ended December 31, 2021

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Financial Statements

Year ended December 31, 2021

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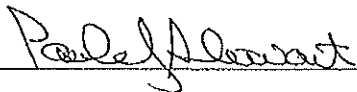
Management's Responsibility for the Financial Statements

The accompanying financial statements of The Corporation of the Leeds, Grenville & Lanark District Health Unit (the 'Unit') are the responsibility of the Unit's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 1 to the financial statements. The preparation of 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 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 financial statements. These systems are monitored and evaluated by management.

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

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Unit. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Unit's financial statements.



Dr. Paula Stewart, Medical Officer of Health



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Corporation of the Leeds, Grenville & Lanark District Health Unit

Opinion

We have audited the financial statements of the Corporation of the Leeds, Grenville & Lanark District Health Unit (the Entity), which comprise:

- the statement of financial position as at December 31, 2021;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net debt 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, 2021, 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.



Other Matter – Comparative Information

The financial statements as at and for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 24, 2021.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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



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

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

June 16, 2022

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 3,088,309	\$ 794,485
Investments (note 2)	901,545	842,032
Accounts receivable	81,334	74,878
Due from Province of Ontario	—	1,277,623
	<u>4,071,188</u>	<u>2,989,017</u>
Financial liabilities:		
Accounts payable and accrued liabilities	1,678,199	2,285,814
Due to Province of Ontario	1,212,951	—
Deferred revenues	432,108	119,015
Long term liabilities (note 4)	792,215	862,688
	<u>4,115,473</u>	<u>3,267,518</u>
Net debt	(44,285)	(278,500)
Non-financial assets:		
Tangible capital assets (note 7)	3,248,482	3,399,802
Prepaid expenses	179,729	268,651
	<u>3,428,211</u>	<u>3,668,453</u>
Commitments (note 5)		
Contingent liabilities (note 10)		
Accumulated surplus (note 6)	<u>\$ 3,383,926</u>	<u>\$ 3,389,953</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Statement of Operations and Accumulated Surplus

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

	Budget 2021 (note 11)	2021	2020
Revenue:			
Municipal grants	\$ 3,414,847	\$ 3,414,847	\$ 3,414,853
Provincial grants:			
Ministry of Health base funding	8,616,200	8,477,050	8,628,405
Ministry of Health vaccine revenue	30,250	3,915	16,833
Ministry of Health one-time funding	6,118,176	5,809,443	2,277,796
Public Health expenditures and offset revenue	—	6,799	12,211
Ministry of Children and Youth Services funding Preschool Speech Language	1,397,229	1,397,231	1,286,050
Ministry of Children and Youth Services funding Healthy Babies	1,060,739	1,060,710	1,060,739
Other revenues and grants:			
Ontario Senior's Dental	835,700	813,464	796,741
Ontario Works	162,000	102,859	113,528
Other related grants and projects	102,631	102,982	156,875
Land control	631,214	721,682	651,887
Interest earned	7,500	22,699	32,150
Program recoveries	152,952	152,198	262,376
Total revenue	22,529,438	22,085,879	18,710,444
Expenses:			
Mandatory programs	12,098,306	11,721,528	11,949,901
Ontario Senior's Dental program	798,709	813,434	797,512
Other related programs and one-time funding	6,118,187	5,880,417	2,295,067
Other related grants	102,631	138,574	113,125
Program recoveries	160,452	114,924	234,820
Land control	631,214	560,546	549,793
Preschool Speech Language	1,397,229	1,379,782	1,283,460
Healthy Babies	1,060,710	1,060,710	1,068,548
Ontario Works	162,000	103,961	117,620
Amortization	—	318,030	304,291
Total expenses	22,529,438	22,091,906	18,714,137
Annual deficit	—	(6,027)	(3,693)
Accumulated surplus, beginning of year	3,389,953	3,389,953	3,393,646
Accumulated surplus, end of year	\$ 3,389,953	\$ 3,383,926	\$ 3,389,953

See accompanying notes to financial statements.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Statement of Changes in Net Debt

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

	Budget 2021 (note 11)	2021	2020
Annual deficit	\$ --	\$ (6,027)	\$ (3,693)
Amortization of tangible capital assets	—	318,030	251,310
Acquisition of tangible capital assets	—	(166,710)	(298,069)
Acquisition of prepaid expenses	—	88,922	(72,509)
Gain on disposal of assets	—	—	220
Change in net debt	—	234,215	(122,741)
Net debt, beginning of year	(278,500)	(278,500)	(155,759)
Net debt, end of year	\$ (278,500)	\$ (44,285)	\$ (278,500)

See accompanying notes to financial statements.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Statement of Cash Flows

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

	2021	2020
Operating activities:		
Annual deficit	\$ (6,027)	\$ (3,693)
Items not involving cash:		
Amortization of tangible capital assets	318,030	251,310
Gain on disposal of assets	-	220
Change in non-cash operating working capital:		
Accounts receivable	(6,456)	(1,222,941)
Prepaid expenses	88,922	(72,509)
Due to/from Province of Ontario	2,490,574	-
Accounts payable and accrued liabilities	(607,614)	1,305,561
Deferred revenues	313,092	(13,085)
Net change in cash from operations	2,590,521	244,863
Capital activities:		
Acquisition of tangible capital assets	(166,710)	(298,069)
Repayment of long-term liabilities	(70,473)	(68,638)
	(237,183)	(366,707)
Investing activities:		
Purchase of investments	(59,514)	(842,032)
Increase (decrease) in cash	2,293,824	(963,876)
Cash, beginning of year	794,485	1,758,361
Cash, end of year	\$ 3,088,309	\$ 794,485

See accompanying notes to financial statements.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements

Year ended December 31, 2021

These financial statements reflect the assets, liabilities and operations of The Corporation of the Leeds, Grenville & Lanark District Health Unit (the "Health Unit").

The Health Unit is incorporated under the laws of Ontario. Its mission is to work with the community to protect, promote and enhance health by developing and providing quality health programs and services.

1. Significant accounting policies:

The financial statements of the Health Unit are the representations of management and have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Health Unit are as follows:

(a) Reporting entity:

The financial statements reflect the financial assets, liabilities, operating revenues and expenses, reserves, reserve funds and changes in investment in tangible capital assets of the Health Unit.

The Health Unit operates the following programs:

Fiscal years ending December 31:

- Public Health Programs
- Land Control Program

Fiscal years ending March 31

- Language Express Program
- Healthy Community Partnership
- Healthy Babies / Healthy Children Program

(b) Basis of accounting:

- (i) The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) 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 annual surplus or deficit, provides the change in net financial assets (debt) for the year.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) Investments:

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on available current funds and reserve funds are reported as revenue in the period earned.

(d) Tangible capital assets:

Tangible capital assets are recorded at historical cost or where historical cost records were not available, other methods determined to provide a best estimate of historical cost and accumulated amortization of the assets. Costs include 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:

Asset	Useful Life - Years
Building improvements	15
Buildings	40
Vehicles	5
Furniture and equipment	10
Computer equipment	3
Multi-media equipment	5

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Land is not amortized.

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

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 other asset as of the date of transfer.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(d) Tangible capital assets (continued):

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations and accumulated surplus in the year of disposal. 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 transfer.

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 is reported as an expense on the statement of operations and accumulated surplus.

(e) Deferred revenue:

The Health Unit receives restricted contributions under the authority of Federal and Provincial legislation and Health Unit by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Health Unit has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

(f) Employee future benefit obligations:

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.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Health Unit's policy.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(h) Revenue and expenses:

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

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

(h) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which 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.

(i) Use of estimates:

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

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Investments:

Investments are comprised of:

	2021	2020
Fixed income	\$ 553,992	\$ 479,328
Equities	347,553	362,704
	\$ 901,545	\$ 842,032

Fixed income includes guaranteed investment certificates yielding interest of 2.97% to 3.05% per annum with maturities ranging from March 2023 to March 2024.

3. Pension contributions:

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, 2021. At that time, the plan reported a \$3.1 billion actuarial deficit (2020 - \$3.2 billion actuarial deficit).

The amount contributed to OMERS for current services in 2021 was \$1,055,318 (2020 - \$1,120,493) and is included as an expense on the statement of operations and accumulated surplus.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Long-term liabilities:

	2021	2020
RBC Bank mortgage (2.45%), repayable in blended monthly payments of \$7,561, amortized over 16 years, due October 2025 and secured by Smiths Falls property	\$ 792,215	\$ 862,688

Principal payments for the next four years are as follows:

2022	\$ 72,279
2023	74,070
2024	75,905
2025	569,961
	\$ 792,215

The Health Unit has an available line of credit of \$900,000, with its corporate bankers, of which \$Nil was drawn against at December 31, 2021 (2020 - \$Nil). This line of credit is unsecured and bears interest at prime less 0.75%.

Interest paid during the year was \$20,183 (2020 - \$21,905).

5. Commitments:

The Health Unit leases space for service sites in Gananoque, Almonte, Kemptville and Perth, Ontario. The aggregate lease payments over the next two years are estimated as follows:

2022	\$ 70,972
2023	14,993
	\$ 85,965

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Accumulated surplus:

	2021	2020
Investment in tangible capital assets:		
Tangible capital assets	\$ 3,248,482	\$ 3,399,802
Long-term liabilities	(792,215)	(862,688)
	2,456,267	2,537,114
Operating surplus:		
General	(69,416)	(16,900)
Land control program	507,240	346,104
Reserves (Schedule 1):		
Payment of sick leave credits	2,871	2,871
General reserve	486,964	486,964
	489,835	489,835
Total operating surplus	927,659	852,839
Total accumulated surplus	\$ 3,383,926	\$ 3,389,953

7. Tangible capital assets:

Cost	Balance at December 31, 2020	Transfers and additions	Disposals and adjustments	Balance at December 31, 2021
Land	\$ 250,000	\$ -	\$ -	\$ 250,000
Building improvements	977,484	14,666	-	992,150
Buildings	3,005,834	-	-	3,005,834
Vehicles	54,737	-	-	54,737
Furniture and equipment	1,881,118	53,969	21,030	1,914,057
Computer equipment	942,893	89,743	-	1,032,636
Multi-media equipment	161,171	8,332	-	169,503
Total	\$ 7,273,237	\$ 166,710	\$ 21,030	\$ 7,418,917

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

7. Tangible capital assets (continued):

Accumulated amortization	Balance at December 31, 2020	Amortization and adjustments	Transfers, and disposals	Balance at December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Building improvements	673,950	74,876	-	748,826
Buildings	1,098,688	96,776	-	1,195,464
Vehicles	54,737	-	-	54,737
Furniture and equipment	1,254,132	74,449	21,030	1,307,551
Computer equipment	683,906	55,483	-	739,389
Multi-media equipment	108,022	16,446	-	124,468
Total	\$ 3,873,435	\$ 318,030	\$ 21,030	\$ 4,170,435

	Net book value 2020	Net book value 2021
Land	\$ 250,000	\$ 250,000
Building improvements	303,534	243,324
Buildings	1,907,146	1,810,370
Vehicles	-	-
Furniture and equipment	626,986	606,506
Computer equipment	258,987	293,247
Multi-media equipment	53,149	45,035
Total	\$ 3,399,802	\$ 3,248,482

8. Segmented information:

The Health Unit provides a range of programs and services, that are reported in the statement of operations and accumulated surplus.

Programs have been separately disclosed in the segmented information, as set out in the schedule below.

For each reported segment, expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Segmented information (continued):

2021	Salaries and benefits	Fees for services	Travel	Materials and supplies	Rent and Utilities	Administrative expenses	Other expenses	Total
Mandatory programs	\$ 10,165,044	\$ 322,602	\$ 229,229	\$ 485,895	\$ 335,507	\$ 41,172	\$ -	\$ 11,579,449
MOH top-up	142,079	-	-	-	-	-	-	142,079
Seniors Dental	25,767	746,787	153	9,861	30,866	-	-	813,434
One-time MOH funded projects	4,554,079	561,493	39,108	697,927	27,810	-	-	5,880,417
Preschool Speech	507,868	816,267	853	22,459	10,378	20,334	1,623	1,379,782
Health Babies	1,024,474	3,221	13,940	16,845	-	-	2,230	1,060,710
Other related grants - expenditures	94,598	20,198	4,311	19,467	-	-	-	138,574
Other admin services	-	-	-	-	-	-	-	-
(program recoveries)	114,545	-	379	-	-	-	-	114,924
Ontario Works	12,000	91,961	-	-	-	-	-	103,961
Land control programs	423,139	31,936	44,369	1,207	3,306	56,589	-	560,546
Amortization	-	-	-	-	-	-	318,030	318,030
	\$ 17,063,593	\$ 2,594,465	\$ 332,342	\$ 1,253,661	\$ 407,867	\$ 118,095	\$ 321,883	\$ 22,091,906

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Segmented information (continued):

2020	Salaries and benefits	Fees for services	Travel	Materials and supplies	Rent and Utilities	Administrative expenses	Other expenses	Total
Mandatory programs	\$ 10,420,692	\$ 308,504	\$ 215,956	\$ 418,022	\$ 434,820	\$ -	\$ -	\$ 11,797,994
MOH top-up	151,907	-	-	-	-	-	-	151,907
Seniors Dental	7,329	746,485	824	24,874	18,000	-	-	797,512
One-time MOH funded projects	1,139,501	768,194	114,081	273,291	-	-	-	2,295,067
Preschool Speech	432,832	793,520	2,889	16,584	16,185	20,180	1,270	1,283,460
Health Babies	1,020,294	-	26,883	19,324	-	-	2,047	1,068,548
Other related grants - expenditures	53,765	43,679	1,168	14,513	-	-	-	113,125
Other admin services								
(program recoveries)	195,141	2,477	1,580	35,622	-	-	-	234,820
Ontario Works	12,572	105,048	-	-	-	-	-	117,620
Land control programs	398,564	40,852	42,100	9,634	3,306	55,337	-	549,793
Amortization	-	-	-	-	-	-	304,291	304,291
	\$ 13,832,597	\$ 2,808,759	\$ 405,481	\$ 811,864	\$ 472,311	\$ 75,517	\$ 307,608	\$ 18,714,137

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

9. Risk management:

In the normal course of operations, the Health Unit is exposed to a variety of financial risks which are actively managed by the Health Unit.

The Health Unit's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair values of cash, investments, accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Health Unit's exposure to and management of risk has not changed materially from 2020.

(a) Credit risk:

Credit risk arises from the possibility that the entities to which the Health Unit provides services to may experience difficulty and be unable to fulfill their obligations. The Health Unit is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Health Unit does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

(b) Interest rate risk:

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Health Unit is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and mortgage payable.

(c) Liquidity risk:

Liquidity risk is the risk that the Health Unit will not be able to meet its obligations as they fall due. The Health Unit requires working capital to meet day-to-day operating activities. Management expects that the Health Unit's cash flows from operating activities will be sufficient to meet these requirements.

10. Contingent liabilities:

The nature of the Health Unit's activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at year-end, management believes that the Health Unit has valid defences and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Health Unit's financial position.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Budget figures:

The operating budget approved by the Health Unit, for 2021 is reflected on the statement of operations and accumulated surplus. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Health Unit does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

12. Comparative information:

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

13. Impact of COVID-19:

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic. This resulted in governments worldwide, including the Canadian, Ontario and municipal governments, enacting emergency measures to combat the spread of the virus.

The pandemic has had significant operational and financial impacts including service reductions, declines in associated user fee revenues and additional costs. While impacts have been mitigated by associated funding and other cost saving measures, the pandemic has created uncertainty over current and future year operations and the financial position of the Health Unit.

The duration and impact of COVID-19 are unknown at this time. It is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and conditions of the Health Unit in future periods. The Health Unit continues to closely monitor and assess the impact on its operations. It is management's assessment that the Health Unit will have sufficient resources to mitigate the potential losses in 2022 as a result of COVID-19.

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Schedule 1: Continuity of Reserves and Reserve Funds

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

	Budget (note 11)	2021	2020
Net transfers from (to) other funds			
Transfers to operations	\$ -	\$ -	\$ -
Total net transfers	-	-	-
Reserves and reserve fund balances, beginning of year	489,835	489,835	489,835
Reserves and reserve fund balances, end of year	\$ 489,835	\$ 489,835	\$ 489,835

Composition of Reserves and Reserve Funds

	2021	2020
Reserves set aside for specific purposes:		
Reserves set aside for specific purposes:		
Payment for sick leave credits	\$ 2,871	\$ 2,871
General reserve	486,964	486,964
Total reserves and reserve funds	\$ 489,835	\$ 489,835

THE CORPORATION OF THE LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

Schedule 2: Land Control Program Schedule of Operations

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

	2021	2020
Revenues:		
Sewage inspection fees and extensions	\$ 485,675	\$ 477,281
Subdivisions and variances	10,675	12,406
Severance fees and s-permits	193,903	138,866
Interest	7,327	6,237
File search fees	24,102	17,097
	721,682	651,887
Expenses:		
Salaries and wages	335,825	315,680
Employee benefits	87,314	82,884
Fees for service	31,936	40,852
Travel	44,369	42,100
Materials and supplies	2,207	9,634
Rent	3,306	3,306
Administrative and allocated costs	55,589	55,336
	560,546	549,792
Net revenue for the year	\$ 161,136	\$ 102,095