

**AGENDA**  
**MIDDLESEX-LONDON BOARD OF HEALTH**  
**Finance & Facilities Committee**

Microsoft Teams  
Thursday, September 2, 2021 at 9:00 a.m.

**1. DISCLOSURE OF CONFLICTS OF INTEREST**

**2. APPROVAL OF AGENDA** – September 2, 2021

**3. APPROVAL OF MINUTES** – July 15, 2021

**4. NEW BUSINESS**

4.1. Financial Borrowing Update (Report No. 20-21FFC)

4.2. MLHU Draft Financial Statements – March 31, 2021 (Report No. 21-21FFC)

**5. OTHER BUSINESS**

5.1. Next meeting: Thursday, October 7, 2021 at 9:00 a.m.

**6. ADJOURNMENT**



**PUBLIC MINUTES  
FINANCE & FACILITIES COMMITTEE**  
Microsoft Teams  
Thursday, July 15, 2021 at 6:00 p.m.

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**MEMBERS PRESENT:** Mr. Matt Reid (Chair)  
Ms. Aina DeViet  
Ms. Maureen Cassidy  
Ms. Tino Kasi

**REGRETS:** Mr. Aaron O'Donnell

**OTHERS PRESENT:** Dr. Christopher Mackie, Secretary-Treasurer/Medical Officer of Health  
Ms. Carolynne Gabriel, Executive Assistant to the Board of Health (Recorder)  
Ms. Stephanie Egelton, Senior Executive Assistant to the Medical Officer of Health/Associate Medical Officer of Health  
Dr. Alexander Summers, Associate Medical Officer of Health  
Ms. Emily Williams, Director, Healthy Organization/Interim CEO  
Ms. Heather Lokko, Director, Healthy Start  
Mr. Joe Belancic, Manager, Procurement and Operations  
Mr. Brian Glasspoole, Manager, Finance  
Ms. Kelly Elliott, Board of Health Member  
Ms. Arielle Kayabaga, Board of Health Member

Chair Matt Reid called the meeting to order at **6:02 p.m.**

**DISCLOSURES OF CONFLICT OF INTEREST**

Chair Reid inquired if there were any disclosures of conflict of interest. None were declared.

**APPROVAL OF AGENDA**

It was moved by **Ms. Aina DeViet, seconded by Ms. Tino Kasi**, that the **AGENDA** for the July 15, 2021 Finance and Facilities Committee meeting be approved.

Carried

**APPROVAL OF MINUTES**

It was moved by **Ms. Maureen Cassidy, seconded by Ms. Kasi**, that the **MINUTES** of the June 3, 2021 Finance and Facilities Committee meeting be approved.

Carried

**NEW BUSINESS**

**Janitorial Services – Contract Extension Award (Report No. 17-21FFC)**

This report was introduced by Ms. Emily Williams, Director, Healthy Organization / CEO (Interim). Ms. Williams informed the committee that Mr. Joe Belancic, Manager, Procurement and Operations, was leaving the Middlesex-London Health Unit and publicly thanked him.

Discussion about the report included:

- The preliminary contract for cleaning services at the Health Unit's offices at CitiPlaza was \$103,367.20; however, due to increased cleaning requirements as a result of the COVID-19 pandemic, costs increased to \$165,779.14.
- The initial intention was to put the contract for janitorial services up for bid in 2021, but due to the COVID-19 pandemic, non-essential staff and visitors were not permitted on site which limited the ability to re-issue a revised tender for cleaning services.
- Until the usual bidding process can proceed in 2022, the existing cleaning company, now known as Grete Services, was contacted for an extension to the existing contract. The revised quote is \$163,161.11, which is a reduced cost of about 1.2%.
- The additional cleaning costs incurred due to COVID-19 are eligible for reimbursement from the province this year. However, there is currently no commitment from the Province that any additional cleaning costs will be eligible for reimbursement in 2022. Some level of extra cleaning in 2022 is anticipated.
- With so few staff in the office during the COVID-19 pandemic, the scope of services was able to be expanded.
- It was noted that the original base cost of cleaning was a significant reduction from prior to the move to CitiPlaza when MLHU had two offices in London.

It was moved by **Ms. Cassidy, seconded by Ms. DeViet**, *that the Finance and Facilities Committee make a recommendation to the Board of Health to extend a one-year contract for janitorial services to Grete Services for \$163,161 for leased premises located at 355 Wellington Street, Suite 110, London Ontario.*

Carried

#### **COVID-19 Case & Contact Management / Vaccine Budget Update (Report No. 18-21FFC)**

This report was introduced by Ms. Williams.

Discussion about the report included:

- The MLHU budget regarding COVID-19 case and contact management and the COVID-19 vaccine continues to be monitored closely.
- MLHU still has not received the funding for COVID-19 expenses assured by the Province; however, communication is being held with the provincial Manager of Funding and Oversight and advocacy is ongoing by Ontario Public Health Units to the Ministry for funding to flow so as not to impede programming.
- The amounts included in the report do not include some significant invoices which were pending for outfitting of vaccination clinics.

It was moved by **Ms. DeViet, seconded by Ms. Cassidy** *that the Finance and Facilities Committee recommend that the Board of Health request that the Board Chair send a letter to the Ministry of Health requesting the timely delivery of funding for COVID-19-related expenses, as assured by the Province, and the maintenance of adequate cash flow from the Province, in order to ensure effective operations.*

Carried

It was moved by **Ms. Cassidy, seconded by Ms. Kasi**, *that the the Finance and Facilities Committee make a recommendation to the Board of Health to receive an update on COVID-19 Case and Contact Management and Vaccine Clinic budget as described in Report No. 18-21FFC re: "COVID-19 Case & Contact Management / Vaccine Clinic Budget Update".*

Carried

**Request for Over-hire to Ensure Retention of Critical Health Human Resources (Report No. 19-21FFC)**

This report was introduced by Dr. Christopher Mackie, Medical Officer of Health.

Discussion about the report included:

- MLHU has hired many temporary staff to fill pandemic-related roles; however, due to the temporary nature of the positions, there has been increasing turnover and difficulties with gapping.
- Going forward, MLHU will continue to require staff for ongoing COVID-19-related work as well as to play “catch-up” in programs which were put on hold during the pandemic and to support program areas where growth is required.
- There is huge competition for health human resources and MLHU needs to be able to recruit and retain staff but require the ability to offer security to do so. Over-hiring is a strategy to address this.
- The risk of over-hiring will be mitigated, and likely eliminated, by: turnover in staffing including retirements; potential additional provincial funding to support the expansion of specific programs like the COVID-19 program; and additional staff required to support key areas which the Board of Health has indicated a desire to expand, including Diversity and Inclusion and Anti-Black Racism.
- Maximum compensation levels have been increased to recruit and retain nurses into supervisory positions.
- What the COVID-19 vaccination campaign will include in the future is unclear; however, mass vaccination capacity may potentially continue to be required if COVID-19 vaccines are approved for children ages five to 11 or if a booster campaign is required.
- It is not anticipated that front-line staffing will be required to support a future second Supervised Consumption Facility.

At **6:42 p.m.**, it was moved by **Ms. Cassidy, seconded by Ms. DeViet**, that the Finance and Facilities Committee move in camera to consider matters regarding labour relations or employee negotiations, personal matters about an identifiable individual, including municipal or local board employees.

Carried

At **6:50 p.m.**, it was moved by **Ms. Cassidy, seconded by Ms. Kasi**, that the Finance and Facilities Committee rise and return to public session.

Carried

It was moved by **Ms. Kasi, seconded by Ms. Cassidy**, that the Finance and Facilities Committee make a recommendation to the Board of Health to:

- 1) Receive for information Report No. 19-21FFC re: “Request for Over-hire to Ensure Retention of Critical Health Human Resources”;
- 2) Approve the over-hiring of 22 additional permanent positions (16 Public Health Nurses, three Public Health Inspectors, one Human Resources Specialist, one Health Equity Worker, and one Manager); and
- 3) Defer permanent budget decisions to the 2022 budget process.

Carried

**OTHER BUSINESS**

It was moved by **Ms. Cassidy, seconded by Ms. Kasi**, that *the August 5, 2021 Finance and Facilities Committee meeting be cancelled, such that the next meeting of the Finance and Facilities Committee be September 2, 2021.*

Carried

**ADJOURNMENT**

At **6:51 p.m.**, it was moved by **Ms. Kasi, seconded by Ms. DeViet**, that *the meeting be adjourned.*

Carried

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**MATTHEW REID**  
Chair

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**CHRISTOPHER MACKIE**  
Secretary-Treasurer

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## MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 20-21FFC

TO: Chair and Members of the Finance and Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health  
Emily Williams, Chief Executive Officer (Interim)

DATE: 2021 September 02

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### FINANCIAL BORROWING UPDATE

#### **Recommendation**

*It is recommended that the Finance and Facilities Committee review and make a recommendation to the Board of Health to receive Report No. 20-21FFC re: “Financial Borrowing Update” for information.*

#### **Key Points**

- The Middlesex-London Health Unit is currently servicing a \$4.2 million demand instalment loan with a combined annual cost of \$260,000 for principal and interest payments.
- In July, the Health Unit temporarily increased its Line of Credit by \$2 million to a total of \$10 million to cover timing differences due to delays in COVID-19-related grant funding.
- In August, the Ministry of Health announced preliminary 2021 funding for COVID-19-related case and contact management and vaccine clinics and provided payment of \$13,860,000, thereby restoring the Health Unit’s positive cash position.
- The temporary \$2 million increase to the Line of Credit will expire on August 31.

#### **Background – Demand Instalment Loan**

The Health Unit previously entered into a loan agreement at the end of December 2020 for a \$4.2 million demand instalment loan with an amortization period of 20 years to finance the fit-up and relocation costs related to the move to Citi Plaza. The loan was converted into two non-revolving amortizing instalment loans, with \$3,050,000 established as a fixed rate instalment loan, and the remaining \$1,150,000 established as a floating rate instalment loan. The fixed rate of interest on the first loan is 1.915% per annum over a term of 5 years. The interest rate on the variable rate loan is calculated at prime rate less 0.75% per annum. All amounts under the demand loans are repayable immediately on demand by the bank. The variable rate portion of the loan can be pre-paid at any time without penalties. Combined annual cost to the Health Unit of principal and interest is approximately \$260,000.

<b>Interest type</b>	<b>Interest rate</b>	<b>Amount</b>
Fixed	1.915 %	\$ 3,050,000
Variable	Prime - 0.75 %	1,150,000
<b>TOTAL</b>		<b>\$ 4,200,000</b>

## Background – Operating Line of Credit

The Health Unit has been monitoring liquidity pressures throughout the year due to the timing of grant funding related to COVID-19 efforts. The demand Line of Credit was previously increased to \$8 million to cover temporary cash flow concerns with timing of receipt of regular grant payments.

By mid-July, a significant portion of the Line of Credit had been utilized and a temporary increase to \$10 million was added with the assumption that the Ministry of Health (MOH) would make an instalment payment shortly on extraordinary funding for case and contact management and operation of vaccine clinics.

In late July, MOH approved one-time funding to support approximately 50% of estimated eligible COVID-19 extraordinary costs budgeted by the Health Unit for 2021. In early August, the Health Unit received preliminary funding of \$13,781,600 related to these extraordinary costs, thereby restoring the Health Unit's positive cash position.

The MOH has previously confirmed that interest charges on overdraft positions related to timing of grant funding were considered eligible extraordinary costs.

## Next Steps

Health Unit staff will continue to monitor and track spending for COVID-19-related activities through the balance of the year to support detailed periodic reporting to the MOH, who are committed to making any adjustments to extraordinary funding, as required, throughout the 2021 funding year.

This report was prepared by the Healthy Organization Division.



Alexander Summers, MD, MPH, CCFP, FRCPC  
Associate Medical Officer of Health



Emily Williams, BScN, RN, MBA  
Chief Executive Officer (Interim)

## FOR

Christopher Mackie, MD, MHSc, CCFP, FRCPC  
Medical Officer of Health



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TO: Chair and Members of the Finance and Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health  
Emily Williams, Chief Executive Officer (Interim)

DATE: 2021 September 02

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## MLHU DRAFT FINANCIAL STATEMENTS – MARCH 31, 2021

### **Recommendation**

*It is recommended that the Finance and Facilities Committee make a recommendation to the Board of Health to approve the audited Consolidated Financial Statements of Middlesex-London Health Unit March 31<sup>st</sup> Programs, for the year ended March 31, 2021 as appended to Report No. 21-21FFC.*

### **Key Points**

- The audited Consolidated Financial Statements for the Middlesex-London Health Unit for programs in the operating year April 1, 2020 to March 31, 2021 are attached as [Appendix A](#).

### **Background**

Each year, the Board of Health is required to provide audited financial reports to certain funding agencies for programs funded from April 1<sup>st</sup> to March 31<sup>st</sup>. The purpose of this audited report is to assure these agencies that funds were expended for their intended purpose. The agencies use this information both as confirmation and as a part of their settlement process.

The following 100% funded programs are included in the audited Consolidated Financial Statements (attached as [Appendix A](#)):

Ministry of Children, Community and Social Services: Public Health Agency of Canada:

- Healthy Babies / Healthy Children
- Smart Start for Babies Programs
- FoodNet Canada
- HIV/HEP C Program

Public Health Ontario:

- Shared Library Services

The above programs represent approximately \$2.8 million of the Middlesex-London Health Unit's total operating budget of \$35.3 million.

These programs are also reported in the main audited financial statements of the Middlesex-London Health Unit which were approved by the Board of Health in June, 2021. However, the main audited statements included the program revenues and expenditures of these programs for the period of January 1<sup>st</sup> to December 31<sup>st</sup>, 2020, which does not coincide with the reporting requirements of the funding agencies. Therefore, a separate audited statement is required.



## Financial Review

The consolidated balance sheet can be found on page 1. Its purpose is to provide the current value of assets (prepaid expenses and inter-company receivable) which are balanced with current liabilities (deferred revenue which is brought forward into the next operating year and the accumulated amount that must be repaid to the funding agencies).

The consolidated statement of operations can be found on page 2. Its purpose is to provide information regarding how programs are funded and how these revenues are used in fulfilling the requirements of the programs. The following are key points that can be taken from this statement:

- 1) Revenue – the majority of the revenue (99.9%) is comprised of grants from the funding agencies (Ontario Ministry of Children, Community and Social Services, Public Health Agency of Canada, and Public Health Ontario).
- 2) Expenditures – the majority of program costs, \$2,701,652 (95.8%) relate to personnel costs. Program resources account for \$45,713 (1.6%), equipment costs account for \$30,000 (1.1%), professional development accounts for \$14,072 (0.5%) and the remaining expenses (such as rent, travel, office supplies, telephone, equipment, etc.) account for \$28,807 (1.0%).

Combined, the programs completed the operating year with a deficit of \$2,715. A breakdown by program can be found on pages 8 and 9 of [Appendix A](#).

This report was prepared by the Finance Team, Healthy Organization Division.



Alexander Summers, MD, MPH, CCFP, FRCPC  
Associate Medical Officer of Health



Emily Williams, BScN, RN, MBA  
Chief Executive Officer (Interim)

### FOR

Christopher Mackie, MD, MHSc, CCFP, FRCPC  
Medical Officer of Health

**DRAFT** Consolidated Financial Statements of

**MIDDLESEX-LONDON  
HEALTH UNIT MARCH 31ST  
PROGRAMS**

And Independent Auditors' Report thereon

Year ended March 31, 2021

## INDEPENDENT AUDITORS' REPORT

To the Ministry of Children, Community and Social Services, Public Health Ontario, Public Health Agency of Canada and Chair and Members, Middlesex-London Board of Health.

### ***Opinion***

We have audited the consolidated financial statements of Middlesex-London Health Unit March 31<sup>st</sup> Programs (the “Programs”), which comprise:

- the consolidated statement of financial position as at March 31, 2021
  - the consolidated statement of operations for the year then ended
  - the consolidated statement of cash flows for the year then ended
  - and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies and other explanatory schedules
- (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Programs as at March 31, 2021, and their consolidated results of operations and consolidated cash flows for the year then ended in accordance with the financial reporting framework described in Note 1 to the financial statements.

### ***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 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.

### ***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 1 to the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements.

The financial statements are prepared to meet the requirements of government reporting entities.

Our opinion is not modified in respect of this matter.

## ***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 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 Health Unit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Health Unit'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.

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- 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 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 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 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 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.
- 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

London, Canada

XXXX 2021

**MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS**

Consolidated Statement of Financial Position

**DRAFT**

March 31, 2021, with comparative information for 2020

	2021		2020
<b>Assets</b>			
Current assets:			
Prepaid expenses	\$ 1,800	\$	1,800
Due from Middlesex-London Health Unit	39,883		75,371
	\$ 41,683	\$	77,171

**Liabilities**

Current liability:			
Due to funding agencies (note 3)	\$ 41,683	\$	77,171
	\$ 41,683	\$	77,171

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

On behalf of the Middlesex-London Health Unit:

\_\_\_\_\_  
 Ms. Maureen Cassidy  
 Chair, Board of Health

*EWilliams*  
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 Ms. Emily Williams  
 Chief Executive Officer (Interim)

**MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS**

Consolidated Statement of Operations

**DRAFT**

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

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue:</b>			
Programs revenue, funding agencies (note 4)	\$ 2,844,722	\$ 2,817,217	\$ 2,422,718
Interest income	-	312	2,249
Other income	-	-	6,341
	<u>2,844,722</u>	<u>2,817,529</u>	<u>2,431,308</u>
<b>Expenditures:</b>			
Personnel costs:			
Salaries and wages	2,173,450	2,189,998	862,066
Allocated benefits	539,855	506,695	407,574
Contract services	5,000	4,959	952,482
	<u>2,718,305</u>	<u>2,701,652</u>	<u>2,222,122</u>
Operating costs:			
Program resources	39,722	45,713	110,813
Equipment	30,000	30,000	8,106
Professional development	18,955	14,072	1,278
Rent	7,336	7,336	30,193
Travel	16,524	7,306	19,940
Telephone	5,077	5,092	9,344
Audit	2,493	4,632	6,766
Office and supplies	6,310	4,441	6,660
Office equipment, computers	-	-	300
	<u>126,417</u>	<u>118,592</u>	<u>193,400</u>
Net surplus (deficit) (note 2)	-	(2,715)	15,786
Due to funding agencies, beginning of year (note 3)	-	77,171	79,276
Repayments during the year	-	(32,773)	(17,891)
Due to funding agencies, end of year (note 3)	\$ -	\$ 41,683	\$ 77,171

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

**MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS**

Consolidated Statement of Cash Flows

**DRAFT**

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

	2021	2020
Cash provided by (used in):		
Operating activities:		
Net surplus (deficit)	\$ (2,715)	\$ 15,786
Changes in non-cash operating working capital:		
Prepaid expenses	-	11,222
Deferred revenue	-	(54,799)
	(2,715)	(27,791)
Financing activities:		
Due from Middlesex-London Health Unit	35,488	45,682
Repayments to funding agencies	(32,773)	(17,891)
	2,715	27,791
<b>Change in cash, being cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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



# MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Notes to Consolidated Financial Statements

## DRAFT

Year ended March 31, 2021

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The Middlesex-London Health Unit March 31st Programs (the "Programs") are 100% funded by the Province of Ontario, the Government of Canada, and Public Health Ontario and is delivered by Public Health Units in partnership with local and social service agencies.

### 1. Significant accounting policies:

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, including the 4200 standards for government not-for-profit organizations with the exception of the presentation and principals for tangible capital assets. Tangible capital assets are expensed in the consolidated financial statements at their cost in the year the related expenditure is incurred.

(a) Basis of accounting:

Revenue and expenditures are reported using the accrual basis of accounting with the exception of employees' sick leave and vacation benefits which are charged against operations in the year in which they are paid.

Government transfers are recognized in the consolidated financial statements as revenue 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. Government transfers not received at year end are recorded as grants receivable due from the related funding organization in the consolidated balance sheet.

(b) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset.

(c) Deferred revenue:

Funds received for expenses of future periods are deferred and recognized as income when the costs for which the revenue is received are incurred.

(d) Use of estimates:

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

**MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS**

Notes to Consolidated Financial Statements (continued)

**DRAFT**

Year ended March 31, 2021

**2. Surplus repayments:**

The Programs' funding agreements with funding agencies (the "Agencies"), provide for repayment of any Programs' surpluses to the Agencies. Programs' deficits are the responsibility of the Programs' and must be funded through efficiencies in future years. As such, surpluses net of any deficits from prior years are recorded on the consolidated balance sheet as accounts payable to the Agencies.

**3. Due to funding agencies:**

Due to funding agencies consists of the following:

	2021	2020
Ministry of Children, Community and Social Services:		
Blind-low vision	\$ 240	\$ 14,596
Preschool speech and language	524	1,650
Infant hearing	153	17,272
Healthy Babies/Healthy Children	312	176
	1,229	33,694
Public Health Ontario:		
Shared library services	38,006	41,032
Public Health Agency of Canada:		
Smart start for babies	2,448	2,445
	\$ 41,683	\$ 77,171

# MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

## DRAFT Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

#### 4. Program revenue, funding agencies:

Program revenue, funding agencies consists of the following:

	2021	2020
Ministry of Children, Community and Social Services:		
Blind-low vision	\$ -	\$ 72,865
Preschool speech and language	-	788,914
Infant hearing	-	450,510
Health Babies/Healthy Children	2,483,313	620,826
	2,483,313	1,933,115
Public Health Ontario:		
Shared Library services	102,962	100,020
Public Health Agency of Canada:		
Smart start for babies	34,254	134,106
FoodNet Canada program	77,465	137,996
HIV/HEP C program	119,223	117,481
	230,942	389,583
	\$ 2,817,217	\$ 2,422,718

#### 5. Changes in Services in Prior Year:

Effective September 1, 2019, administration of the following services, funded by the Ministry of Children Community & Social Services, were transferred to the Thames Valley Children Centre:

- Blind Low-Vision;
- Preschool Speech and Language (tykeTALK); and
- Infant Hearing Screening

Pursuant to an amending agreement with the Ministry of Children, Community and Social Services dated August 1, 2019, the Healthy Babies / Healthy Children Program which was previously funded on a calendar basis and included in the main audited statements, was transferred to the March 31 Programs.

# MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

## **DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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### **6. Financial risks:**

#### (a) Other risk:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in the Canadian and Provincial Governments enacting emergency measures to combat the spread of the virus. Government and central bank monetary and fiscal interventions designed to stabilize the economy are being taken. The duration and economic impacts of the COVID-19 outbreak is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected but other factors that are currently not known at this time. Management is actively monitoring the effect of the pandemic on its financial condition. Given the daily evolution of the pandemic and the global responses to curb its spread, the Programs are not able to fully estimate the effects of the pandemic on its financial position, financial results, and cash flows in the future periods.

## MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Schedule - Consolidated Balance Sheet

### DRAFT

Year ended March 31, 2021

	Blind-low Vision	Preschool speech and language	Infant Hearing	Preschool Smart Start for Babies	Library Shared Services	Healthy Babies/ Healthy Children	Total
<b>Balance Sheet:</b>							
<b>Assets:</b>							
Receivable from Middlesex-London Health Unit	\$ 240	\$ 524	\$ 153	\$ 648	\$ 38,006	\$ 312	\$ 39,883
Prepaid expenses	-	-	-	1,800	-	-	1,800
<b>Total assets</b>	<b>\$ 240</b>	<b>\$ 524</b>	<b>\$ 153</b>	<b>\$ 2,448</b>	<b>\$ 38,006</b>	<b>\$ 312</b>	<b>\$ 41,683</b>
<b>Liabilities:</b>							
Due to funding agencies	\$ 240	\$ 524	\$ 153	\$ 2,448	\$ 38,006	\$ 312	\$ 41,683
<b>Total liabilities</b>	<b>\$ 240</b>	<b>\$ 524</b>	<b>\$ 153</b>	<b>\$ 2,448</b>	<b>\$ 38,006</b>	<b>\$ 312</b>	<b>\$ 41,683</b>

# MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Appendix A: Report No. 21-21FFC

Schedule - Consolidated Statement of Operations

**DRAFT**

Year ended March 31, 2021

	Blind-low Vision	Preschool speech and language	Infant hearing	Smart start for babies	HIV / HEP C	Library shared services	FoodNet Canada program	Healthy Babies/ Healthy Children	Total
<b>Revenues:</b>									
Program revenue,									
Funding agencies	\$ -	\$ -	\$ -	\$ 34,254	\$ 119,223	\$102,962	\$77,465	\$2,483,313	\$2,817,217
Interest income	-	-	-	-	-	-	-	312	312
	-	-	-	34,254	119,223	102,962	77,465	2,483,625	2,817,529
<b>Expenditures:</b>									
<b>Personnel costs:</b>									
Salaries and wages	-	-	-	14,478	90,233	70,323	60,151	1,954,813	2,189,998
Contract services	-	-	-	-	-	-	2,250	2,709	4,959
Allocated benefits	-	-	-	2,776	20,254	15,781	13,970	453,914	506,695
Total salaries, wages and benefits	-	-	-	17,254	110,487	86,104	76,371	2,411,436	2,701,652
<b>Services and supplies:</b>									
Office and supplies	-	-	-	-	-	-	-	4,441	4,441
Professional development	-	-	-	-	-	-	-	14,072	14,072
Travel	-	-	-	-	1,200	-	937	5,169	7,306
Program resources and supplies	-	-	-	13,438	200	19,884	-	12,191	45,713
Audit	-	-	-	3,562	-	-	-	1,070	4,632
Rent	-	-	-	-	7,336	-	-	-	7,336
Telephone	-	-	-	-	-	-	157	4,935	5,092
Equipment	-	-	-	-	-	-	-	30,000	30,000
Total services and supplies	-	-	-	17,000	8,736	19,884	1,094	71,878	118,592
Total expenditures	-	-	-	34,254	119,223	105,988	77,465	2,483,314	2,820,244
Net surplus (deficit) (note 2)	-	-	-	-	-	(3,026)	-	311	(2,715)
Due to funding agencies, beginning of year (note 3)	14,596	1,647	17,272	2,448	-	41,032	-	176	77,171
Repayments, during the year	14,356	1,123	17,118	-	-	-	-	176	32,773
Due to funding agencies, end of year (note 3)	\$ 240	\$ 524	\$ 154	\$ 2,448	\$ -	\$ 38,006	\$ -	\$ 311	\$ 41,683