



# Board of Health Meeting

## Agenda Package

Wednesday, October 22, 2025  
10:00 a.m.  
221 Portsmouth Avenue, Kingston

**Please note there will be a closed session component to this meeting.**

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To ensure a quorum we ask that you please RSVP to [kathleen.thompson@southeastph.ca](mailto:kathleen.thompson@southeastph.ca) or call 613-549-1232, ext. 1147.

# Board of Health Agenda

Wednesday, October 22, 2025  
10:00 a.m.  
221 Portsmouth Avenue, Kingston

1. **Call to order**

2. **Territorial acknowledgement**

Southeast Public Health is located on the traditional territory of Indigenous peoples dating back countless generations. We would like to show our respect for their contributions and recognize the role and treaty making in what is now Ontario. Hundreds of years after the first treaties were signed, they are still relevant today.

3. **Roll call**

4. **Approval of the agenda**

**MOTION:** THAT the Board of Health approve the agenda for October 22, 2025, as circulated.

5. **Approval of previous meeting minutes**

**MOTION:** THAT the Board of Health approve the minutes of the meeting held on September 24, 2025, as circulated.

6. **Disclosure of conflict of interest**

7. **Committee reports**

7.1. **Finance Committee Update** (Councillor A. Koiner)

7.1.1. **2024 Draft Financial Statements (HPEPH, KFLAPH, LGLDHU)**

**MOTION:** THAT the Board of Health approve the 2024 Draft Financial Statements for Hastings Prince Edward Public Health (HPEPH), Kingston, Frontenac and Lennox & Addington Public Health (KFLAPH), and the Leeds, Grenville and Lanark District Health Unit (LGLDHU), as presented and as recommended by the Finance Committee;

AND THAT the Board of Health authorize staff to work with the Board Chair and the Finance Committee Chair to apply any immaterial changes necessary to finalize the statements.

7.1.2. **2024 Draft Pro Forma Statement of Financial Position (SEPH)**

**MOTION:** THAT the Board of Health receive the 2024 Draft Pro Forma Statement for Southeast Public Health, as circulated.

7.1.3. **2025 Southeast Public Health Financial Results (January-August 2025)**

**MOTON:** That the Board of Health receive the financial results for the period January 1 to August 31, 2025, as circulated.

7.1.4. **2026 Budget**

**MOTION:** THAT the Board of Health approve the 2026 budget for the cost-shared and related budgets for Southeast Public Health, as recommended by the Finance Committee.

7.2. **Governance Committee Update** (Mayor R. Jones)

7.2.1. **Skills Inventory Form**

7.2.2. **Board of Health Orientation Policy**

7.2.3. **Reserve Fund Policy**

**MOTION:** THAT the Board of Health approve the Skills Inventory Form, Board of Health Orientation Policy, and Reserve Fund Policy, as circulated.

7.2.4. **Governance Training Project**

**MOTION:** THAT the Board of Health receive the update on the Ministry's Governance Training Project, as circulated.

8. **New business**

8.1. **Appointment of Auditor**

**MOTION:** THAT the Board of Health appoint KPMG LLP as the auditors for the purposes of auditing all financial statements prepared during and for the year 2025.

8.2. **Municipal Levy Allocation**

**MOTION:**

WHEREAS the apportionment of costs to obligated municipalities according to population size reflects the spirit of the merger and aligns with the default provisions of the Health Protection and Promotion Act (HPPA);

AND WHEREAS on September 24, 2025, the Board of Health of Southeast Public Health (SEPH) passed a motion to harmonize municipal levies across all obligated municipalities of SEPH;

AND WHEREAS on September 24, 2025, the Board of Health of SEPH passed a motion to gradually harmonize municipal levies according to the phased scenario, with the end goal of a 67.5/32.5 percent split, beginning in 2025 with a 70/30 percent funding split;

AND WHEREAS through harmonization of municipal levies for 2025, all obligated municipalities are now contributing to the SEPH budget proportionally to the population;

AND WHEREAS the selected harmonization scenario resulted in some municipalities under contributing for the 2025 fiscal year;

AND WHEREAS issuing revised levy invoices to recover the 2025 shortfall from municipalities would not be practical;

AND WHEREAS the \$4.3 million available for levy harmonization represents a cost reduction to obligated municipalities of SEPH to achieve the target harmonized levy;

THEREFORE BE IT RESOLVED THAT the Board of Health for SEPH endorse the recommended Option #3 for the allocation of \$4.3 million for municipal levy harmonization;

AND THAT these funds be used first to offset the negative impacts arising from rebalancing and harmonizing the 2025 municipal levies (approximately \$1.3 million), with the remaining \$3 million allocated proportionally across all municipalities.

8.3. **Merger Updates**

**MOTION:** THAT the Board of Health receive the merger update report as circulated.

9. **Information items**

**MOTION:** THAT the Board of Health receive the information items as circulated.

10. **Closed session**

**MOTION:** THAT the Board of Health convene in closed session for the purposes of a discussion as it relates to Section 239(2) of the Municipal Act, and more specifically: (a) the security of the property of the Board or the Agency.

11. **Rising and reporting of closed session**

**MOTION:** THAT the Board of Health endorse the actions approved in the closed session and direct staff to take appropriate action.

12. **Adjournment**

**MOTION:** THAT this Board of Health meeting be adjourned.



## BOARD OF HEALTH OPEN SESSION MINUTES

**Wednesday, September 24, 2025**

**Kingston**

**10:00 a.m.**

Minutes of the meeting of the South East Health Unit held at 221 Portsmouth Ave, Kingston, ON, through in-person and Zoom attendance.

In attendance:

- In-Person: Mayor Jan O'Neill, Councillor Conny Glenn, Councillor Judy Greenwood-Speers, Mayor Robin Jones, Councillor Sean Kelly, Councillor Anne-Marie Koiner, Councillor Michael Kotsovos, Councillor Peter McKenna, Councillor Jeff McLaren (11:00 a.m.), Ms. Barb Proctor, Councillor Bill Roberts.
- Virtual: Dr. Jeffrey Allin, Mr. Stephen Bird, Reeve Richard Kidd, Ms. Melanie Paradis, Mr. Chris Seeley, Warden Nathan Townend.
- Regrets: Dr. David Pattenden
- Officer: Dr. Piotr Oglaza

- 1. CALL TO ORDER** – The meeting was called to order at 10:05 a.m. by Chair J. O'Neill.
- 2. LAND ACKNOWLEDGEMENT** – Spoken by Chair J. O'Neill.
- 3. STATEMENT ON NATIONAL DAY FOR TRUTH AND RECONCILIATION** – Chair J. O'Neill recognized the importance of National Day for Truth and Reconciliation.
- 4. ROLL CALL** – Conducted by Recorder, K. Thompson.

**5. APPROVAL OF THE AGENDA**

**MOTION:** It was **MOVED** by Councillor B. Roberts and **SECONDED** by Councillor P. McKenna **THAT** the Board of Health approve the agenda for September 24, 2025 as circulated.

**CARRIED**

**6. APPROVAL OF THE MINUTES OF PREVIOUS MEETING**

**MOTION:** It was **MOVED** by B. Proctor and **SECONDED** by Councillor A. Koiner **THAT** the Board of Health approve the minutes of the meeting held on August 27, 2025, as circulated.

**CARRIED**

**7. DISCLOSURE OF PECUNIARY INTEREST** – No conflicts were disclosed.**8. COMMITTEE REPORTS****8.1 Governance Committee Update**

Mayor R. Jones provided an update on the Governance Committee meeting, which was held on September 9, 2025, noting it was a productive session and that the following two motions are being brought forward.

**8.1.1 Location of Board and Committee Meetings**

The Governance Committee recommends that all Board and committee meetings be held at the Kingston office for in-person attendance, with a virtual attendance option available to all participants. This recommendation follows extensive consultation and a review of the effectiveness of rotating meetings across separate locations. While the original intent was to support geographic equity, the arrangement proved less effective in practice than anticipated. Although a review was originally scheduled for the end of the year, it was conducted earlier, in September.

It was clarified that the motion does not preclude smaller subgroups or working groups from meeting at other locations, including off-site venues, when appropriate. The intent is to establish Kingston as the standard location for official Board and committee meetings.

**MOTION:** THAT the Board of Health approve that all meetings of the Board and its associated committees be held at a central location, namely the Kingston office, for in-person attendance, with a virtual attendance option continuing to be made available to all participants.

**CARRIED**

**8.1.2 Risk Management Annual Report**

The Board received the 2025 Annual Risk Management Report, as required under the Ontario Public Health Standards. The report identifies risks across multiple categories, including financial, operational, HR, technology, and equity, with many currently rated as high due to the ongoing organizational merger and sector-wide challenges. Staff provided an overview of existing action plans and confirmed that mitigation efforts are underway across all areas. Members emphasized the importance of equity, reputation, and prioritization.

**ACTION:** In response to concerns about risk levels, the Board supported a suggestion to receive updates more frequently, and staff will bring a proposal to the Governance Committee to amend the reporting frequency to twice per year. The report was received for information.

**MOTION:** It was MOVED by Mayor. R. Jones and SECONDED by Warden N. Townend THAT the Board of Health receive the Risk Management Annual Report.

**CARRIED**

## 9. NEW BUSINESS

### 9.1 Municipal Levies

The Board considered the first motion to endorse, in principle, the harmonization of municipal levies across the obligated municipalities of the South East Health Unit. This follows unanimous merger decisions by the legacy Boards of Health and provincial confirmation of funding to support municipal levy harmonization. Dr. P. Oglaza provided a detailed overview of the legislative context, funding model challenges, and historical levy contributions across the three legacy health units. It was noted that harmonization aligns with the spirit and intent of the merger, fosters good governance and equitable funding of the new entity and enables access to \$4.3 million in provincial funding earmarked to support levy equalization.

The Board discussed the intent behind endorsing harmonization "in principle." It was clarified that this wording was used because a subsequent motion would address the specific implementation details and scenarios. Members emphasized that harmonization is fundamental to the spirit of the merger, and failure to proceed could jeopardize not only organizational cohesion but also the \$4.3 million in provincial merger funding. This funding is intended to serve as a financial buffer to support municipalities in transitioning to the harmonized model.

#### **MOTION 1:**

It was MOVED by Councillor P. McKenna and SECONDED by Councillor J. Greenwood-Speers THAT:

WHEREAS the Boards of Health of Leeds, Grenville and Lanark District Health Unit (LGLDHU); Kingston Frontenac and Lennox & Addington Public Health (KFLAPH); and Hastings Prince Edward Public Health (HPEPH) unanimously passed motions to submit a business case for the merger;

AND WHEREAS the Boards of Health of LGLDHU, KFLAPH, and HPEPH unanimously passed motions to merge, based on the confirmation of merger funding received from the Province on December 3, 2024;

AND WHEREAS harmonization of municipal levies is in the spirit of the merger, and provincial funding was requested in the business case and is being received by South East Health Unit (SEHU) to support levy harmonization;

THEREFORE BE IT RESOLVED THAT the South East Board of Health endorse, in principle, the harmonization of municipal levies across obligated municipalities of SEHU.

**CARRIED**

The Board continued its deliberations on municipal levy harmonization, focusing on the proposed phased approach to achieving a 67.5 percent provincial / 32.5 percent municipal funding split over five years, starting with a current funding level resulting in the average 70/30 split in 2025. Dr. P. Oglaza presented detailed financial modeling comparing different harmonization scenarios, emphasizing that options with lower municipal contributions (e.g., 75/25) would result in the loss of \$4.3 million in provincial harmonization funding and create an additional \$3.6 million annual shortfall, significantly affecting service delivery. The phased 67.5/32.5 model was recommended as the most financially sustainable option, maintaining full provincial funding while ensuring service continuity across all legacy agencies. It was recognized that while harmonization would result in levy increases to some municipalities, the individual municipal impacts between harmonizing within the current average split of 70/30 and the recommended 67.5/32.5 models are minimal whereas the overall benefit of resources for service delivery is substantial.

Board members sought clarity on how the harmonization funding would be allocated and expressed concerns about potential levy increases for municipalities, particularly in 2026. It was confirmed that no additional invoices would be issued for 2025 and that the approximately \$800,000 required for that year would be drawn from the harmonization funding. Several members, including Reeve R. Kidd and Dr. J. Allin, noted that while 2025 is financially covered, the fiscal impact for municipalities will occur in 2026, when full levy increases begin to take effect. Concerns were raised about the chart presentation, which some felt obscured the timing and size of the funding “cliff” facing municipalities. Members stressed the importance of transparent communication with municipal councils and advocated for options that would front-load provincial support or allow municipalities to phase in their increases based on local needs and timelines.

Discussion also included the potential to formalize individual municipal transition paths, whereby each municipality could choose how quickly to absorb its share of the increased levy, depending on its financial capacity and political considerations. The feasibility of basing cost apportionment on property assessment rather than population was also raised, with staff noting that population is the legislative default unless there is consensus to adopt another method. It was clarified that any unused harmonization funding could be held in reserves to smooth out future increases.

**ACTION:** Staff will bring forward funding allocation and municipal transition strategies to the Board for their consideration.

**MOTION 2:**

It was MOVED by Councillor P. McKenna and SECONDED by S. Bird THAT:

WHEREAS the South East Board of Health has endorsed, in principle, the harmonization of municipal levies across obligated municipalities of SEHU;

WHEREAS harmonization of municipal levies at a 75/25 funding split would result in the loss of \$4.3 million in merger funding for levy harmonization, as well as \$3.6 million per year in municipal levies, causing a significant reduction in programs and services;

WHEREAS harmonization of municipal levies at a 70/30 funding split would risk the loss of \$4.3 million in levy harmonization funding and would not achieve the legacy KFLA levels, thereby reducing programs and services;

WHEREAS harmonization of municipal levies at a 67.5/32.5 funding split would not result in the loss of \$4.3 million in levy harmonization funding and would allow all legacy agencies to sustain programs and services;

THEREFORE BE IT RESOLVED THAT the South East Board of Health endorse a phased approach to achieving a harmonized funding ratio of 67.5/32.5, beginning with a 70/30 funding split in 2025 and reaching the target ratio within five years.

**Recorded Vote: Motion to Adopt Phased Approach to Levy Harmonization (67.5 percent Provincial / 32.5 percent Municipal).**

Recorded Vote Requested By: Dr. J. Allin

| <b>Member</b>                  | <b>Municipality</b>                    | <b>Vote</b> |
|--------------------------------|--|-------------|
| Dr. J. Allin                   | Provincial Representative - Belleville | Opposed     |
| Mr. S. Bird                    | Provincial Representative - Perth      | In Favour   |
| Councillor C. Glenn            | City of Kingston                       | In Favour   |
| Councillor J. Greenwood-Speers | County of Frontenac                    | In Favour   |
| Mayor R. Jones                 | Village of Westport                    | In Favour   |
| Councillor S. Kelly            | City of Belleville                     | In Favour   |
| Reeve R. Kidd                  | Township of Beckwith                   | Opposed     |
| Councillor A. Koiner           | Town of Gananoque                      | In Favour   |
| Councillor M. Kotsovos         | City of Quinte West                    | In Favour   |
| Councillor P. McKenna          | Town of Smiths Falls                   | In Favour   |
| Councillor J. McLaren          | City of Kingston                       | In Favour   |
| Mayor J. O'Neill               | Hastings County & Marmora and Lake     | In Favour   |
| Ms. M. Paradis                 | Provincial Representative - Belleville | In Favour   |
| Dr. D. Pattenden               | City of Kingston                       | Absent      |
| Ms. B. Proctor                 | Provincial Representative - Wellington | In Favour   |
| Councillor B. Roberts          | Prince Edward County                   | In Favour   |
| Mr. C. Seeley                  | Provincial Representative - Napanee    | In Favour   |
| Warden N. Townend              | County of Lennox & Addington           | In Favour   |

**CARRIED**

## 9.2 Merger Updates

The Board received the circulated merger update report for discussion. Members were informed that the new organizational name, logo, and branding are scheduled to launch on September 29, marking a significant

milestone in establishing a unified identity and enhancing community recognition. Appreciation was expressed for staff's creativity and efforts in developing the new brand. Attention was drawn to the change readiness assessment scores for staff, which showed a downward trend despite an increased response rate. The Board inquired about strategies to address this decline, and it was confirmed that operational plans are underway to analyze trends and improve staff engagement.

**MOTION:** It was **MOVED** by M. Paradis and **SECONDED** by Councillor S. Kelly **THAT** the Board of Health receive the merger update report as circulated.

**CARRIED**

## **10. INFORMATION ITEMS**

The Board received the information items as presented.

**MOTION:** It was **MOVED** by Mayor R. Jones and **SECONDED** by Councillor S. Kelly **THAT** the Board of Health receive the information items as circulated.

**CARRIED**

## **11. ADJOURNMENT**

It was moved by Dr. J. Allin and **SECONDED** by Councillor B. Roberts **THAT** this Board of Health meeting be adjourned at 11:54 a.m.

**CARRIED**

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Jan O'Neill, Board Chair  
South East Health Unit

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# Memo

To: Board of Health Members  
Reviewed by: Finance Committee  
Date: October 22, 2025  
**Re: Finance Committee Meeting Summary – October 15, 2025**

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The Finance Committee met on October 15, 2025, to review the 2024 draft financial statements, 2025 year-to-date financial results, and the preliminary 2026 budget.

## 2024 Draft Financial Statements

The Committee reviewed the draft financial statements for the three legacy health units—Hastings Prince Edward Public Health (HPEPH), Kingston, Frontenac and Lennox & Addington Public Health (KFLAPH), and Leeds, Grenville and Lanark District Health Unit (LGLDHU)—as well as the draft pro forma Statement of Financial Position for Southeast Public Health.

- HPEPH and KFLAPH reported strong liquidity and positive operating results.
- LGLDHU reported a deficit position, reflecting ongoing financial sustainability challenges. It was noted that with expenses continuing to outpace funding, financial sustainability remains a key consideration for the new entity.

### Recommendation:

**MOTION:** THAT the Board of Health approve the 2024 Draft Financial Statements for Hastings Prince Edward Public Health (HPEPH), Kingston, Frontenac and Lennox & Addington Public Health (KFL&APH), and the Leeds, Grenville and Lanark District Health Unit (LGLDHU), as presented and as recommended by the Finance Committee;

AND THAT the Board of Health authorize staff to work with the Board Chair and the Finance Committee Chair to apply any immaterial changes necessary to finalize the statements.

## Pro Formal Statement for Southeast Public Health

The Committee also reviewed the draft pro forma Statement of Financial Position for Southeast Public Health. The statement is being refined with auditors to ensure consistent accounting assumptions across the merged organization.

### Recommendation:

**MOTION:** THAT the Board of Health receive the 2024 Draft Pro Forma Statement for Southeast Public Health, as circulated.

## 2025 Financial Results (January–August 2025)

The Committee reviewed financial results for the first eight months of 2025. Mandatory Programs are under budget by approximately \$2.3M, primarily due to conservative staffing, delayed one-time funding, and merger-related activities. Most programs are performing as

expected, with modest surpluses noted in Ontario Seniors' Dental Care and Healthy Babies, Healthy Children.

**Recommendation:**

**MOTION:** THAT the Board of Health receive the financial results for the period January 1 to August 31, 2025, as circulated.

**2026 Budget:**

The Committee reviewed the preliminary 2026 budget, which includes an approximate 1.94 percent increase to Mandatory Programs. Key budget factors include continued wage and staffing harmonization, temporary merger stabilization funding, and increased travel due to the expanded geographic area. Efficiencies are expected in office and program material costs.

**Supporting Documents for 7.1.1:**

- Appendix 1 [HPEPH Draft 2024 Financial Statements](#)
- Appendix 2 [HPEPH 2024 Audit Findings Report](#)
- Appendix 3 [KFLAPH Draft 2024 Financial Statements](#)
- Appendix 4 [KFLAPH 2024 Audit Findings Report](#)
- Appendix 5 [LGLDHU Draft 2024 Financial Statements](#)
- Appendix 6 [LGLDHU 2024 Audit Findings Statements](#)

**Supporting Document for 7.1.2**

- Appendix 7 [SEPH Pro Forma Statement of Financial Position \(for information only\)](#)

**Supporting Document for 7.1.3**

- Appendix 8 [SEPH 2025 Financial Results](#)

**Supporting Document for 7.1.4:**

- Appendix 9 [SEPH 2026 Budget](#)

**Recommendation:**

**MOTION:** THAT the Board of Health approve the 2026 budget for the cost-shared and related budgets for Southeast Public Health, as recommended by the Finance Committee.

The Committee expressed appreciation to staff for their thorough preparation and continued diligence during this period of transition.

# Appendix 1

Financial Statements of

## **HASTINGS PRINCE EDWARD PUBLIC HEALTH**

Year ended December 31, 2024

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# HASTINGS PRINCE EDWARD PUBLIC HEALTH

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Hastings Prince Edward Public Health

### ***Opinion***

We have audited the financial statements of Hastings Prince Edward Public Health (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets (liabilities) for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, its results of operations, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

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

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

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

### ***Responsibilities of Management and Those Charged With Governance for the Financial Statements***

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

(date)

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

## Statement of Financial Position

As at December 31, 2024, with comparative information for 2023

|   | 2024                 | 2023                |
|---|----------------------|---------------------|
| Financial assets:                                 |                      |                     |
| Cash  | \$ 8,973,333         | \$ 4,734,873        |
| Investments (note 3)                              | –                    | 2,630,098           |
| Interest rate swaps (note 11)                     | 167,033              | –                   |
| Accounts receivable                               | 169,016              | 283,932             |
| Due from Province of Ontario                      | 290,341              | 465,969             |
|   | <u>9,599,723</u>     | <u>8,114,872</u>    |
| Financial liabilities:                            |                      |                     |
| Accounts payable and accrued liabilities (note 5) | 1,646,752            | 1,785,469           |
| Due to Province of Ontario                        | 629,793              | 716,189             |
| Deferred revenue                                  | 1,224,921            | 282,385             |
| Interest rate swaps (note 11)                     | –                    | 89,721              |
| Mortgage payable (note 10)                        | 5,970,647            | 6,250,772           |
|   | <u>9,472,113</u>     | <u>9,124,536</u>    |
| Net financial assets (liabilities)                | 127,610              | (1,009,664)         |
| Non-financial assets:                             |                      |                     |
| Tangible capital assets (note 14)                 | 9,849,598            | 10,206,048          |
| Prepaid expenses                                  | 152,542              | 226,086             |
|   | <u>10,002,140</u>    | <u>10,432,134</u>   |
| Commitments (note 6)                              |                      |                     |
| Economic dependence (note 7)                      |                      |                     |
| Subsequent event (note 16)                        |                      |                     |
|   | <u>\$ 10,129,750</u> | <u>\$ 9,422,470</u> |
| Accumulated surplus is comprised of:              |                      |                     |
| Accumulated surplus (note 13)                     | \$ 9,962,717         | \$ 9,512,191        |
| Accumulated remeasurement gains (losses)          | 167,033              | (89,721)            |
|   | <u>\$ 10,129,750</u> | <u>\$ 9,422,470</u> |

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Member

\_\_\_\_\_ Member

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

|  | 2024<br>Budget<br>(note 12) | 2024<br>Actual      | 2023<br>Actual      |
|--|-----------------------------|---------------------|---------------------|
| <b>Revenue:</b>                        |                             |                     |                     |
| Provincial funding (note 7)            | \$ 13,480,443               | \$ 13,753,684       | \$ 14,298,314       |
| Municipal levies (note 7)              | 3,798,300                   | 3,798,300           | 3,630,108           |
| Federal funding                        | 39,000                      | 36,130              | 40,550              |
| Interest earned (note 3)               | 33,700                      | 350,543             | 346,605             |
| Expense recoveries (note 9)            | 92,800                      | 66,146              | 76,414              |
| Rental                                 | 24,000                      | 25,650              | 24,068              |
| Other                                  | 459,000                     | –                   | –                   |
|  | <u>17,927,243</u>           | <u>18,030,453</u>   | <u>18,416,059</u>   |
| <b>Expenses:</b>                       |                             |                     |                     |
| Salaries                               | 10,791,743                  | 10,576,297          | 10,418,302          |
| Benefits (note 4)                      | 3,113,000                   | 3,028,524           | 2,970,631           |
| Staff training                         | 174,000                     | 133,586             | 119,265             |
| Travel                                 | 166,000                     | 183,030             | 158,465             |
| Building occupancy (note 10)           | 1,292,000                   | 785,061             | 820,942             |
| Office and administration              | 764,500                     | 833,085             | 835,854             |
| Program supplies                       | 361,000                     | 360,382             | 443,659             |
| Professional and purchased services    | 1,265,000                   | 1,128,484           | 1,124,302           |
| Amortization                           | –                           | 551,478             | 493,637             |
|  | <u>17,927,243</u>           | <u>17,579,927</u>   | <u>17,385,057</u>   |
| Annual surplus                         | –                           | 450,526             | 1,031,002           |
| Accumulated surplus, beginning of year | 9,512,191                   | 9,512,191           | 8,481,189           |
| Accumulated surplus, end of year       | <u>\$ 9,512,191</u>         | <u>\$ 9,962,717</u> | <u>\$ 9,512,191</u> |

See accompanying notes to financial statements.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

## Statement of Changes in Net Financial Assets (Liabilities)

Year ended December 31, 2024, with comparative information for 2023

|  | 2024<br>Budget<br>(note 12) | 2024<br>Actual    | 2023<br>Actual        |
|--|-----------------------------|-------------------|-----------------------|
| Annual surplus   | \$ —                        | \$ 450,526        | \$ 1,031,002          |
| Acquisition of tangible capital assets                 | —                           | (195,028)         | (591,811)             |
| Amortization of tangible capital assets                | —                           | 551,478           | 493,637               |
| Change in prepaid expenses                             | —                           | 73,544            | 18,436                |
|  | —                           | 429,994           | (79,738)              |
| Increase in net financial assets                       | —                           | 880,520           | 951,264               |
| Net remeasurement gains (losses)                       | —                           | 256,754           | (89,721)              |
| Net financial liabilities, beginning of year           | —                           | (1,009,664)       | (1,871,207)           |
| <b>Net financial assets (liabilities), end of year</b> | <b>\$ —</b>                 | <b>\$ 127,610</b> | <b>\$ (1,009,664)</b> |

See accompanying notes to financial statements.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

## Statement of Remeasurement Gains and Losses

Year ended December 31, 2024, with comparative information for 2023

|  | 2024        | 2023        |
|--|-------------|-------------|
| Accumulated remeasurement gains (losses),<br>beginning of year | \$ (89,721) | \$ -        |
| Net unrealized gains (losses) attributable to:                 |             |             |
| Derivatives – interest rate swaps (note 11)                    | 256,754     | (89,721)    |
| Net remeasurement gains (losses) for the year                  | 256,754     | (89,721)    |
| Accumulated remeasurement gains (losses), end of year          | \$ 167,033  | \$ (89,721) |

See accompanying notes to financial statements.

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# HASTINGS PRINCE EDWARD PUBLIC HEALTH

## Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| Cash provided by (used in):                |                     |                     |
| Operating activities:                      |                     |                     |
| Annual surplus                             | \$ 450,526          | \$ 1,031,002        |
| Amortization, which does not involve cash  | 551,478             | 493,637             |
| Change in non-cash assets and liabilities: |                     |                     |
| Accounts receivable                        | 114,916             | 208,036             |
| Due from Province of Ontario               | 175,628             | (416,007)           |
| Accounts payable and accrued liabilities   | (138,717)           | 723,865             |
| Due to Province of Ontario                 | (86,396)            | (235,589)           |
| Deferred revenue                           | 942,536             | (340,834)           |
| Prepaid expenses                           | 73,544              | 18,436              |
|  | <u>2,083,515</u>    | <u>1,482,546</u>    |
| Capital activities:                        |                     |                     |
| Purchase of tangible capital assets        | (195,028)           | (591,811)           |
| Financing activities:                      |                     |                     |
| Principal repayments on mortgage payable   | (280,125)           | (268,864)           |
| Investing activities:                      |                     |                     |
| Redemption of investments                  | 2,630,098           | 1,473,585           |
| Increase in cash                           | 4,238,460           | 2,095,456           |
| Cash, beginning of year                    | 4,734,873           | 2,639,417           |
| Cash, end of year                          | <u>\$ 8,973,333</u> | <u>\$ 4,734,873</u> |

See accompanying notes to financial statements.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2024

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Hastings Prince Edward Public Health (the "Health Unit") is governed by the Ontario Board of Public Health as mandated by the Health Protection and Promotion Act for the purposes of promoting and protecting public health.

## 1. Significant accounting policies:

The financial statements of the Health Unit are the representation of management prepared in accordance with accounting policies prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada for local governments and their boards. Significant aspects of the accounting policies adopted by the Health Unit are as follows:

### (a) Basis of accounting:

The financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity.

Provincial funding received from the Ministry of Health and the Ministry of Children, Community & Social Services (collectively the "Ministries") are subject to annual final reviews and approval by the Ministries. Any adjustments resulting from the review will be reflected in the year of Ministry approvals as an adjustment to provincial funding revenue on the Statement of Operations and Accumulated Surplus.

### (b) Revenue recognition:

Government transfers, comprised of provincial funding, federal funding and municipal levies, relate to health programs. Transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized and eligibility criteria have been met and reasonable estimates of the amounts can be made.

Expense recoveries, rental and other revenue are recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. Other restricted contributions received in advance of the related expenditure are deferred until the related expenditure is incurred.

Interest income is recorded as earned.

### (c) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 1. Significant accounting policies (continued):

### (d) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

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|                                |                         |
|--------------------------------|-------------------------|
| Building and site improvements | 40 years                |
| Communication systems          | 5 years                 |
| Office equipment               | 5 years                 |
| Computer equipment             | 5 years                 |
| Signage                        | 5 years                 |
| Motor vehicles                 | 5 years                 |
| Leasehold improvements         | remaining term of lease |

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

When conditions indicate that a tangible capital asset no longer contributes to the Health Unit's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential.

The resulting net adjustment would be reported as an expense on the Statement of Operations and Accumulated Surplus. No adjustments were recorded in 2024 or 2023.

### (e) Pension benefits:

The Health Unit accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

### (f) Investments:

Investments are recorded at cost plus accrued interest and amortization of purchase premiums and discounts. If the market value of investments becomes lower than cost and this decline in value is considered to be other than temporary, the investments are written down to the market value.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (g) Financial instruments:

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

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

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

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

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

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

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

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

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

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

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

### (h) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (i) Asset retirement obligations:

The Health Unit recognizes the fair value of an asset retirement obligation ("ARO") when all the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded.

Differences between the actual remediation costs incurred and the associated liability are recognized in the Statement of Operations and Accumulated Surplus at the time of remediation.

The Health Unit has not recognized any asset retirement obligations as at December 31, 2024 or 2023.

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

The Health Unit adopted the following standards concurrently beginning January 1, 2024 prospectively: PS 3400 *Revenue*, PSG-8 *Purchased Intangibles*, and PS 3160 *Public Private Partnerships*.

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships* (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

There were no adjustments to the financial statements as a result of adopting the new accounting standards.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

### 3. Investments:

During fiscal 2024, the guaranteed investment certificates matured and were not subsequently re-invested.

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

|   | 2024 | 2023         |
|---|------|--------------|
| Guaranteed investment certificates – 5.8% | \$ – | \$ 2,630,098 |

Interest earned consists of:

|                   | 2024       | 2023       |
|-------------------|------------|------------|
| Investment income | \$ 85,095  | \$ 195,680 |
| Bank interest     | 265,448    | 150,925    |
|                   | \$ 350,543 | \$ 346,605 |

### 4. Pension agreement:

The Health Unit makes contributions to the Ontario Municipal Employees Retirement Fund (“OMERS”), a multi-employer plan. The plan is a contributory defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

OMERS is a multi-employer plan, therefore, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Health Unit does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2024. At that time, the plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion actuarial deficit).

The amount contributed to OMERS for current services in 2024 was \$975,717 (2023 - \$979,566) and is included as an expense within benefits on the Statement of Operations and Accumulated Surplus.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 5. Liability for vested sick leave benefits:

Under the previous sick leave benefit plan, unused sick leave could be accumulated, and employees could become entitled to a cash payment when they leave the Health Unit's employment.

In 1988, the Health Unit introduced an employee benefit package which includes short and long term disability insurance. As part of the package, the accumulated sick leave days were frozen at the levels existing at the date of implementation of the plan.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amount to \$1,948 (2023 - \$5,078) and are included in accounts payable and accrued liabilities on the Statement of Financial Position.

## 6. Commitments:

The Health Unit leases office accommodation in Picton, Trenton and Bancroft and also leases office equipment. The future minimum lease payments are as follows:

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|      |    |         |
|------|----|---------|
| 2025 | \$ | 164,200 |
| 2026 |    | 64,362  |
| 2027 |    | 6,495   |
| 2028 |    | 541     |
|      | \$ | 235,598 |

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## 7. Economic dependence:

The majority of the revenue of the Health Unit is provided by the Province of Ontario and by four funding municipalities. The Province of Ontario funds 76% (2023 - 78%) of mandated public health programs while the Counties of Hastings and Prince Edward and the Cities of Belleville and Quinte combine to fund the remaining 24% (2023 - 22%).

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 8. Reserves:

The Health Unit has established reserves as follows:

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

|                                      | 2024         | 2023         |
|--------------------------------------|--------------|--------------|
| Capital reserve, beginning of year   | \$ 2,978,709 | \$ 2,584,239 |
| Transfer from operation – Schedule 1 | 379,845      | 394,470      |
| Capital reserve, end of year         | 3,358,554    | 2,978,709    |
| HBHC reserve                         | 45,859       | 45,859       |
| Total reserves                       | \$ 3,404,413 | \$ 3,024,568 |

The Health Babies Healthy Children (“HBHC”) reserve is restricted to fund future costs of the program in excess of provincial funding. There were no changes to the HBHC reserve during the year.

## 9. Expense recoveries:

Expense recoveries consist of:

|  | 2024      | 2023      |
|--|-----------|-----------|
| Provincial reimbursement of clinic costs | \$ 42,723 | \$ 50,296 |
| Seniors dental                           | 17,685    | 10,100    |
| Program recoveries                       | 5,719     | 14,937    |
| Other                                    | 19        | 290       |
| Nicotine replacement clinics             | –         | 791       |
|  | \$ 66,146 | \$ 76,414 |

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 10. Mortgage payable:

Mortgage payable consists of the following:

|  | 2024         | 2023         |
|--|--------------|--------------|
| Bankers acceptance, interest at Canadian Imperial Bank of Commerce BA rate at time of renewal plus 0.48% per annum acceptance fee. Interest is fixed with an interest rate swap agreement at 4.11%. Interest paid in advance at time of renewal with an adjustment at next monthly renewal to swapped rate. Principal is reduced each monthly renewal based on a blended monthly payment of principal and interest of \$44,316. Remaining balances due January 2040. | \$ 5,970,647 | \$ 6,250,772 |

The mortgage is secured by a general security agreement creating a first ranking security interest in all personal property of the Health Unit and a first mortgage over the property located at 179 North Park Street, Belleville, Ontario.

Interest expense of \$240,81 (2023 - \$262,930) is included in building occupancy on the Statement of Operations and Accumulated Surplus.

Future principal repayments are estimated to be as follows:

|            |                     |
|------------|---------------------|
| 2025       | \$ 291,857          |
| 2026       | 304,081             |
| 2027       | 316,817             |
| 2028       | 330,086             |
| 2029       | 343,911             |
| Thereafter | 4,383,895           |
|            | <u>\$ 5,970,647</u> |

## 11. Interest rate swap agreement:

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

The interest rate swap contracts convert the floating rate interest obligations of the loan into fixed rate obligations and thus manage the Health Unit's exposure to interest rate risk. The loan with the interest rate swap and the fixed rates payable are disclosed in note 10. The maturity date of the interest rate swap is the same as the maturity date of the associated long-term debt which is 2040. The fair value of the interest rate swaps will vary based on prevailing market interest rates and the remaining term to maturity. The change in fair value of the interest rate swaps was an unrealized gain of \$256,754 (2023 – unrealized loss of \$89,721) for the year ended December 31, 2024.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 11. Interest rate swap agreement (continued):

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

## 12. Budget:

The Board of Health approved the budget for 2024 with a municipal levy of \$3,798,300 on December 6, 2023. During the year, the Health Unit entered into additional program agreements or amendments to program agreements. The budgets of these program changes are not reflected in the budget amounts presented.

## 13. Accumulated surplus:

Accumulated surplus consists of:

|                         | 2024         | 2023          |
|-------------------------|--------------|---------------|
| Tangible capital assets | \$ 9,849,598 | \$ 10,206,048 |
| Mortgage payable        | (5,992,606)  | (6,250,772)   |
|                         | 3,856,992    | 3,955,276     |
| Reserves (note 8)       | 3,404,413    | 3,024,568     |
| Unrestricted surplus    | 2,701,312    | 2,532,347     |
|                         | \$ 9,962,717 | \$ 9,512,191  |

|   | 2024         | 2023         |
|---|--------------|--------------|
| Unrestricted surplus, beginning of year | \$ 2,532,347 | \$ 2,262,853 |
| Annual surplus                          | 450,526      | 1,031,002    |
|   | 2,982,873    | 3,293,855    |
| Change - tangible capital assets        | 356,450      | (98,174)     |
| Principal repayments in year            | (258,166)    | (268,864)    |
| Transfer to capital reserve             | (379,845)    | (394,470)    |
| Unrestricted surplus, end of year       | \$ 2,701,312 | \$ 2,532,347 |

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 14. Tangible capital assets:

| Cost                            | Balance at<br>December 31,<br>2023 | Transfers<br>and<br>additions | Transfers,<br>disposals and<br>adjustments | Balance at<br>December 31,<br>2024 |
|---------------------------------|------------------------------------|-------------------------------|--|------------------------------------|
| Land                            | \$ 81,814                          | \$ –                          | \$ –                                       | \$ 81,814                          |
| Buildings and site improvements | 11,831,896                         | –                             | –  | 11,831,896                         |
| Communications systems          | 93,585                             | 39,822                        | –  | 133,407                            |
| Office equipment                | 612,170                            | 11,322                        | (7,998)                                    | 615,494                            |
| Computer equipment              | 579,371                            | 143,884                       | (34,812)                                   | 688,443                            |
| Motor vehicles                  | 672,326                            | –                             | –  | 672,326                            |
| <b>Total</b>                    | <b>\$ 13,871,162</b>               | <b>\$ 195,028</b>             | <b>\$ (42,810)</b>                         | <b>\$ 14,023,380</b>               |

| Accumulated<br>amortization     | Balance at<br>December 31,<br>2023 | Amortization<br>expense | Transfers,<br>disposals and<br>adjustments | Balance at<br>December 31,<br>2024 |
|---------------------------------|------------------------------------|-------------------------|--|------------------------------------|
| Buildings and site improvements | \$ 2,495,589                       | \$ 295,081              | \$ –                                       | \$ 2,790,670                       |
| Communications systems          | 93,585                             | 3,982                   | –  | 97,567                             |
| Office equipment                | 548,811                            | 28,755                  | (7,998)                                    | 569,568                            |
| Computer equipment              | 459,896                            | 99,763                  | (34,812)                                   | 524,847                            |
| Motor vehicles                  | 67,233                             | 123,897                 | –  | 191,130                            |
| <b>Total</b>                    | <b>\$ 3,665,114</b>                | <b>\$ 551,478</b>       | <b>\$ (42,810)</b>                         | <b>\$ 4,173,782</b>                |

|                                 | Net book value<br>December 31, 2023 | Net book value<br>December 31, 2024 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Land                            | \$ 81,814                           | \$ 81,814                           |
| Buildings and site improvements | 9,336,307                           | 9,041,226                           |
| Communications systems          | –                                   | 35,840                              |
| Office equipment                | 63,359                              | 45,926                              |
| Computer equipment              | 119,475                             | 163,596                             |
| Motor vehicles                  | 605,093                             | 481,196                             |
| <b>Total</b>                    | <b>\$ 10,206,048</b>                | <b>\$ 9,849,598</b>                 |

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 15. Financial risks and concentration of credit risk:

### (a) Credit risk:

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

The Health Unit assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Health Unit at December 31, 2024 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations and Accumulated Surplus. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Statement of Operations and Accumulated Surplus. The balance of the allowance for doubtful accounts at December 31, 2024 is \$Ni (2023 - \$Nil).

There have been no significant changes to the credit risk exposure from 2023.

### (b) Liquidity risk:

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

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

There have been no significant changes to the liquidity risk exposure from 2023.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 15. Financial risks and concentration of credit risk:

### (d) Interest rate risk:

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

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

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

There has been no change to the interest rate risk exposure from 2023.

## 16. Subsequent events:

Effective January 1, 2025, the organizations of Hastings Prince Edward Public Health, Kingston, Frontenac and Lennox & Addington Public Health and Leeds, Grenville and Lanark District Health Unit, merged to form the South East Health Unit.

Efforts to align and harmonize the three legacy agencies are currently ongoing.

The South East Health Unit will continue to be governed by the Board of Public Health as mandated by the Health Protection and Promotion Act for the purposes of promoting and protecting public health.

## 17. Comparative information:

Some of the comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

# HASTINGS PRINCE EDWARD PUBLIC HEALTH

## Schedule 1 - Program Operations

Year ended December 31, 2024

|  | Mandatory      | 100% MOH                            | 100% ONE TIME    |                           |                                |                                     |           |                       | MCCSS                            | Federal                          | Other          |                 | Totals        |               |
|--|----------------|-------------------------------------|------------------|---------------------------|--------------------------------|-------------------------------------|-----------|-----------------------|----------------------------------|----------------------------------|----------------|-----------------|---------------|---------------|
|  | Mandatory Core | Ontario Seniors Dental Care Program | Voluntary Merger | COVID-19: Vaccine Program | Pandemic Response and Recovery | Ontario Seniors Dental Care Program | RSV       | PHI Practicum Student | Healthy Babies, Healthy Children | Childrens Oral Health Initiative | Operating Fund | Capital Reserve | 2024          | 2023          |
| <b>REVENUES</b>                          |                |                                     |                  |                           |                                |                                     |           |                       |                                  |                                  |                |                 |               |               |
| Provincial approved funding MOH          | \$ 10,614,900  | \$ 1,307,200                        | \$ 186,337       | \$ 5,000                  | \$ 125,000                     | \$ 112,800                          | \$ 25,000 | \$ 30,000             | \$ -                             | \$ -                             | \$ -           | \$ -            | \$ 12,406,237 | \$ 12,064,855 |
| Provincial approved funding MCCSS        | -              | -                                   | -                | -                         | -                              | -                                   | -         | -                     | 1,255,025                        | -                                | -              | -               | 1,255,025     | 1,048,786     |
| Total Approved Provincial Funding        | 10,614,900     | 1,307,200                           | 186,337          | 5,000                     | 125,000                        | 112,800                             | 25,000    | 30,000                | 1,255,025                        | -                                | -              | -               | 13,661,262    | 13,113,641    |
| Provincial funding MOH Salary            | 135,072        | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | 135,072       | 135,500       |
| Provincial funding Mitigation            | -              | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | -             | 1,120,000     |
| Settlement adjustments                   | (32,138)       | -                                   | -                | -                         | -                              | (10,512)                            | -         | -                     | -                                | -                                | -              | -               | (42,650)      | (70,827)      |
| Provincial funding                       | 10,717,834     | 1,307,200                           | 186,337          | 5,000                     | 125,000                        | 102,288                             | 25,000    | 30,000                | 1,255,025                        | -                                | -              | -               | 13,753,684    | 14,298,314    |
| Municipal levies                         | 3,538,300      | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | 260,000        | -               | 3,798,300     | 3,630,108     |
| Federal funding                          | -              | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | 36,130                           | -              | -               | 36,130        | 40,550        |
| Interest income                          | 85,095         | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | 145,603        | 119,845         | 350,543       | 346,605       |
| Rental income                            | 25,650         | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | 25,650        | 24,068        |
| Expenditure Recoveries                   | 48,461         | 17,685                              | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | 66,146        | 76,414        |
| Total Revenues                           | 14,415,340     | 1,324,885                           | 186,337          | 5,000                     | 125,000                        | 102,288                             | 25,000    | 30,000                | 1,255,025                        | 36,130                           | 145,603        | 379,845         | 18,030,453    | 18,416,059    |
| <b>EXPENDITURES</b>                      |                |                                     |                  |                           |                                |                                     |           |                       |                                  |                                  |                |                 |               |               |
| Salaries                                 | 9,095,706      | 451,815                             | 30,778           | 4,003                     | 104,223                        | -                                   | 19,225    | 30,000                | 813,607                          | 26,940                           | -              | -               | 10,576,297    | 10,418,302    |
| Benefits                                 | 2,626,549      | 127,558                             | -                | 997                       | 20,777                         | -                                   | 5,775     | -                     | 239,373                          | 7,495                            | -              | -               | 3,028,524     | 2,970,631     |
| Staff training                           | 122,352        | 4,138                               | -                | -                         | -                              | -                                   | -         | -                     | 7,096                            | -                                | -              | -               | 133,586       | 119,265       |
| Travel                                   | 123,629        | 19,806                              | 10,129           | -                         | -                              | -                                   | -         | -                     | 29,104                           | 362                              | -              | -               | 183,030       | 158,465       |
| Building occupancy                       | 665,687        | 47,604                              | -                | -                         | -                              | -                                   | -         | -                     | 71,770                           | -                                | -              | -               | 785,061       | 820,942       |
| Office expenses and administration       | 684,212        | 58,615                              | 6,649            | -                         | -                              | -                                   | -         | -                     | 83,609                           | -                                | -              | -               | 833,085       | 835,854       |
| Program supplies                         | 283,794        | 67,333                              | -                | -                         | -                              | -                                   | -         | -                     | 7,922                            | 1,333                            | -              | -               | 360,382       | 443,659       |
| Professional and purchased services      | 336,855        | 548,016                             | 138,781          | -                         | -                              | 102,288                             | -         | -                     | 2,544                            | -                                | -              | -               | 1,128,484     | 1,124,302     |
| Amortization                             | 551,478        | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | 551,478       | 493,637       |
| Total Expenditures                       | 14,490,262     | 1,324,885                           | 186,337          | 5,000                     | 125,000                        | 102,288                             | 25,000    | 30,000                | 1,255,025                        | 36,130                           | -              | -               | 17,579,927    | 17,385,057    |
| Annual surplus (deficit)                 | (74,922)       | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | 145,603        | 379,845         | 450,526       | 1,031,002     |
| <b>RECONCILIATION TO FUNDING</b>         |                |                                     |                  |                           |                                |                                     |           |                       |                                  |                                  |                |                 |               |               |
| Annual surplus (deficit) above           | (74,922)       | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | 145,603        | 379,845         | 450,526       | 1,031,002     |
| Add back amortization                    | 551,478        | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | 551,478       | 493,637       |
| Less tangible capital asset acquisitions | (195,028)      | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | (195,028)     | (568,023)     |
| Less principal repayments on mortgage    | (258,166)      | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | (258,166)     | (268,864)     |
| Less vacation/frozen sick leave          | (23,362)       | -                                   | -                | -                         | -                              | -                                   | -         | -                     | -                                | -                                | -              | -               | (23,362)      | (23,040)      |
| Funding Surplus                          | \$ -           | \$ -                                | \$ -             | \$ -                      | \$ -                           | \$ -                                | \$ -      | \$ -                  | \$ -                             | \$ -                             | \$ 145,603     | \$ 379,845      | \$ 525,448    | \$ 664,712    |



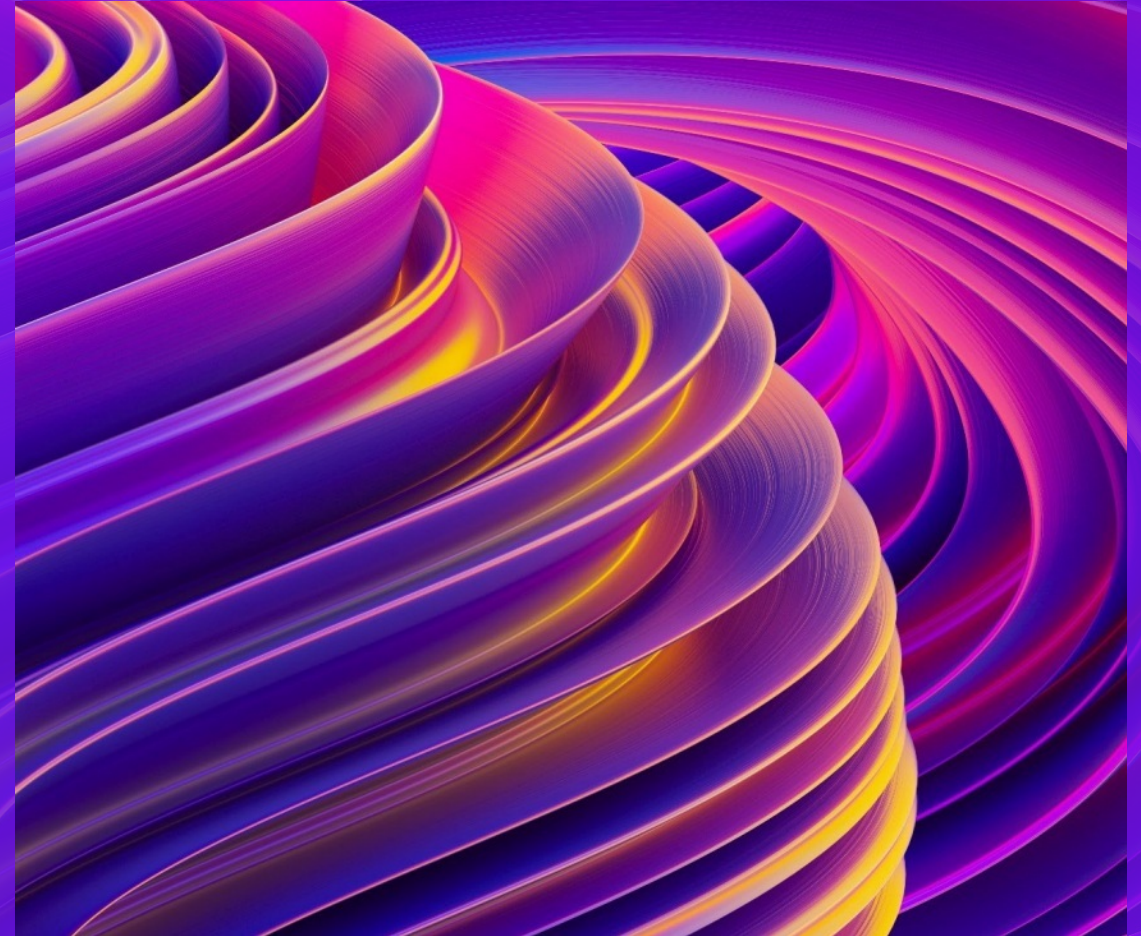
# Hastings Prince Edward Public Health

Audit Findings Report for the year ended  
December 31, 2024

*KPMG LLP*

Prepared as of April 9, 2025 for presentation to the  
Finance Committee on June 18, 2025

[kpmg.ca/audit](https://kpmg.ca/audit)



# KPMG contacts

## Key contacts in connection with this engagement



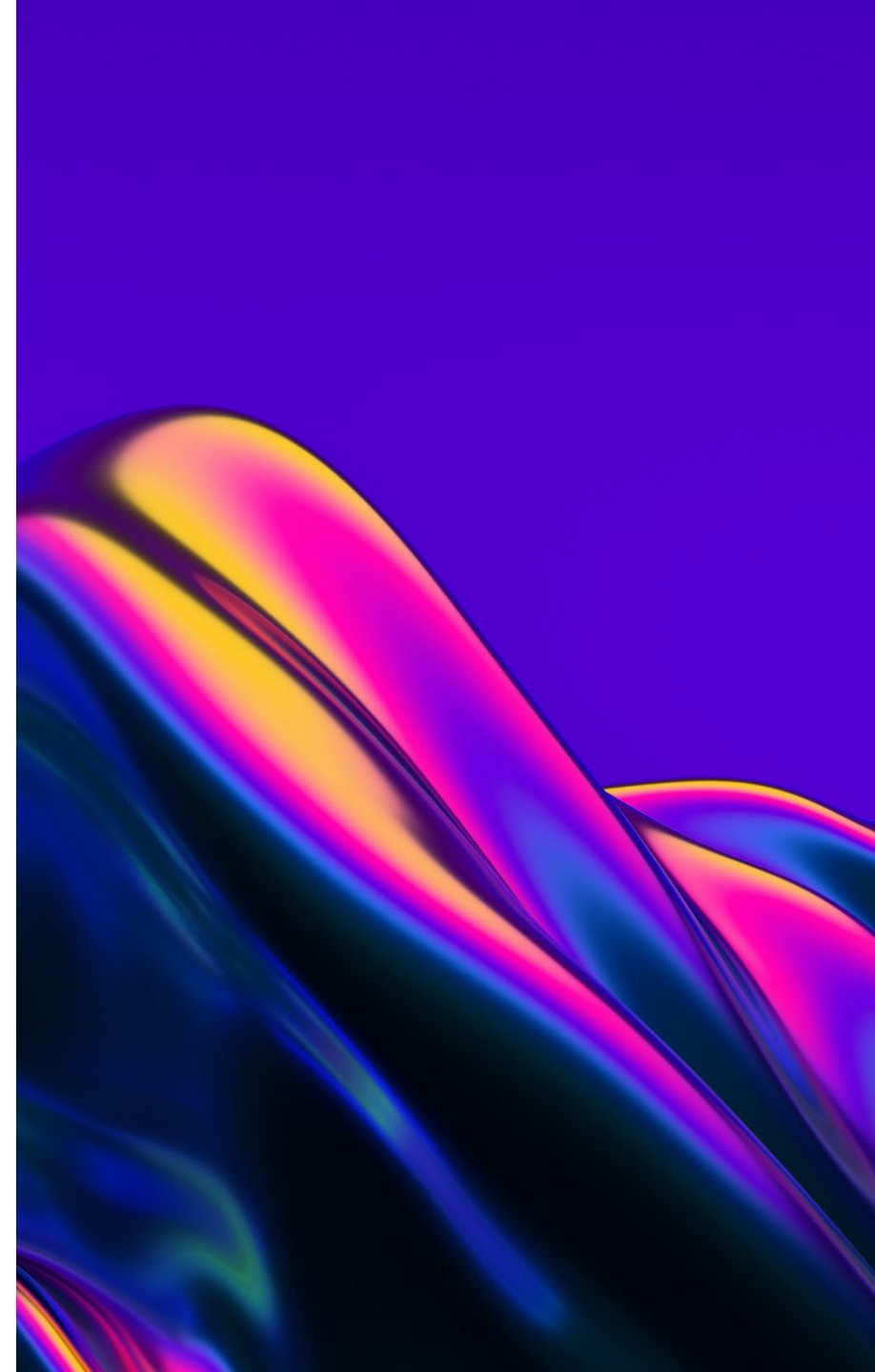
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## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

|           |                      |           |                             |           |                               |           |                        |
|-----------|----------------------|-----------|-----------------------------|-----------|-------------------------------|-----------|------------------------|
| <b>4</b>  | <b>Highlights</b>    | <b>5</b>  | <b>Status</b>               | <b>7</b>  | <b>Risks and results</b>      | <b>11</b> | <b>Other matters</b>   |
| <b>12</b> | <b>Misstatements</b> | <b>13</b> | <b>Control deficiencies</b> | <b>17</b> | <b>Policies and practices</b> | <b>19</b> | <b>Specific topics</b> |
| <b>20</b> | <b>Independence</b>  | <b>21</b> | <b>Appendices</b>           |           |                               |           |                        |

The purpose of this report is to assist you, as a member of the Finance Committee, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management and the Finance Committee and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Audit highlights

**Status**

We have completed the audit of the financial statements (“financial statements”) of Hastings Prince Edward Public Health (“Health Unit”) for the year ended December 31, 2024, with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.

**Significant changes**

There were no significant changes to our initial audit plan.

Updates to our audit plan from the prior year were related to the adoption of newly effective accounting standards.

**Risks and results**

Significant risks

- We did not identify any significant financial reporting risks other than the presumed risk of management override of controls.

Other risks of material misstatement

- Other financial reporting risks that required additional audit procedures

**Policies and practices & Specific topics**

Significant unusual transactions

Accounting policies and practices

Other financial reporting matters

Going concern matters

**Materiality**

|                                      |                  |
|--------------------------------------|------------------|
| <b>Current year</b>                  | <b>\$425,000</b> |
| Benchmark                            | Expenses         |
| % Benchmark                          | 1.57%            |
| Audit Misstatement Posting Threshold | \$21,250         |
| <b>Prior Year</b>                    | <b>\$425,000</b> |
| Benchmark                            | Expenses         |
| % Benchmark                          | 1.57%            |
| Audit Misstatement Posting Threshold | \$21,250         |

**Misstatements**

Corrected misstatements

Uncorrected misstatements

- We have not identified any adjustments which remain uncorrected.

**Control deficiencies**

Significant deficiencies

Other observations

No matters to report       Matters to report – see link for details





# Status

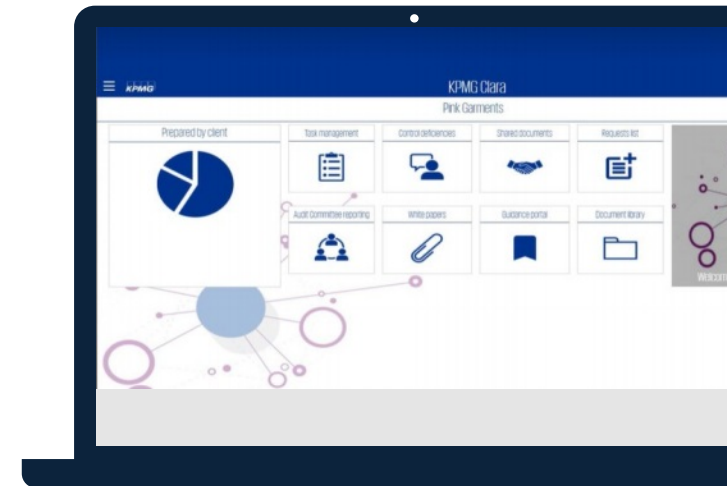
As of September 22, 2025 in preparation of our Audit Findings Report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Updating subsequent event disclosure in the financial statements regarding the merger of the three Health Units
- Completing our discussions with the Finance Committee;
- Completion of our subsequent events review procedures up to the date of our auditor's report;
- Obtaining evidence of the Board of Director's approval of the financial statements; and
- Receipt of signed management representation letter.

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

A draft of our auditor's report is provided in [Appendix 1a: Draft Auditor's Report](#), will be dated upon the completion of any remaining procedures.

## KPMG Clara for Clients (KCfc)





# Updates to our prior year audit plan

## Other significant changes



### Newly effective accounting standards



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

The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.

The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. It notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.

**PS 3160, Public private partnership**, became effective for this year end (fiscal years beginning on or after April 1, 2023).

The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership.

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

The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles.

Narrow scope amendments were made to PS 1000 *Financial statement concepts* to remove the prohibition to recognize purchased intangibles and to PS 1201 *Financial statement presentation* to remove the requirement to disclose purchased intangibles not recognized.

Newly effective accounting standards



### Newly effective auditing standards



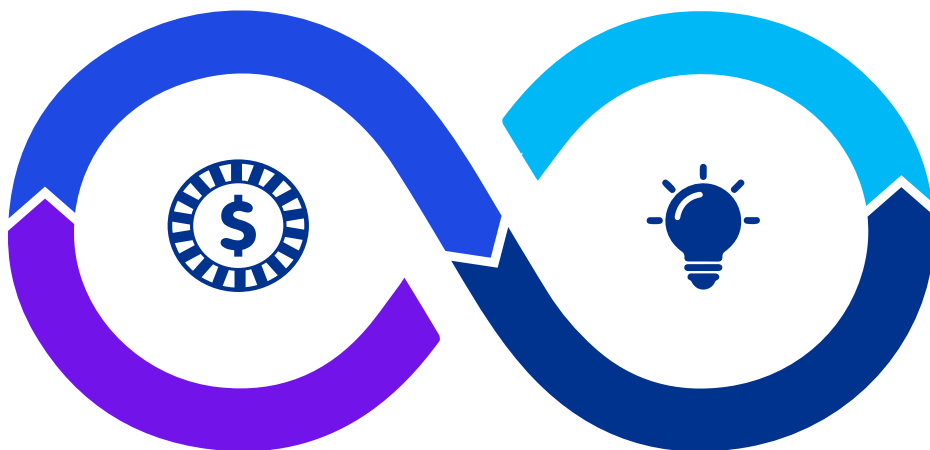
There are no new auditing standards impacting the current year audit.

Future changes to auditing standards





# Materiality



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

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

## Plan and perform the audit

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

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

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

## Evaluate the effect of misstatements

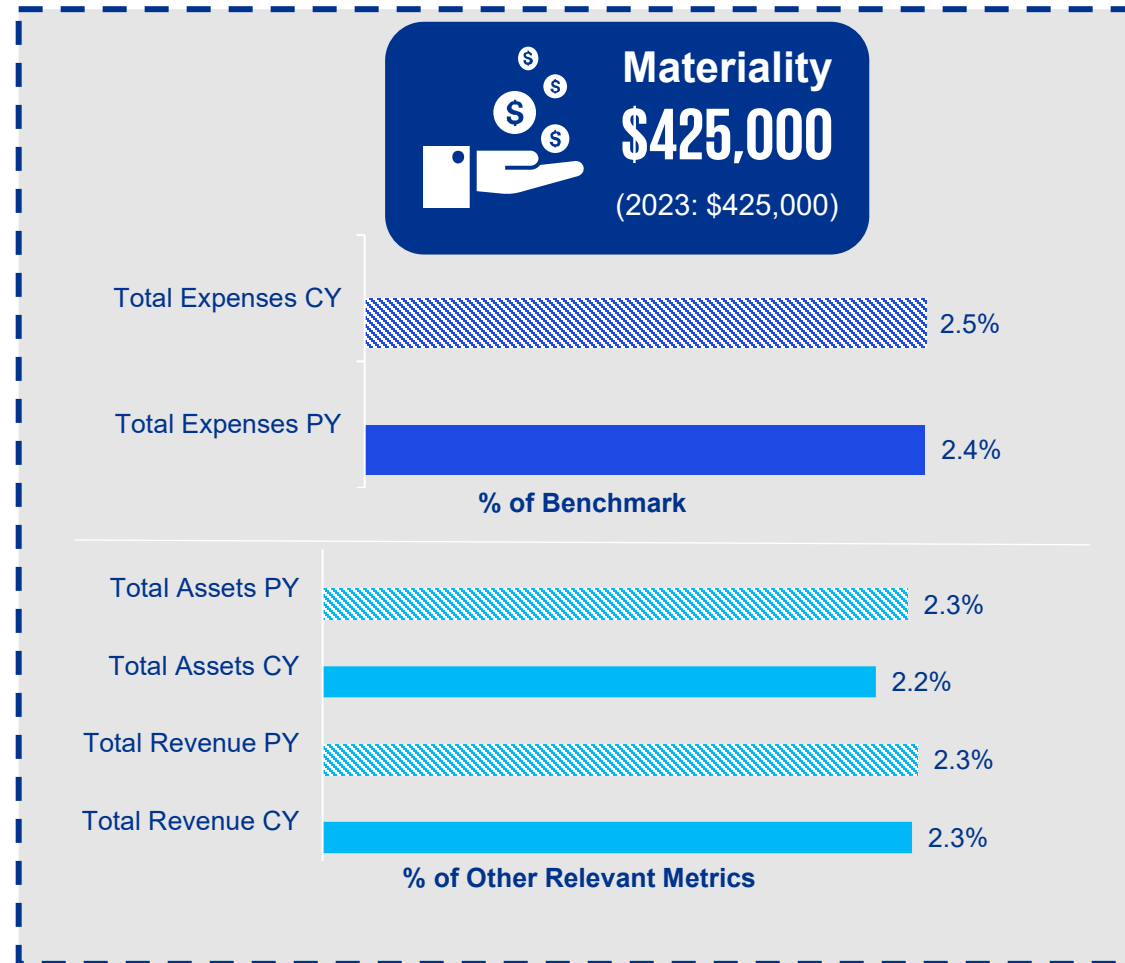
We also **use materiality** to evaluate the effect of:

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



# Materiality (continued)

Materiality has been set using the prior year audited financial statements. Performance materiality has been set at 75% of materiality or \$318,750. Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate.



## Total Expenses

**\$17,385,000**

(2023: \$17,343,000)

## Total Revenue

**\$18,416,000**

(2023: \$18,239,000)

## Total Assets

**\$19,623,000**

(2023: \$18,547,000)



# Risk assessment summary

Our planning begins with an assessment of risks of material misstatement in your financial statements.

We draw upon our understanding of the Health Unit and its environment (e.g. the industry, the wider economic environment in which the business operates, etc.), our understanding of the Health Unit's components of its system of internal control, including our business process understanding.

|  |  | Risk of fraud | Risk of error | Risk Rating |
|--|--|---------------|---------------|-------------|
| ● Management override of controls (presumed)                         |  | ✓             |               | Significant |
| ● Grant revenue and related deferred revenue and accounts receivable |  |               | ✓             | Base        |
| ● Operating and payroll expenses (including related accruals)        |  |               | ✓             | Base        |
| ● Tangible capital assets and related capital funding                |  |               | ✓             | Base        |
| ● Cash   |  |               | ✓             | Base        |
| ● Financial reporting  |  |               | ✓             | Base        |

● PRESUMED RISK OF MATERIAL MISSTATEMENT

● OTHER AREA OF FOCUS



## Current year findings

We did not uncover any significant findings as a result of the procedures performed over the areas highlighted above.



# Significant risks and results

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



Management Override of Controls

RISK OF



FRAUD

## Significant risk

Estimate?

Key audit matter?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

No

## Our response

- Our procedures included:
  - We tested the design and implementation of controls surrounding the review of journal entries, and the business rationale for significant entries.
  - Using our KPMG software tools, we analyzed the journal entries posted during the year for completeness.
  - In responding to risks of fraud and management override of controls, we set specific criteria to isolate high risk journal entries and adjustments in order to analyze for further insights into our audit procedures and findings.
  - We have not identified any specific additional risks of management override relating to this audit.
- There were no significant changes to management's process for making the critical accounting estimates and there were no indicators of possible management bias.

**No issues were noted.**



# Other matters



## Ongoing Operations & Subsequent event

- Subsequent to the year-end, effective January 1, 2025, the Health Unit voluntarily merged with Kingston, Frontenac and Lennox and Addington Public Health and Leeds, Grenville and Lanark District Health to form the South East Health Unit ("SEHU"), after receiving approvals from the Ministry of Health.
- With the restructure being a material event to the ongoing operations of the Health Unit, this has been disclosed in the financial statements, in accordance with CPA Handbook *PS 2400 Subsequent Events*.
- Refer to Note 16 in the financial statements.



# Audit misstatements

As stated earlier in our report, materiality for fiscal 2024 was set at \$425,000 (2023 - \$425,000) which translated into an audit misstatement posting threshold of \$318,750 (2023 - \$318,750). As such, all misstatements identified during the audit greater than \$21,250 have been recorded on our summary of adjustments and differences.

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the Finance Committee that all identified adjustments or differences be corrected, if any.



## Impact of uncorrected misstatements – Not material to the financial statements

- The management representation letter includes the Summary of Uncorrected Misstatements, which discloses the impact of all uncorrected misstatements considered to be other than clearly trivial
- This includes the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.
- Based on both qualitative and quantitative considerations, management have decided not to correct certain misstatements and represented to us that the misstatements—individually and in the aggregate—are, in their judgment, not material to the financial statements. This management representation is included in the management representation letter.
- We concur with management’s representation that the uncorrected misstatements are not material to the financial statements. Accordingly, the uncorrected misstatements have no effect on our auditor’s report.



## Impact of corrected misstatements

- We identified one misstatement that was corrected by management. Refer to [Appendix 1b: Management Representation Letter](#) in the Appendices of this report for more detail.



# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Health Unit's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively. **We identified certain control observations. See pages 13-15.**

## Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance. **We have not identified a significant deficiency in internal control over financial reporting.**



# Control deficiencies – Current Year Observations



## Evidence of review

### Observation:

During our review of the year-end bank reconciliations, we noted there was no evidence of review of the bank reconciliations statements that were prepared and provided during the course of the audit fieldwork.

### Recommendation:

KPMG notes that secondary review and segregation of duties is a key internal control to safeguard the Health Unit's assets.



# Control deficiencies – Prior Year Observations



## Differences between sub-ledgers and general ledger

### Prior year observation and recommendation:

During our review of the year-end bank reconciliation, we noted there were immaterial differences between the report and what was recorded in the general ledger. We recommended that adjustments be made to ensure these balances agree.

### Current year update:

As part of our testing over bank balances in the current year, we obtained and reviewed the bank reconciliations and noted the same observation as in the prior year when comparing to the general ledger.



## Indirect tax policies

### Prior year observation and recommendation:

During our review of the indirect tax policy questionnaire, we noted that there was no formal process in place to review and/or identify difference ITC rates and claims. KPMG recommended developing a robust HST identification process.

### Current year update:

On review of the questionnaire in the current year, KPMG notes that the above observation still remains applicable.



# Control deficiencies – Prior Year Observations (continued)



## Financial Sustainability

### Prior year observation and recommendation:

KPMG notes that as of December 31, 2023, the Organization is in a net financial liability position of \$1,009,664, whereby the Organization's liabilities exceed its assets. KPMG also notes that, similar to other Public Health Boards, the Organization has received mitigation funding during the year to support costs. We understand this mitigation funding is not expected to continue beyond 2023 and is to be discontinued in 2024.

### Current year update:

KPMG notes that as of December 31, 2024, the Organization is in a net financial asset position of \$127,610, whereby the Organization's assets exceed its liabilities.

Further, Effective January 1, 2025, the Health Unit voluntarily merged with Kingston, Frontenac, and Lennox & Addington Public Health ("KFL&APH") and Leeds, Grenville and Lanark District Health ("LGLDH") to form the South East Health Unit ("SEHU") after receiving approvals from the Ministry of Health.



# Accounting policies and practices



## Initial selection

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

- PS 3400 *Revenue*
- PSG-8 *Purchased Intangibles*
- PS 3160 *Public Private Partnerships (P3s)*



## Revised

No matters to report.



## Significant qualitative aspects


Significant accounting policies or practices are disclosed in note 2 to the financial statements.

No matters to report.



# Other financial reporting matters


We also highlight the following:



**Financial statement presentation - form, arrangement, and content**



Subsequent event note disclosure has been added to the financial statements reflecting the January 1, 2025 merger of the three health units to form the South East Health Unit.




**Concerns regarding application of new accounting pronouncements**



The revised Concepts Underlying Financial Performance is effective for fiscal years beginning on or after April 1, 2026. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.

The proposed section PS 1202 Financial statement presentation will replace the current section PS 1201 Financial statement presentation. PS 1202 Financial statement presentation will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.



**Significant qualitative aspects of financial statement presentation and disclosure**



No matters to report



# Specific topics

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

| Matter   | Finding              |
|--|----------------------|
| Illegal acts, including noncompliance with laws and regulations, or fraud  | No matters to report |
| Other information in documents containing the audited financial statements | Not applicable.      |
| Significant difficulties encountered during the audit                      | No matters to report |
| Difficult or contentious matters for which the auditor consulted           | No matters to report |
| Management's consultation with other accountants                           | No matters to report |
| Disagreements with management  | No matters to report |
| Related parties  | No matters to report |
| Significant issues in connection with our appointment or retention         | No matters to report |
| Other matters that are relevant matters of governance interest             | No matters to report |



# Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code<sup>1</sup> and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



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



Ethics, independence and integrity training for all staff



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



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



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

## Statement of compliance

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



<sup>1</sup> International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)

# Appendices

**1**

Required communications

**4**

Audit and assurance insights

**2**

Audit quality

**5**

Technology highlights

**3**

Upcoming changes to auditing standards





# Appendix 1: Other required communications



## Engagement terms

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



## CPAB communication protocol

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

- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2023 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)



# Appendix 1a: Draft auditor's report

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Hastings Prince Edward Public Health

### ***Opinion***

We have audited the financial statements of Hastings Prince Edward Public Health (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial liabilities for the year then ended
- the statement of accumulated remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, 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 “***Auditor's Responsibilities for the Audit of the Financial Statements***” section of our auditor's report.

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

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



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

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

Management is responsible for the preparation and fair presentation of 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.

## ***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.



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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

Date



# Appendix 1b: Management representation letter

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

## Date

We are writing at your request to confirm our understanding that your review was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Hastings Prince Edward Public Health ("the Entity") as at and for the period ended December 31, 2024.

## General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment 1](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

## Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated January 4, 2024, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.
  - e) providing you with additional information that you may request from us for the purpose of the engagement.
  - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
  - g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

## Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

## Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - others
 where such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

## Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

## Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

## Estimates:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.



# Appendix 1b: Management representation letter (continued)

## *Misstatements:*

- 9) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 10) We approve the corrected misstatements identified by you during the audit described in [Attachment III](#).

## *Going concern:*

- 11) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 12) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

## *Non-SEC registrants or non-reporting issuers:*

- 13) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 14) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

HASTINGS PRINCE EDWARD PUBLIC HEALTH

\_\_\_\_\_  
By: Mr. David Johnston, Director of Corporate Services

\_\_\_\_\_  
By: Ms. Amy Rankin, Finance Manager, Corporate Services

## Attachment I – Definitions

### *Materiality*

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

### *Fraud & error*

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.



# Appendix 1b: Management representation letter (continued)

## Attachment II – Summary of Audit Misstatements

### Summary of uncorrected audit misstatement

| Description   | Statement of Financial Position effect <sup>1</sup> |               |                 | Statement of Operations effect <sup>1</sup><br>\$ |
|---|---|---------------|-----------------|---|
|   | Assets\$  | Liabilities\$ | Net Assets \$   |   |
| <b>Audit misstatements greater than \$21,250 individually</b> |   |               |                 |   |
| Dr. Bank  | 21,917  | -             | -               | -   |
| Cr. Accounts payable  | (21,917)  | -             | -               | -   |
| To adjust the GL to reconcile with the bank reconciliation    |   |               |                 |   |
| Dr. Other receivables   | 66,795  | -             | -               | -   |
| Cr. Other income  | -   | -             | (66,795)        | (66,795)  |
| To record the WSIB rebate receivable for FY24                 |   |               |                 |   |
| <b>Total uncorrected audit misstatements</b>                  | <b>66,795</b>                                       | <b>-</b>      | <b>(66,795)</b> | <b>(66,795)</b>                                   |

<sup>1</sup> Debit (Credit)

## Attachment III – Summary of Audit Misstatements

### Summary of corrected audit misstatement

| Description   | Statement of Financial Position effect <sup>2</sup> |               |                  | Statement of Operations effect <sup>1</sup><br>\$ |
|---|---|---------------|------------------|---|
|   | Assets\$  | Liabilities\$ | Net Assets \$    |   |
| <b>Audit misstatements greater than \$21,250 individually</b> |   |               |                  |   |
| Dr. Interest rate swaps                                       | 256,754   | -             | -                | -   |
| Cr. Remeasurement gains on swaps                              | -   | -             | (256,754)        | -   |
| To record the derivatives (interest rate swaps) at FMV        |   |               |                  |   |
| <b>Total corrected audit misstatements</b>                    | <b>256,754</b>                                      | <b>-</b>      | <b>(256,754)</b> | <b>-</b>  |

<sup>2</sup> Debit (Credit)



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

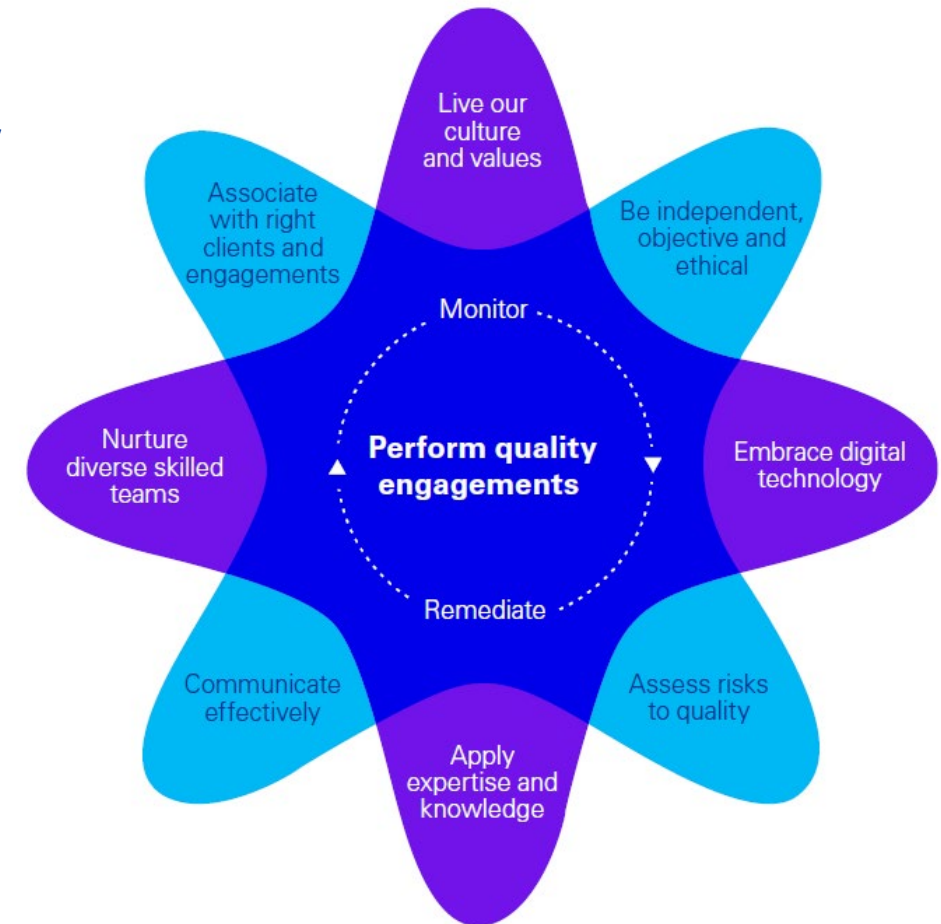
**Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.**

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

 [KPMG Canada Transparency Report](#)

**We define 'audit quality' as being the outcome when:**

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**



# Appendix 2: Audit quality - Indicators (AQIs)

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

## Audit team composition

- Experience, commitment and knowledge of the broader public sector
- A combination of continuity and fresh perspectives
- Access to specialist resources with public sector experience

## Technology in the audit

- Increase in use of technology in the audit year over year
- Use of secure KPMG portal for transfer of electronic documents

## Independence




- We will not put ourselves in a situation where we would audit our own work.
- We apply the most rigorous standards to our professional services in order to ensure our continued independence in our role.

## Client preparedness

- Key financial records and working papers were made available to the audit team on the first day of audit. However, the draft financial statements provided were not reconciled and which was subsequently corrected during the course of the audit fieldwork.
- KPMG completed the preparation of the financial statements, ensuring the appropriate safeguards were in place to mitigate any independence conflict

## Finance Committee

- Finance Committee participate fully in the discussion with auditors, including meeting in camera with the auditors
- KPMG provides current industry trends and updates to accounting and audit standards

-  Nothing to report
-  Some matters to report
-  Specific matters to report



# Appendix 3: Upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments



Effective for periods beginning on or after December 15, 2024 (Year ending December 31, 2025)

## ISA 260/CAS 260

.....  
Communications  
with those charged  
with governance

## ISA 700/CAS 700

.....  
Forming an opinion  
and reporting on  
the financial  
statements



# Appendix 4: Audit and assurance insights

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

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

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

## Insights - KPMG Canada

## Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

## IFRS Breaking News

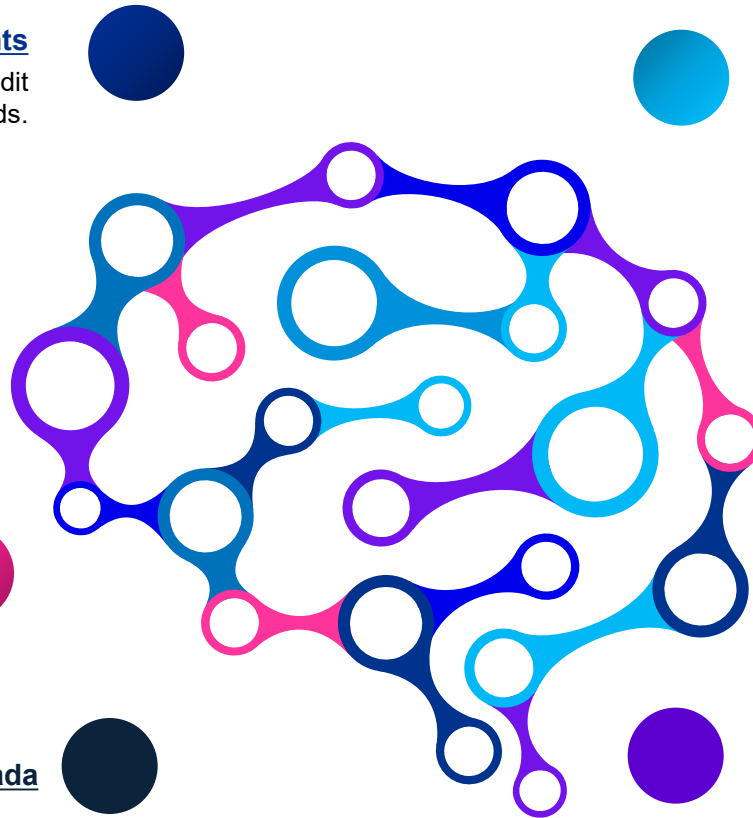
A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

## Finance Committee Guide – Canadian Edition

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

## Accelerate 2025

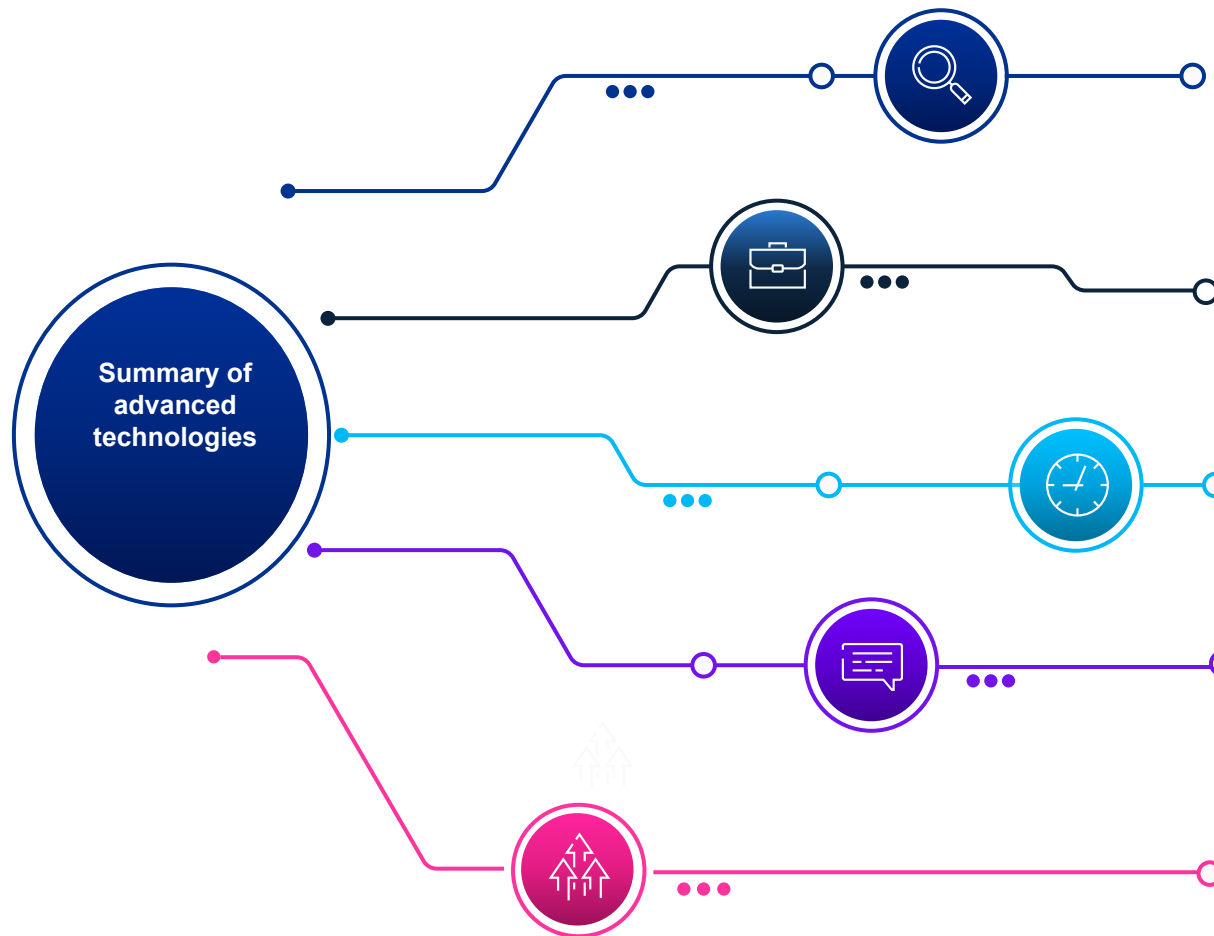
The key issues driving the Finance Committee agenda in 2025.





# Appendix 5: Technology highlights

We plan to utilize technology to enhance the quality and effectiveness of the audit.



## KPMG Clara Analytics

Using the latest technologies to analyze data, KPMG Clara allows us to visualize the flow of transactions through the system, identify risks in your financial data and perform more specific audit procedures. The engagement team primarily use this tool to prepare trend analytics (planning and final) during the audit.

## KPMG Clara for Client (Kcfc)

Allows the client team to see the real-time status of the engagement and who from our KPMG team is leading on a deliverable. The tool is used to control the status of audit requirements and as a collaboration site to share files and data.

## KPMG Clara Workflow (KCw)

A modern, intuitively written, highly applicable audit methodology that allows us to deliver globally consistent engagements. The tool allows us to identify and respond to relevant risks, document our audit procedures, conclusions, and reporting.

## Datasnipper

Datasnipper is an audit tool that uses optical character recognition and robotic process automation to automate vouching procedures within the audit engagement. It automatically matches specified excel data to the corresponding documents, leaving an audit trail behind for review.

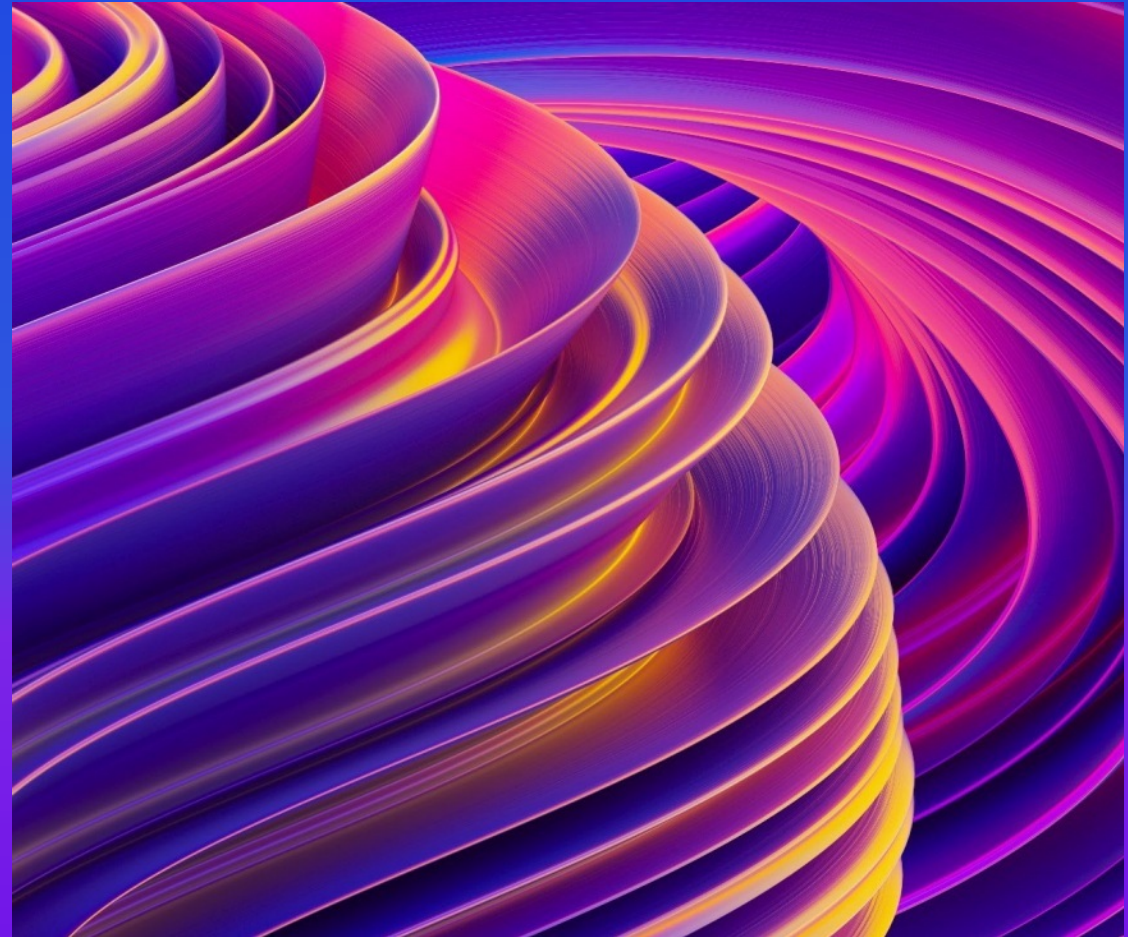
## KPMG Clara Analytics – AI Transaction Scoring, powered by MindBridge

MindBridge is a tool that applies advanced statistical, machine learning, and rules-based analytics technology to analyze transactions on a more granular level and deliver an even higher quality audit. The engagement team primarily use this tool to perform testing over non-salary expenses during the audit.

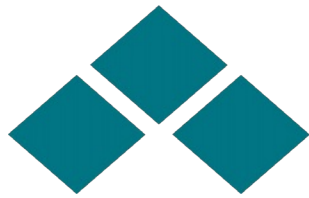


<https://kpmg.com/ca/en/home.html>

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Audited Financial Statements of



**KFL&A**  
Public Health

Year ended December 31, 2024

DRAFT

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

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Year ended December 31, 2024

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## **Management's Responsibility for the Financial Statements**

The accompanying financial statements of Kingston, Frontenac and Lennox and Addington Public Health (the 'Agency') are the responsibility of the Agency'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 Agency'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 Agency. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Agency's financial statements.

---

Dr. Piotr Oglaza  
Medical Officer of Health and Chief  
Executive Officer

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Kingston, Frontenac and Lennox and Addington Public Health

### ***Opinion***

We have audited the financial statements of Kingston, Frontenac and Lennox and Addington Public Health (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, its results of operations, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

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

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

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

### ***Responsibilities of Management and Those Charged With Governance for the Financial Statements***

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

October 22, 2025

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Statement of Financial Position

As at December 31, 2024, with comparative information for 2023

|  | 2024                 | 2023                |
|--|----------------------|---------------------|
| <b>Financial assets:</b>                 |                      |                     |
| Cash                                     | \$ 5,228,495         | \$ 3,713,983        |
| Due from Province of Ontario             | 644,725              | 2,248,632           |
| Interest rate swaps (note 3)             | –                    | 155,522             |
| Sundry accounts receivable               | 915,805              | 493,328             |
|  | <b>6,789,025</b>     | <b>6,611,465</b>    |
| <b>Financial liabilities:</b>            |                      |                     |
| Accounts payable and accrued liabilities | 1,758,980            | 2,115,108           |
| Interest rate swaps (note 3)             | 139,382              | –                   |
| Due to Province of Ontario               | 766,446              | 1,272,455           |
| Deferred revenue (note 8)                | 258,101              | 259,654             |
| Long-term liabilities (note 6)           | 2,228,000            | 2,697,859           |
|  | <b>5,150,909</b>     | <b>6,345,076</b>    |
| <b>Net financial assets (net debt)</b>   | <b>1,638,116</b>     | <b>266,389</b>      |
| <b>Non-financial assets:</b>             |                      |                     |
| Tangible capital assets (note 13)        | 8,777,973            | 7,735,776           |
| Prepaid expenses                         | 325,305              | 340,826             |
|  | <b>9,103,278</b>     | <b>8,076,602</b>    |
| Commitment (note 7)                      |                      |                     |
| Contingent liabilities (note 15)         |                      |                     |
| Subsequent event (note 17)               |                      |                     |
|  | <b>\$ 10,741,394</b> | <b>\$ 8,342,991</b> |
| Accumulated surplus is comprised of:     |                      |                     |
| Accumulated surplus (note 10)            | \$ 10,880,776        | \$ 8,187,469        |
| Accumulated remeasurement gain (loss)    | (139,382)            | 155,522             |
|  | <b>\$ 10,741,394</b> | <b>\$ 8,342,991</b> |

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Jan O'Neill, Chair of the Board

\_\_\_\_\_ Dr. Piotr Oglazza, Medical Officer of Health and  
Chief Executive Officer

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

|  | Budget<br>2024      | Actual<br>2024       | Actual<br>2023      |
|--|---------------------|----------------------|---------------------|
|  | (note 12)           |                      |                     |
| Revenue:   |                     |                      |                     |
| Provincial grants:   |                     |                      |                     |
| Ministry of Health   | \$ 15,833,195       | \$ 16,062,305        | \$ 16,919,829       |
| Ministry of Children, Community & Social Services              | 1,288,163           | 1,287,463            | 1,957,607           |
| Other  | 222,714             | 304,017              | 287,310             |
|  | <b>17,344,072</b>   | <b>17,653,785</b>    | <b>19,164,746</b>   |
| Municipal levies:  |                     |                      |                     |
| City of Kingston   | 4,422,652           | 4,422,652            | 4,314,874           |
| County of Frontenac  | 854,930             | 854,930              | 834,078             |
| County of Lennox and Addington                                 | 1,428,251           | 1,428,251            | 1,393,416           |
|  | <b>6,705,833</b>    | <b>6,705,833</b>     | <b>6,542,368</b>    |
| Other:   |                     |                      |                     |
| Federal funding  | 22,247              | 96,410               | 92,133              |
| Interest earned  | 70,000              | 208,196              | 180,634             |
| Mandatory Program recoveries                                   | 1,200               | 2,650                | 2,875               |
| Other revenue  | 84,124              | 58,292               | 41,743              |
|  | <b>177,571</b>      | <b>365,548</b>       | <b>317,385</b>      |
|  | <b>24,227,476</b>   | <b>24,725,166</b>    | <b>26,024,499</b>   |
| Operating expenses (note 14):                                  |                     |                      |                     |
| Mandatory Programs   | 19,409,745          | 16,597,564           | 17,883,219          |
| One Time   | 1,683,241           | 1,683,241            | 2,796,291           |
| Ontario Seniors Dental Care Program                            | 1,021,700           | 1,021,830            | 1,021,700           |
| Syndromic Surveillance Project                                 | 399,712             | 399,712              | 316,327             |
| Blind Low Vision, Preschool Speech & Infant<br>Hearing Program | -                   | -                    | 736,140             |
| Healthy Babies Program   | 1,288,163           | 1,288,163            | 1,221,467           |
| Special Project expenses                                       | 424,915             | 424,915              | 397,097             |
|  | <b>24,227,476</b>   | <b>21,415,425</b>    | <b>24,372,241</b>   |
| Amortization   | -                   | 616,434              | 751,418             |
|  | <b>24,227,476</b>   | <b>22,031,859</b>    | <b>25,123,659</b>   |
| <b>Annual surplus</b>  | <b>-</b>            | <b>2,693,307</b>     | <b>900,840</b>      |
| <b>Accumulated surplus, beginning of year</b>                  | <b>8,187,469</b>    | <b>8,187,469</b>     | <b>7,286,629</b>    |
| <b>Accumulated surplus, end of year</b>                        | <b>\$ 8,187,469</b> | <b>\$ 10,880,776</b> | <b>\$ 8,187,469</b> |

See accompanying notes to financial statements.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

## Statement of Change in Net Financial Assets (Debt)

Year ended December 31, 2024, with comparative information for 2023

|   | Budget<br>2024    | Actual<br>2024      | Actual<br>2023    |
|---|-------------------|---------------------|-------------------|
|   | (note 12)         |                     |                   |
| <b>Annual surplus</b>                                 | \$ -              | \$ 2,693,307        | \$ 900,840        |
| Acquisition of tangible capital assets                | -                 | (1,658,630)         | (1,110,896)       |
| Amortization of tangible capital assets               | -                 | 616,433             | 751,418           |
| Loss on disposal of tangible capital assets           | -                 | -                   | 14,210            |
| Use of (acquisition) of prepaid expenses              | -                 | 15,521              | 64,565            |
| <b>Net decrease in net financial assets (debt)</b>    | -                 | <b>1,666,631</b>    | <b>620,137</b>    |
| Net remeasurement gains (losses) for the year         | -                 | (294,904)           | 155,522           |
| <b>Net financial assets (debt), beginning of year</b> | <b>266,389</b>    | <b>266,389</b>      | <b>(509,270)</b>  |
| <b>Net financial assets, end of year</b>              | <b>\$ 266,389</b> | <b>\$ 1,638,116</b> | <b>\$ 266,389</b> |

See accompanying notes to financial statements.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Statement of Accumulated Remeasurement Gains and Losses

Year ended December 31, 2024, with comparative information for 2023

|   | 2024         | 2023       |
|---|--------------|------------|
| Accumulated remeasurement gains, beginning of year    | \$ 155,522   | \$ –       |
| Net unrealized gains (losses) attributable to:        |              |            |
| Derivatives – interest rate swaps (note 3)            | (294,904)    | 155,522    |
| Net remeasurement gains (losses) for the year         | (294,904)    | 155,522    |
| Accumulated remeasurement gains (losses), end of year | \$ (139,382) | \$ 155,522 |

See accompanying notes to financial statements.

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# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

## Statement of Cash Flow

Year ended December 31, 2024, with comparative information for 2023

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| Cash provided by (used in):                                     |                     |                     |
| Operating activities:   |                     |                     |
| <b>Annual surplus</b>   | <b>\$ 2,693,307</b> | <b>\$ 900,840</b>   |
| Loss on disposal of tangible capital assets                     | –                   | 14,210              |
| Amortization, which does not involve cash                       | 616,433             | 751,418             |
| Change in non-cash assets and liabilities:                      |                     |                     |
| Increase in sundry accounts receivable                          | (422,477)           | (1,868,495)         |
| Decrease in prepaid expenses                                    | 15,521              | 64,565              |
| Increase (decrease) in due from/to Province of Ontario          | 1,097,899           | (182,860)           |
| Decrease (increase) in accounts payable and accrued liabilities | (356,128)           | 117,176             |
| Increase (decrease) in deferred revenue                         | (1,553)             | 16,816              |
|   | <u>3,643,002</u>    | <u>(186,330)</u>    |
| Capital activities:   |                     |                     |
| Cash used to acquire tangible capital assets                    | (1,658,630)         | (1,110,896)         |
| Financing activities:   |                     |                     |
| Principal repayments on long-term liabilities                   | (469,860)           | (441,228)           |
| <b>Increase (decrease) in cash</b>                              | <b>1,514,512</b>    | <b>(1,738,454)</b>  |
| Cash, beginning of year   | 3,713,983           | 5,452,437           |
| <b>Cash, end of year</b>  | <b>\$ 5,228,495</b> | <b>\$ 3,713,983</b> |

See accompanying notes to financial statements.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements

Year ended December 31, 2024

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Kingston, Frontenac and Lennox and Addington Public Health is governed by the Board of Public Health as mandated by the Health Protection and Promotion Act for the purposes of promoting and protecting public health.

## 1. Significant accounting policies:

The financial statements of Kingston, Frontenac and Lennox and Addington Public Health (the "Agency") are the representation of management prepared in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada ("CPA"). Significant aspects of the accounting policies adopted by the Agency are as follows:

(a) Basis of presentation:

The financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity.

(b) 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 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 those estimates.

(c) Revenue recognition:

Government transfers, comprised of provincial funding, federal funding and municipal levies, relate to health programs. Transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized and eligibility criteria have been met and reasonable estimates of the amounts can be made.

Expense recoveries, rental and other revenue are recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. Other restricted contributions received in advance of the related expenditure are deferred until the related expenditure is incurred.

Interest income is recorded as earned.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 1. Significant accounting policies (continued):

### (d) Non-financial assets (continued):

#### Tangible capital assets:

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

| Asset                                      | Useful Life - Years |
|--|---------------------|
| Buildings                                  | 40                  |
| Land improvements                          | 15                  |
| Furniture and fixtures                     | 10                  |
| Equipment - industrial/general             | 10                  |
| Equipment - specialized/office/audio/video | 5                   |
| Computer equipment and systems             | 3                   |
| Vehicles                                   | 5                   |

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

When conditions indicate that a tangible capital asset no longer contributes to the Agency's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential.

The resulting net adjustment would be reported as an expense on the Statement of Operations and Accumulated Surplus, however, no adjustments were recorded in the current year.

### (e) Pension benefits:

The Agency 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.

### (f) Financial instruments:

On January 1, 2023, the Agency adopted PS 3450 Financial Instruments which establishes accounting and reporting for all types of financial instruments, including derivatives, as disclosed in Note 3. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (f) Financial instruments (continued):

On application of this standard, a new statement, the Statement of Accumulated Remeasurement Gains and Losses has been included in these financial statements which records the remeasurement gains and losses for financial instruments measured at fair value. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity through the Statement of Operations and Accumulated Surplus. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the Statement of Operations and Accumulated Surplus.

#### Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

#### Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted)-in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

### (g) Deferred revenue:

The Agency receives restricted contributions under the authority of Federal and Provincial legislation and Agency 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.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (g) Deferred revenue (continued):

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 Agency 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.

### (h) Revenue recognition:

Government transfers, comprised of provincial funding, federal funding and municipal levies, relate to health programs. Transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized and eligibility criteria have been met and reasonable estimates of the amounts can be made.

Expense recoveries, rental and other revenue are recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. Interest income is recorded as earned.

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

The Agency adopted the following standards concurrently beginning January 1, 2024 prospectively: PS 3400 *Revenue*, PSG-8 *Purchased Intangibles*, and adopted PS 3160 *Public Private Partnerships*.

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships* (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

There were no adjustments to the financial statements as a result of adopting the new accounting standards.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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### 3. Interest rate swap agreement:

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

The interest rate swap contracts convert the floating rate interest obligations of the loan into fixed rate obligations and thus manage the Agency's exposure to interest rate risk. The loan with the interest rate swap and the fixed rates payable are disclosed in note 6. The maturity date of the interest rate swap is the same as the maturity date of the associated long-term debt which is 2028. The fair value of the interest rate swaps will vary based on prevailing market interest rates and the remaining term to maturity. The change in fair value of the interest rate swaps was an unrealized loss of \$294,904 (2023 - gain of \$155,522) for the year ended December 31, 2024.

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

### 4. Trust funds:

Trust funds administered by the Agency amounting to \$55,564 (2023 - \$71,869) are included in the Statement of Financial Position as part of Financial Assets offset by an equal amount in Financial Liabilities. The operating activities of the Trust Funds are reported annually to the Charitable Trust Fund Committee of the Agency.

### 5. Pension agreements:

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 Agency does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2024. At that time, the plan reported a \$2.9 billion funding deficit (2023 - \$4.2 billion funding deficit).

The amount contributed to OMERS for current services in 2024 was \$1,406,965 (2023 - \$1,494,885) and is included as an expense on the Statement of Operations and Accumulated Surplus.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 6. Long-term liabilities:

- (a) The long-term liabilities reported on the Statement of Financial Position are made up of the following:

|                      | 2024         | 2023         |
|----------------------|--------------|--------------|
| Fixed rate term loan | \$ 2,228,000 | \$ 2,697,859 |

This debt instrument has a fixed interest rate of 5.795% and is secured by a first collateral mortgage on the Agency's land and building and a general security agreement. Debt repayment costs will be recovered from future revenue.

- (b) Based on the existing debt instrument the principal due on long-term liabilities is summarized as follows:

|      |              |
|------|--------------|
| 2025 | \$ 2,228,000 |
|------|--------------|

The interest expense incurred during the year on the long-term debt was \$148,615 (2023 - \$189,994).

- (c) Interest rate risk management:

On December 6, 2003, the Agency entered into an interest rate swap agreement for the entire principal balance to reduce its exposure to fluctuations in interest expense over a 25-year period. This agreement allows them to raise the above long-term borrowings at floating rates and effectively swap the debt into fixed rates. Under the interest rate swap, the Agency agrees with the counterparty to exchange the difference between fixed-rate and floating-rate interest amounts calculated by reference to the notional amount. The net interest receivable or payable under the contract, including a 0.795% stamping fee, is settled monthly with the counterparty, which is a Canadian chartered bank.

## 7. Lease commitment:

With the sale of the property that houses the Napanee branch office location, a new lease agreement effective November 1, 2022 to October 31, 2027 to occupy space in the same building was negotiated. Annual lease payments of \$21,028 (2023 - \$20,565) are required for the duration of the lease term plus future annual increases of 2.25% on the anniversary date.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 8. Deferred revenue:

Deferred revenue is monies received for services to be provided in a future year. Details of the year-end balance are as follows:

|  | 2024       | 2023       |
|--|------------|------------|
| Unexpended revenue for specific programs | \$ 258,101 | \$ 259,654 |

## 9. Provincial grants:

Provincial grants received from the Ministry of Health and the Ministry of Children, Community & Social Services (collectively the "Ministries") are subject to annual final reviews and approval by the Ministries. Any adjustments resulting from the review will be reflected in the year of Ministry approvals as an adjustment to provincial grant revenue on the Statement of Operations and Accumulated Surplus.

## 10. Accumulated surplus:

Accumulated surplus consists of individual fund surplus as follows:

|  | 2024          | 2023         |
|--|---------------|--------------|
| Surplus:                               |               |              |
| Invested in tangible capital assets    | \$ 6,549,973  | \$ 5,037,917 |
| Board of Health Reserve Fund (note 11) | 3,617,348     | 2,416,765    |
| Informatics Operations Reserve         | 41,186        | 60,519       |
| Unrestricted surplus                   | 672,268       | 672,268      |
|  | \$ 10,880,775 | \$ 8,187,469 |

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 11. Board of Health Reserve Fund:

The Agency approved the setup of the Board of Health Reserve Fund to enable funds to be maintained and used for contingency or emergency expenses. Any excess in the municipal levy received in any year shall be paid into the Board of Health Reserve Fund in accordance with Board policy, including any transfers in and transfers out of the Board of Health Reserve Fund.

The change in municipal excess of recoveries over allowable costs retained for future requirements is as follows:

|                             | 2024         | 2023         |
|-----------------------------|--------------|--------------|
| Balance, beginning of year  | \$ 2,416,765 | \$ 2,301,047 |
| Interest earned             | 82,415       | 91,696       |
| Solar panel revenue         | 10,072       | 9,551        |
| Rental income               | 42,162       | 15,892       |
| Municipal surplus (deficit) | 1,065,934    | (1,421)      |
| Balance, end of year        | \$ 3,617,348 | \$ 2,416,765 |

## 12. Budget figures:

The budget data presented in these financial statements is based upon the 2024 operating budgets approved by the Agency and amended to include actual costs and recoveries for Special Project Grants and one-time funding and annual amortization.

The Agency reviews its operating budgets annually. The approved budgets for 2024 are reflected on the Statement of Operations and Accumulated Surplus.

Reconciliation of the approved budget to the budget figures reported in these financial statements is as follows:

|                              | 2024          |
|------------------------------|---------------|
| Revenue                      | \$ 24,227,476 |
| Expenses:                    |               |
| Cost-shared operating budget | 19,409,745    |
| Other programs               | 4,817,731     |
|                              | 24,227,476    |
| Annual surplus               | \$ -          |

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 13. Tangible capital assets:

| Cost                                 | Balance at<br>December 31,<br>2023 | Additions           | Disposals/<br>transfers | Balance at<br>December 31,<br>2024 |
|--------------------------------------|------------------------------------|---------------------|-------------------------|------------------------------------|
| Furniture and fixtures               | \$ 656,468                         | \$ 2,113            | \$ 1,000                | \$ 657,581                         |
| Industrial/general equipment         | 239,709                            | 4,818               | –                       | 244,527                            |
| Specialized equipment                | 361,017                            | 22,507              | –                       | 383,524                            |
| Computer equipment                   | 1,889,128                          | 190,270             | –                       | 2,079,398                          |
| Assets under construction – Kingston |                                    |                     |                         |                                    |
| Renovations                          | –                                  | 2,680               | –                       | 2,680                              |
| Computer systems                     | 637,643                            | –                   | –                       | 637,643                            |
| Office and audio-visual equipment    | 241,501                            | 4,092               | –                       | 245,593                            |
| Vehicles                             | 34,393                             | 56,199              | –                       | 90,592                             |
| Building - Kingston                  | 12,247,550                         | 1,368,828           | –                       | 13,616,378                         |
| Land improvements - Kingston         | 202,926                            | 7,123               | –                       | 210,049                            |
| Building - Cloyne                    | 123,681                            | –                   | –                       | 123,681                            |
| Building - Sharbot Lake              | 23,800                             | –                   | –                       | 23,800                             |
| Land - Kingston                      | 16,000                             | –                   | –                       | 16,000                             |
| Land - Cloyne                        | 21,000                             | –                   | –                       | 21,000                             |
| Land - Sharbot Lake                  | 4,200                              | –                   | –                       | 4,200                              |
| <b>Total</b>                         | <b>\$ 16,699,016</b>               | <b>\$ 1,658,630</b> | <b>\$ 1,000</b>         | <b>\$ 18,356,646</b>               |

| Accumulated<br>amortization       | Balance at<br>December 31,<br>2023 | Disposals       | Amortization<br>expense | Balance at<br>December 31,<br>2024 |
|-----------------------------------|------------------------------------|-----------------|-------------------------|------------------------------------|
| Furniture and fixtures            | \$ 653,445                         | \$ 1,000        | \$ 832                  | \$ 653,277                         |
| Industrial/general equipment      | 135,954                            | –               | 19,688                  | 155,642                            |
| Specialized equipment             | 339,879                            | –               | 19,019                  | 358,898                            |
| Computer equipment                | 1,672,514                          | –               | 229,121                 | 1,901,635                          |
| Computer systems                  | 637,642                            | –               | –                       | 637,642                            |
| Office and audio-visual equipment | 218,551                            | –               | 8,717                   | 227,268                            |
| Vehicles                          | 24,420                             | –               | 8,469                   | 32,889                             |
| Building - Kingston               | 5,023,551                          | –               | 323,299                 | 5,346,850                          |
| Land improvements - Kingston      | 178,568                            | –               | 3,899                   | 182,467                            |
| Building - Cloyne                 | 55,213                             | –               | 3,092                   | 58,305                             |
| Building - Sharbot Lake           | 23,503                             | –               | 297                     | 23,800                             |
| <b>Total</b>                      | <b>\$ 8,963,240</b>                | <b>\$ 1,000</b> | <b>\$ 616,433</b>       | <b>\$ 9,578,673</b>                |

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 13. Tangible capital assets (continued):

|                                      | Net book value<br>December 31, 2023 | Net book value<br>December 31, 2024 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Furniture and fixtures               | \$ 3,023                            | \$ 4,304                            |
| Industrial/general equipment         | 103,755                             | 88,885                              |
| Specialized equipment                | 21,138                              | 24,626                              |
| Computer equipment                   | 216,614                             | 177,763                             |
| Assets under construction – Kingston |                                     |                                     |
| Renovations                          | –                                   | 2,680                               |
| Computer systems                     | 1                                   | 1                                   |
| Office and audio-visual equipment    | 22,950                              | 18,325                              |
| Vehicles                             | 9,973                               | 57,703                              |
| Building – Kingston                  | 7,223,999                           | 8,269,528                           |
| Land improvements – Kingston         | 24,358                              | 27,582                              |
| Building – Cloyne                    | 68,468                              | 65,376                              |
| Building – Sharbot Lake              | 297                                 | –                                   |
| Land – Kingston                      | 16,000                              | 16,000                              |
| Land – Cloyne                        | 21,000                              | 21,000                              |
| Land – Sharbot Lake                  | 4,200                               | 4,200                               |
| <b>Total</b>                         | <b>\$ 7,735,776</b>                 | <b>\$ 8,777,973</b>                 |

## 14. Classification of expense by object:

The Statement of Operations and Accumulated Surplus presents the expenses by function, whereas the following classifies those same expenses by object:

|                                       | 2024                 | 2023                 |
|---------------------------------------|----------------------|----------------------|
| Salaries and benefits                 | \$ 18,341,351        | \$ 20,590,080        |
| Fee for service                       | 1,392,795            | 1,703,627            |
| Building occupancy and administrative | 449,877              | 697,194              |
| Materials, supplies and travel        | 1,231,402            | 1,381,340            |
| Amortization expense                  | 616,434              | 751,418              |
|                                       | <b>\$ 22,031,859</b> | <b>\$ 25,123,659</b> |

## 15. Contingent liabilities:

The nature of the Agency's activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2024, management believes that the Agency has valid defenses and appropriate insurance coverage or other resources in place. In the opinion of management, the aggregate amount of any potential liability is not expected to have a material effect on the Agency's financial position.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 16. Financial risks and concentration of credit risk:

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

### (a) Credit risk:

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

The Agency assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Agency at December 31, 2024 is the carrying value of these assets. The carrying amount of sundry accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations and Accumulated Surplus. Subsequent recoveries of impairment losses related to sundry accounts receivable are credited to the Statement of Operations and Accumulated Surplus. The balance of the allowance for doubtful accounts at December 31, 2024 is \$Nil (2023 - \$Nil).

There have been no significant changes to the credit risk exposure from 2023.

### (b) Interest rate risk:

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

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

The Agency mitigates interest rate risk on its term loans through derivative financial instruments (interest rate swaps) that exchanges the variable rate inherent in the term loan for a fixed rate (see note 3). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

### (c) Liquidity risk:

Liquidity risk is the risk that the Agency will not be able to meet its obligations as they fall due. The Agency requires working capital to meet day-to-day operating activities. The Agency's financial assets exceed its financial liabilities by \$1,916,881 (2023 - financial assets exceed its financial liabilities by \$266,389) as at December 31, 2024. Management prepares budgets and monitors its cash flow to ensure the Agency can meet their short-term obligations. Management expects that the Agency's cash flows from operating activities will be sufficient to meet these requirements.

There have been no significant changes to the liquidity risk exposure from 2023.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## **17. Subsequent event:**

Effective January 1, 2025, the organizations of Hastings Prince Edward Public Health, Kingston, Frontenac and Lennox & Addington Public Health and Leeds, Grenville and Lanark District Health Unit, merged to form the South East Health Unit.

Efforts to align and harmonize the three legacy agencies are currently ongoing.

The South East Health Unit will continue to be governed by the Board of Public Health as mandated by the Health Protection and Promotion Act for the purposes of promoting and protecting public health.

## **18. Comparative Information:**

Certain comparative information has been reclassified from that previously presented to conform to the presentation of the 2024 financial statements.

# KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

Notes to Financial Statements (continued)

Year ended December 31, 2024

|                                  | ONE-TIME          |                           |                           |                  |                       |   |  |                         |                                  |  |   | 100% MOH                        | MCCSS                 |                   |                   | TOTALS |  |
|----------------------------------|-------------------|---------------------------|---------------------------|------------------|-----------------------|---|--|-------------------------|----------------------------------|--|---|---------------------------------|-----------------------|-------------------|-------------------|--------|--|
|                                  | Mandatory Core    | COVID-19: General Program | COVID-19: Vaccine Program | Voluntary Merger | SEHU Voluntary Merger | Public Health Inspector Practicum Program | Respiratory Syncytial Virus Adult Prevention Program | Needle Exchange Program | MOH Capital - Air Handling Units | Acute Care Enhanced Surveillance System (ACES) | Ontario Seniors Dental Care Program (OSDCP) | Healthy Babies Healthy Children | Other Funded Programs | 2024              | 2023              |        |  |
| <b>REVENUES</b>                  |                   |                           |                           |                  |                       |   |  |                         |                                  |  |   |                                 |                       |                   |                   |        |  |
| Provincial funding MOH           | 12,696,225        | 163,587                   | 108,821                   | 341,341          | 5,317                 | 18,135                                    | 49,928   | 1,112                   | 995,000                          | 399,712  | 1,021,830                                   | -                               | -                     | 15,801,008        | 16,832,455        |        |  |
| MOH-Other funding                | 261,297           | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | -                     | 261,297           | 87,374            |        |  |
| Provincial funding MCCSS         | -                 | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | 1,287,463                       | -                     | 1,287,463         | 1,957,607         |        |  |
| Municipal levies                 | 6,705,833         | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | -                     | 6,705,833         | 6,542,368         |        |  |
| Other Municipal funding          | -                 | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | -                     | -                 | -                 |        |  |
| Other Provincial Funding         | -                 | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | 304,017               | 304,017           | 287,310           |        |  |
| Federal Revenue                  | -                 | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | 96,410                          | -                     | 96,410            | 92,133            |        |  |
| Local Health Integration Network | -                 | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | -                     | -                 | -                 |        |  |
| Environment inspection fees      | -                 | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | -                     | -                 | -                 |        |  |
| Interest revenue                 | 208,196           | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | -                     | 208,196           | 180,634           |        |  |
| Mandatory program recoveries     | 2,650             | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | -                     | 2,650             | 2,875             |        |  |
| Other revenue                    | 52,435            | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | 700   | 5,157                           | -                     | 58,292            | 41,743            |        |  |
| <b>Total revenues</b>            | <b>19,926,636</b> | <b>163,587</b>            | <b>108,821</b>            | <b>341,341</b>   | <b>5,317</b>          | <b>18,135</b>                             | <b>49,928</b>  | <b>1,112</b>            | <b>995,000</b>                   | <b>399,712</b>                                 | <b>1,021,830</b>                            | <b>1,288,163</b>                | <b>405,584</b>        | <b>24,725,166</b> | <b>26,024,499</b> |        |  |
| <b>EXPENDITURES</b>              |                   |                           |                           |                  |                       |   |  |                         |                                  |  |   |                                 |                       |                   |                   |        |  |
| <b>Operating</b>                 |                   |                           |                           |                  |                       |   |  |                         |                                  |  |   |                                 |                       |                   |                   |        |  |
| Salaries & Benefits              | 15,607,616        | 140,524                   | 98,718                    | 211,463          | -                     | 18,135                                    | 49,384   | -                       | -                                | 381,460  | 241,533                                     | 1,223,253                       | 369,265               | 18,341,351        | 20,590,080        |        |  |
| Fee for service                  | 567,647           | 763                       | -                         | 115,053          | -                     | -   | -  | -                       | -                                | 6,220  | 702,188                                     | -                               | 924                   | 1,392,795         | 1,703,627         |        |  |
| Building occupancy & admin       | 377,035           | 15,613                    | 1,516                     | -                | -                     | -   | -  | -                       | -                                | -  | 44,557                                      | 11,156                          | -                     | 449,877           | 697,194           |        |  |
| Materials, supplies & travel     | 1,040,266         | 6,687                     | 8,587                     | 14,825           | 5,317                 | -   | 544  | 1,112                   | -                                | 12,032   | 33,552                                      | 53,754                          | 54,726                | 1,231,402         | 1,381,340         |        |  |
| <b>Total expenditures</b>        | <b>17,592,564</b> | <b>163,587</b>            | <b>108,821</b>            | <b>341,341</b>   | <b>5,317</b>          | <b>18,135</b>                             | <b>49,928</b>  | <b>1,112</b>            | <b>-</b>                         | <b>399,712</b>                                 | <b>1,021,830</b>                            | <b>1,288,163</b>                | <b>424,915</b>        | <b>21,415,425</b> | <b>24,372,241</b> |        |  |
| Add: Amortization expense        | 616,434           | -                         | -                         | -                | -                     | -   | -  | -                       | -                                | -  | -   | -                               | -                     | 616,434           | 751,418           |        |  |
| <b>Annual Surplus</b>            | <b>1,717,638</b>  | <b>-</b>                  | <b>-</b>                  | <b>-</b>         | <b>-</b>              | <b>-</b>                                  | <b>-</b>   | <b>-</b>                | <b>995,000</b>                   | <b>-</b>                                       | <b>-</b>                                    | <b>-</b>                        | <b>(19,331)</b>       | <b>2,693,307</b>  | <b>900,840</b>    |        |  |

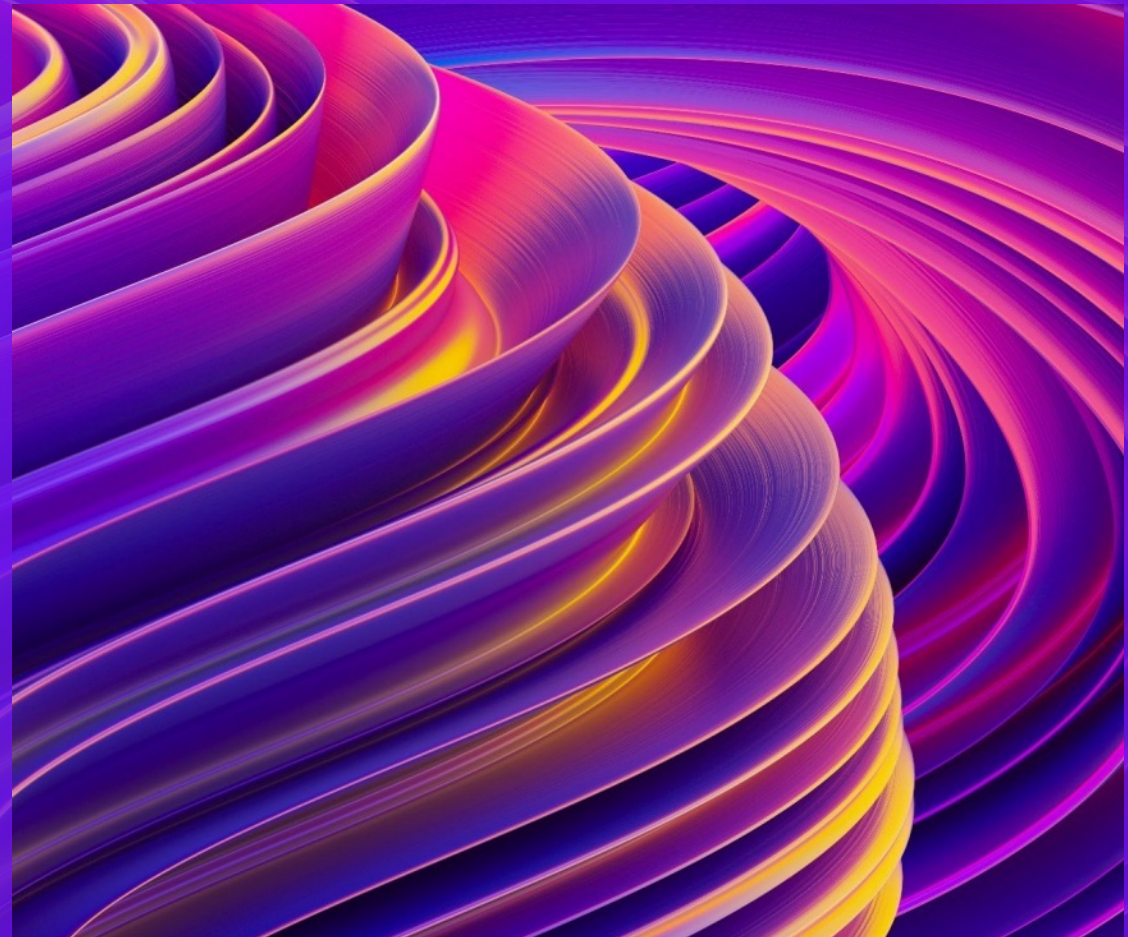


# Kingston, Frontenac and Lennox and Addington Public Health

Audit Findings Report for the year ended  
December 31, 2024



Prepared as of September 22, 2025 for presentation to the  
Board of Directors on October 22, 2025



# KPMG contacts

## Key contacts in connection with this engagement



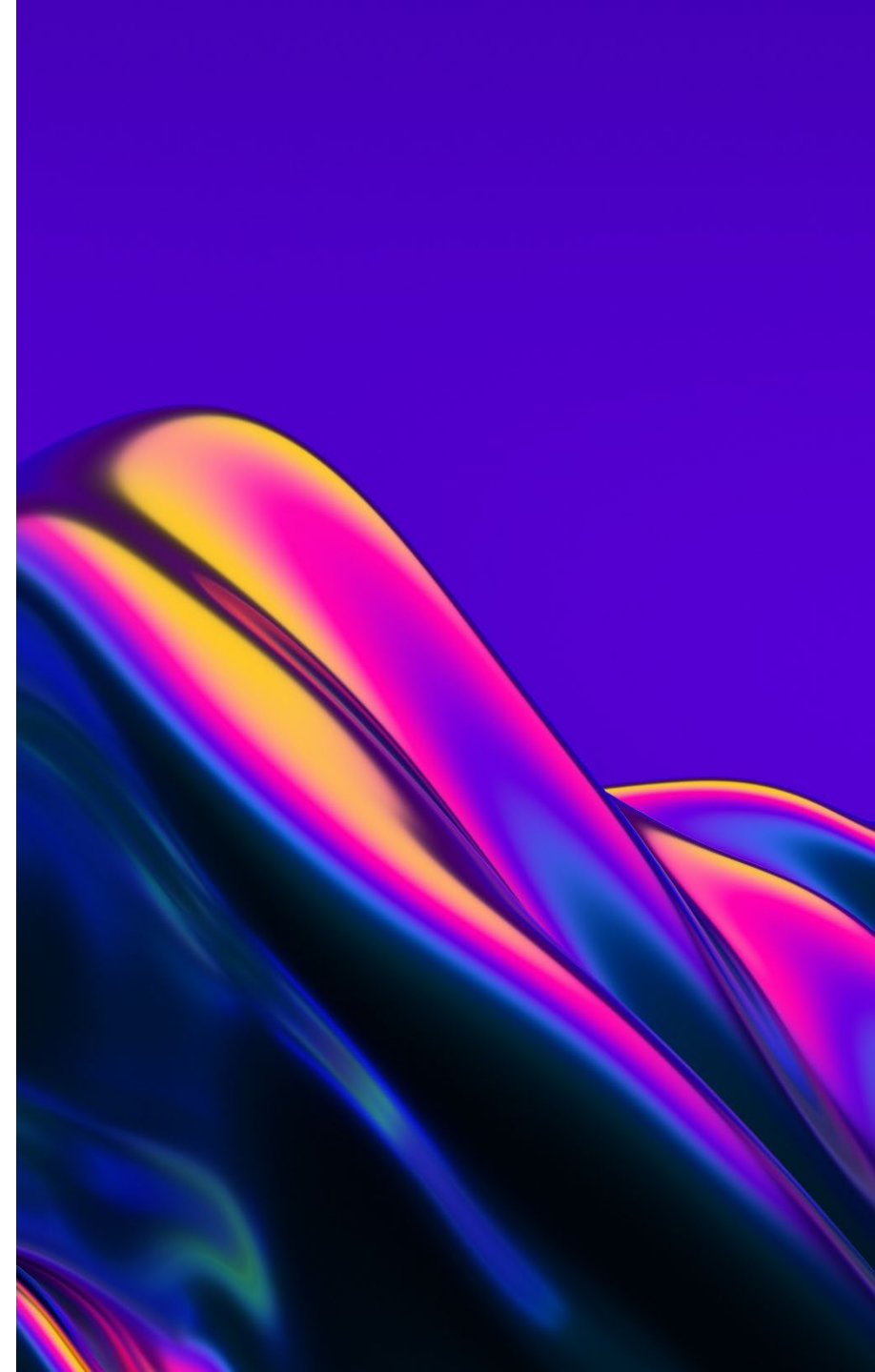
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# Table of contents

## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

|           |                      |           |                             |           |                               |           |                        |
|-----------|----------------------|-----------|-----------------------------|-----------|-------------------------------|-----------|------------------------|
| <b>4</b>  | <b>Highlights</b>    | <b>5</b>  | <b>Status</b>               | <b>7</b>  | <b>Risks and results</b>      | <b>11</b> | <b>Other matters</b>   |
| <b>12</b> | <b>Misstatements</b> | <b>13</b> | <b>Control deficiencies</b> | <b>14</b> | <b>Policies and practices</b> | <b>16</b> | <b>Specific topics</b> |
| <b>17</b> | <b>Independence</b>  | <b>18</b> | <b>Appendices</b>           |           |                               |           |                        |

The purpose of this report is to assist you, as a member of the Board, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management and the Board and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Audit highlights

**Status**

We have completed the audit of the financial statements (“financial statements”) of Kingston, Frontenac and Lennox & Addington Public Health (“Health Unit”) for the year ended December 31, 2024, with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ side of this report.

**Risks and results**

Significant risks

- We did not identify any significant financial reporting risks other than the presumed risk of management override of controls.

Other risks of material misstatement

- Other financial reporting risks that required additional audit procedures

**Policies and practices & Specific topics**

Significant unusual transactions

Accounting policies and practices

Other financial reporting matters

Going concern matters

No matters to report       Matters to report – see link for details

**Significant changes**

Significant changes since our audit plan

Significant changes to our prior year audit plan

- Updates to our audit plan from the prior year were related to the adoption of newly effective accounting standards.

**Materiality**

|                                      |                  |
|--------------------------------------|------------------|
| <b>Current year</b>                  | <b>\$600,000</b> |
| Benchmark                            | Expenses         |
| % Benchmark                          | 2.5%             |
| Audit Misstatement Posting Threshold | \$30,000         |
| <b>Prior Year</b>                    | <b>\$725,000</b> |
| Benchmark                            | Expenses         |
| % Benchmark                          | 2.7%             |
| Audit Misstatement Posting Threshold | \$36,250         |

**Misstatements**

Corrected misstatements

Uncorrected misstatements

**Control deficiencies**

Significant deficiencies

Other observations



# Status

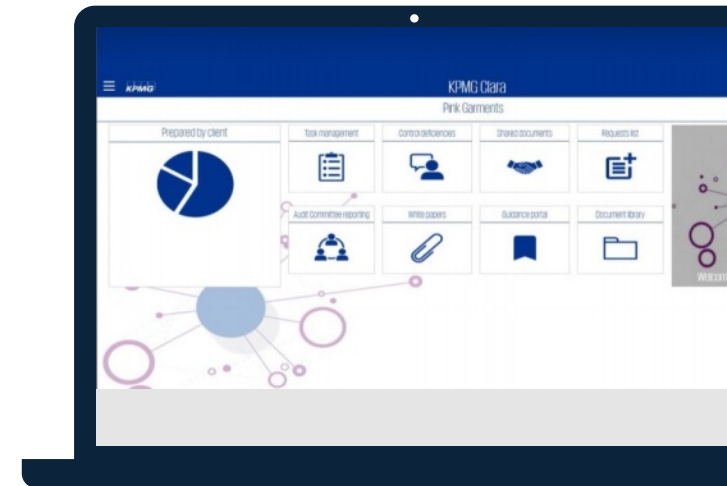
As of September 22, 2025 in preparation of our Audit Findings Report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

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

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

A draft of our auditor's report is provided in [Appendix 1a: Draft Auditor's Report](#), will be dated upon the completion of any remaining procedures.

## KPMG Clara for Clients (KCfc)





# Updates to our prior year audit plan

## Other significant changes



### Newly effective accounting standards



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

The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.

The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. It notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.

**PS 3160, Public private partnership**, became effective for this year end (fiscal years beginning on or after April 1, 2023).

The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership.

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

The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles.

Narrow scope amendments were made to PS 1000 *Financial statement concepts* to remove the prohibition to recognize purchased intangibles and to PS 1201 *Financial statement presentation* to remove the requirement to disclose purchased intangibles not recognized.


Newly effective accounting standards



### Newly effective auditing standards

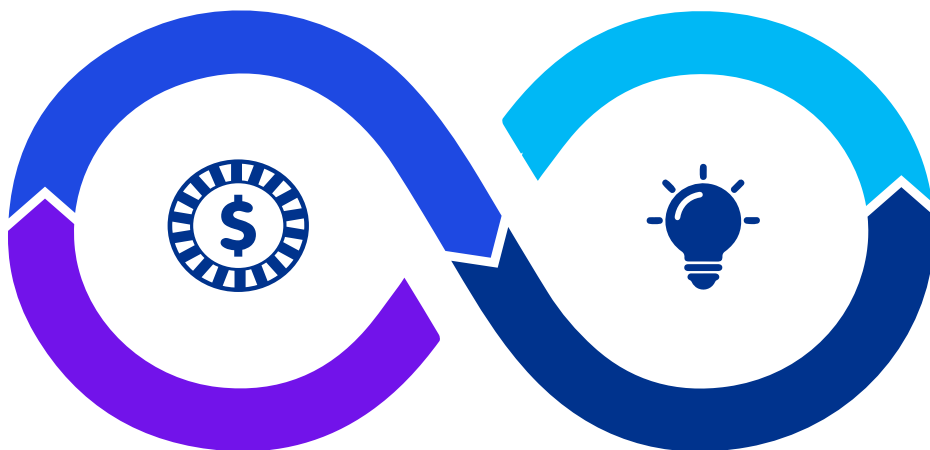


There are no new auditing standards impacting the current year audit.

Future changes to auditing standards 



# Materiality



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

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

## Plan and perform the audit

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

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

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

## Evaluate the effect of misstatements

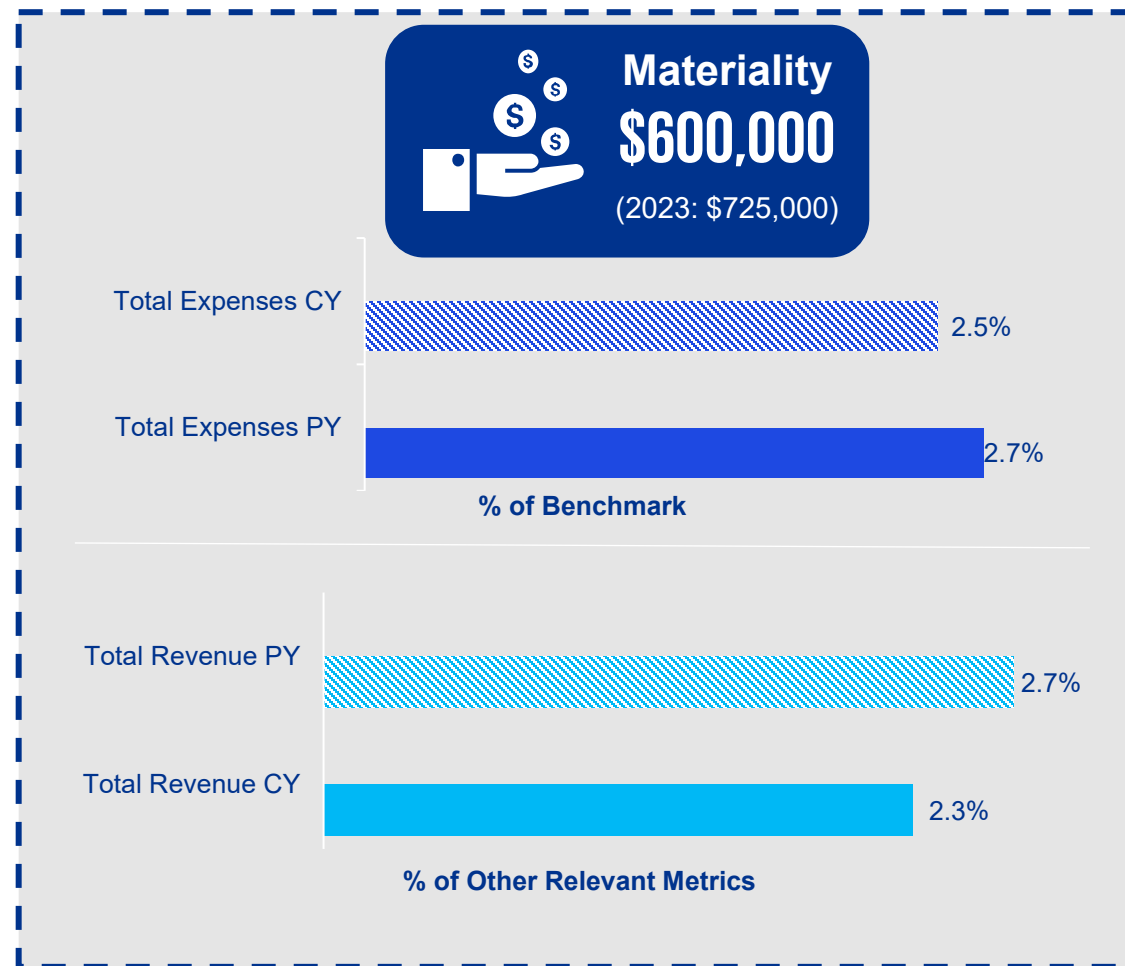
We also **use materiality** to evaluate the effect of:

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



# Materiality (continued)

Materiality has been set using the prior year audited financial statements. Performance materiality has been set at 75% of materiality or \$450,000. Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate.



## Total Expenses

**\$24,370,000**

(2023: \$26,904,000)

## Total Revenue

**\$26,025,000**

(2023: \$27,165,000)



# Risk assessment summary

Our planning begins with an assessment of risks of material misstatement in your financial statements.

We draw upon our understanding of the Health Unit and its environment (e.g. the industry, the wider economic environment in which the business operates, etc.), our understanding of the Health Unit's components of its system of internal control, including our business process understanding.

|  |  | Risk of fraud | Risk of error | Risk Rating |
|--|--|---------------|---------------|-------------|
| ● Management override of controls (presumed)                         |  | ✓             |               | Significant |
| ● Grant revenue and related deferred revenue and accounts receivable |  |               | ✓             | Base        |
| ● Operating and payroll expenses (including related accruals)        |  |               | ✓             | Base        |
| ● Tangible capital assets and related capital funding                |  |               | ✓             | Base        |
| ● Cash   |  |               | ✓             | Base        |
| ● Financial reporting  |  |               | ✓             | Base        |

● PRESUMED RISK OF MATERIAL MISSTATEMENT

● OTHER AREA OF FOCUS



## Current year findings

We did not uncover any significant findings as a result of the procedures performed over the areas highlighted above.



# Significant risks and results

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



Management Override of Controls

RISK OF  
  
FRAUD

## Significant risk

## Estimate?

## Key audit matter?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

No

## Our response

- Our procedures included:
  - We tested the design and implementation of controls surrounding the review of journal entries, and the business rationale for significant entries.
  - Using our KPMG software tools, we analyzed the journal entries posted during the year for completeness.
  - In responding to risks of fraud and management override of controls, we set specific criteria to isolate high risk journal entries and adjustments in order to analyze for further insights into our audit procedures and findings.
  - We have not identified any specific additional risks of management override relating to this audit.
- There were no significant changes to management's process for making the critical accounting estimates and there were no indicators of possible management bias.

**No issues were noted.**



# Other matters



## Ongoing Operations & Subsequent event

- Subsequent to the year-end, effective January 1, 2025, the Health Unit voluntarily merged with Hastings Prince Edward Public Health and Leeds, Grenville and Lanark District Health to form the South East Health Unit ("SEHU"), after receiving approvals from the Ministry of Health.
- With the restructure being a material event to the ongoing operations of the Health Unit, this has been disclosed in the financial statements, in accordance with CPA Handbook *PS 2400 Subsequent Events*.
- Refer to Note 17 in the financial statements.



# Audit misstatements

As stated earlier in our report, materiality for fiscal 2024 was set at \$600,000 which translated into an audit misstatement posting threshold of \$30,000. As such, all misstatements identified during the audit greater than \$30,000 have been recorded on our summary of adjustments and differences.

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the Finance Committee that all identified adjustments or differences be corrected, if any.



## Impact of uncorrected misstatements – Not material to the financial statements

- The management representation letter includes the Summary of Uncorrected Misstatements, which discloses the impact of all uncorrected misstatements considered to be other than clearly trivial. Refer to [Appendix 1b: Management Representation Letter](#) in the Appendices of this report for more detail.
- This includes the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.
- Based on both qualitative and quantitative considerations, management have decided not to correct certain misstatements and represented to us that the misstatements—individually and in the aggregate—are, in their judgment, not material to the financial statements.
- We concur with management’s representation that the uncorrected misstatements are not material to the financial statements. Accordingly, the uncorrected misstatements have no effect on our auditor’s report.



## Impact of corrected misstatements

- We did not identify any misstatements that were corrected by management.



# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Health Unit's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

## Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance. **We have not identified a significant deficiency in internal control over financial reporting.**



# Accounting policies and practices



## Initial selection

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

- PS 3400 *Revenue*
- PSG-8 *Purchased Intangibles*
- PS 3160 *Public Private Partnerships (P3s)*



## Revised

No matters to report.



## Significant qualitative aspects

Significant accounting policies or practices are disclosed in note 2 to the financial statements.

No matters to report.



# Other financial reporting matters

We also highlight the following:



## Financial statement presentation - form, arrangement, and content



Subsequent event note disclosure has been added to the financial statements reflecting the January 1, 2025 merger of the three health units to form the South East Health Unit.



## Concerns regarding application of new accounting pronouncements



The revised Concepts Underlying Financial Performance is effective for fiscal years beginning on or after April 1, 2026. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.

The proposed section PS 1202 Financial statement presentation will replace the current section PS 1201 Financial statement presentation. PS 1202 Financial statement presentation will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.



## Significant qualitative aspects of financial statement presentation and disclosure



No matters to report



# Specific topics

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

| Matter   | Finding              |
|--|----------------------|
| Illegal acts, including noncompliance with laws and regulations, or fraud  | No matters to report |
| Other information in documents containing the audited financial statements | Not applicable.      |
| Significant difficulties encountered during the audit                      | No matters to report |
| Difficult or contentious matters for which the auditor consulted           | No matters to report |
| Management's consultation with other accountants                           | No matters to report |
| Disagreements with management  | No matters to report |
| Related parties  | No matters to report |
| Significant issues in connection with our appointment or retention         | No matters to report |
| Other matters that are relevant matters of governance interest             | No matters to report |



# Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code<sup>1</sup> and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



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



Ethics, independence and integrity training for all staff



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



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



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

## Statement of compliance

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



<sup>1</sup> International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)

# Appendices

**1**

Required communications

**4**

Audit and assurance insights

**2**

Audit quality

**5**

Technology highlights

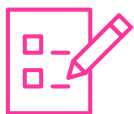
**3**

Upcoming changes to auditing standards





# Appendix 1: Other required communications



## Engagement terms

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



## CPAB communication protocol

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

- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2023 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)



# Appendix 1a: Draft auditor's report

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Kingston, Frontenac and Lennox and Addington Public Health

### ***Opinion***

We have audited the financial statements of Kingston, Frontenac and Lennox and Addington Public Health (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended

and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, its results of operations, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

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

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

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



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

## ***Responsibilities of Management and Those Charged With Governance for the Financial Statements***

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

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

October 22, 2025



# Appendix 1b: Management representation letter

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

October 22, 2025

We are writing at your request to confirm our understanding that your review was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Kingston, Frontenac and Lennox and Addington Public Health ("the Entity") as at and for the period ended December 31, 2024.

*General:*

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

*Responsibilities:*

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated February 27, 2024, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of health and committees of the board of health that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.
  - e) providing you with additional information that you may request from us for the purpose of the engagement.
  - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.

- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

*Internal control over financial reporting:*

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

*Fraud & non-compliance with laws and regulations:*

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - others
 where such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

*Subsequent events:*

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

*Related parties:*

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.



# Appendix 1b: Management representation letter (continued)

- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

*Estimates:*

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

*Misstatements:*

- 9) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

*Going concern:*

- 10) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 11) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

*Non-SEC registrants or non-reporting issuers:*

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

KINGSTON, FRONTENAC AND LENNOX AND ADDINGTON PUBLIC HEALTH

By: Ms. Suzette Taggart, Director of Corporate Services

## Attachment I – Definitions

*Materiality*

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

*Fraud & error*

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.



# Appendix 1b: Management representation letter (continued)

## Attachment II – Summary of Audit Misstatements

### Summary of uncorrected audit misstatements

| Description  | Statement of Financial Position effect <sup>1</sup> |                |               | Statement of Operations effect <sup>1</sup> |
|--|---|----------------|---------------|---|
|  | Assets\$  | Liabilities\$  | Net Debt \$   | \$  |
| <b>Audit misstatements greater than \$30,000 individually</b>  |   |                |               |   |
| Dr. Deferred revenue   | -   | 242,626        | -             | -   |
| Cr. Revenue  | -   | -              | (14,000)      | (14,000)                                    |
| Cr. Accumulated surplus  | -   | -              | (228,626)     | -   |
| To correct the presentation of deferred revenue balances carried forward from prior years.                           |   |                |               |   |
| Cr. Program expenses   | -   | -              | (47,489)      | (47,489)                                    |
| Cr. Due from Province  | (287,092)   | -              | -             | -   |
| Dr. Accumulated surplus  | -   | -              | 334,581       | -   |
| To correct the presentation of deferred revenue balances carried forward from prior years.                           |   |                |               |   |
| Cr. Accumulated surplus  | -   | -              | (311,043)     | -   |
| Dr. Unrealized gain/loss on interest rate swap   | -   | -              | 311,043       | -   |
| To correct the presentation and amount of the interest rate swap through the statement of remeasurement gains/losses |   |                |               |   |
| <b>Total uncorrected audit misstatements</b>   | <b>(287,092)</b>                                    | <b>242,626</b> | <b>44,466</b> | <b>(61,489)</b>                             |


<sup>1</sup> Debit (Credit)



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

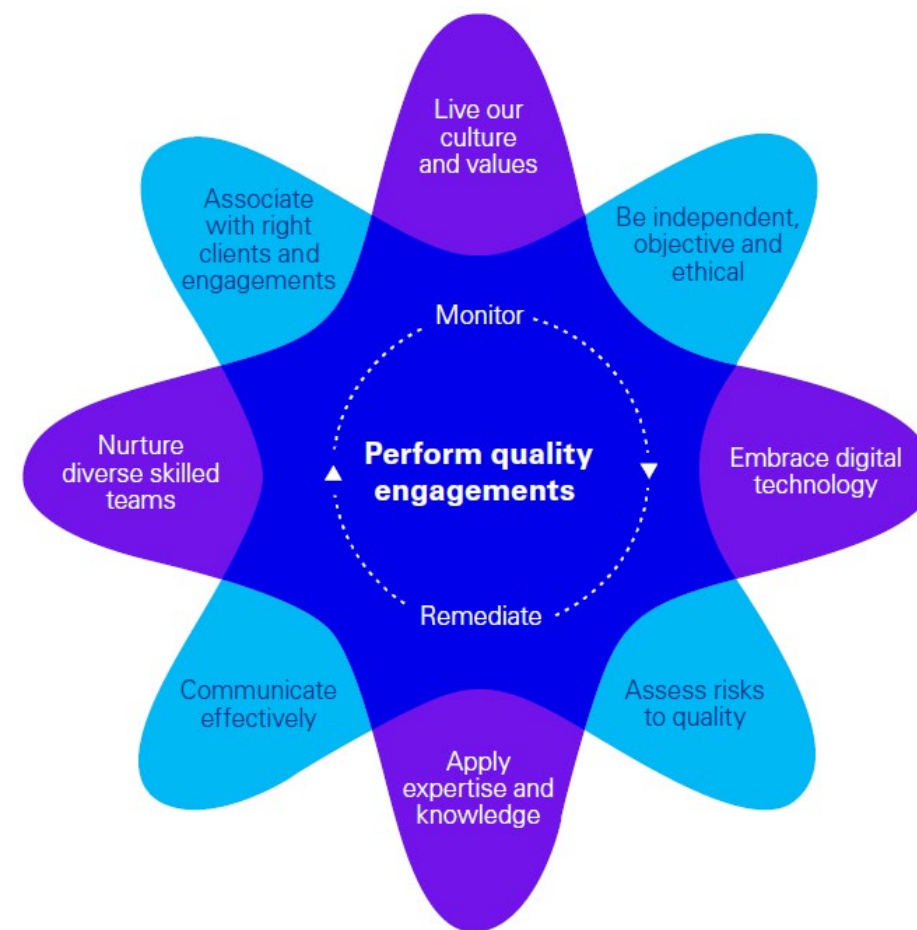
**Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.**

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

 [KPMG Canada Transparency Report](#)

**We define 'audit quality' as being the outcome when:**

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**



# Appendix 2: Audit quality - Indicators (AQIs)

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

## Audit team composition

- Experience, commitment and knowledge of the broader public sector
- A combination of continuity and fresh perspectives
- Access to specialist resources with public sector experience

## Technology in the audit

- Increase in use of technology in the audit year over year
- Use of secure KPMG portal for transfer of electronic documents

## Independence




- We will not put ourselves in a situation where we would audit our own work.
- We apply the most rigorous standards to our professional services in order to ensure our continued independence in our role.

## Client preparedness

- Key financial records and working papers were made available to the audit team during fieldwork
- Management completed the preparation of the financial statements

## Finance Committee

- Finance Committee participate fully in the discussion with auditors, including meeting in camera with the auditors
- KPMG provides current industry trends and updates to accounting and audit standards

-  Nothing to report
-  Some matters to report
-  Specific matters to report



# Appendix 3: Upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments



Effective for periods beginning on or after December 15, 2024 (Year ending December 31, 2025)

## ISA 260/CAS 260

.....  
Communications  
with those charged  
with governance

## ISA 700/CAS 700

.....  
Forming an opinion  
and reporting on  
the financial  
statements



# Appendix 4: Audit and assurance insights

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

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

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

## Insights - KPMG Canada

## Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

## IFRS Breaking News

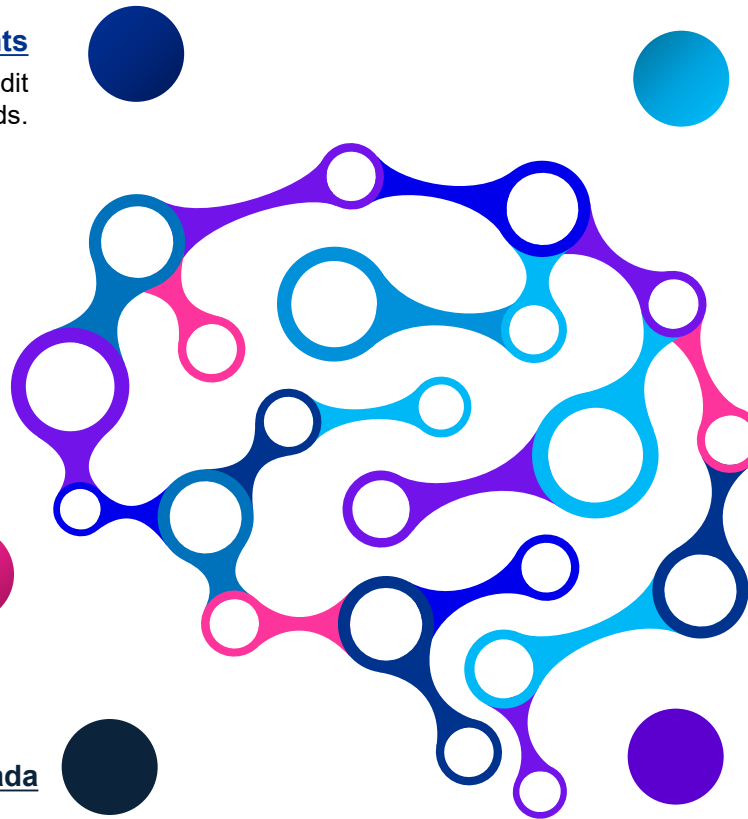
A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

## Finance Committee Guide – Canadian Edition

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

## Accelerate 2025

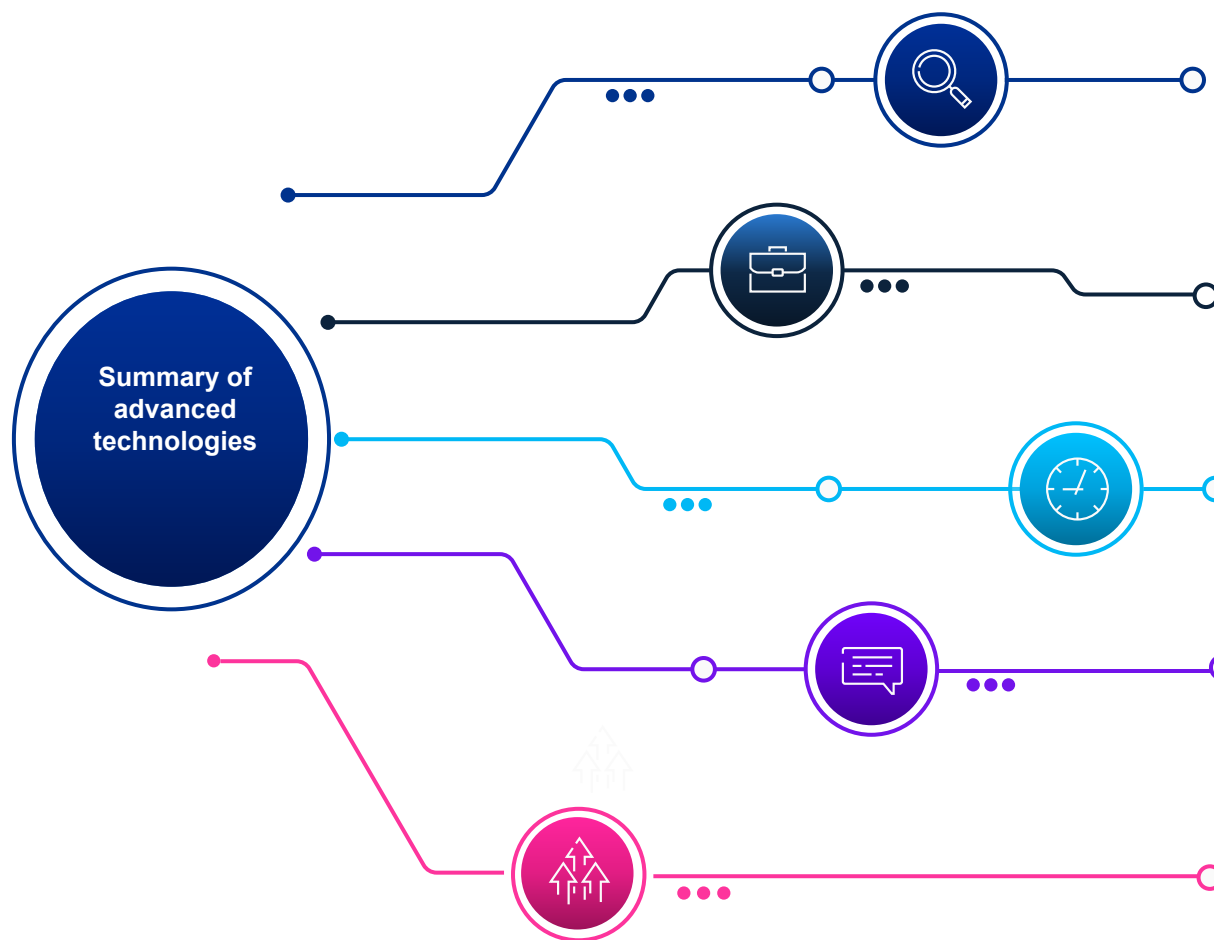
The key issues driving the Finance Committee agenda in 2025.





# Appendix 5: Technology highlights

We plan to utilize technology to enhance the quality and effectiveness of the audit.



## KPMG Clara Analytics

Using the latest technologies to analyze data, KPMG Clara allows us to visualize the flow of transactions through the system, identify risks in your financial data and perform more specific audit procedures. The engagement team primarily use this tool to prepare trend analytics (planning and final) during the audit.

## KPMG Clara for Client (Kcfc)

Allows the client team to see the real-time status of the engagement and who from our KPMG team is leading on a deliverable. The tool is used to control the status of audit requirements and as a collaboration site to share files and data.

## KPMG Clara Workflow (KCw)

A modern, intuitively written, highly applicable audit methodology that allows us to deliver globally consistent engagements. The tool allows us to identify and respond to relevant risks, document our audit procedures, conclusions, and reporting.

## Datasnipper

Datasnipper is an audit tool that uses optical character recognition and robotic process automation to automate vouching procedures within the audit engagement. It automatically matches specified excel data to the corresponding documents, leaving an audit trail behind for review.

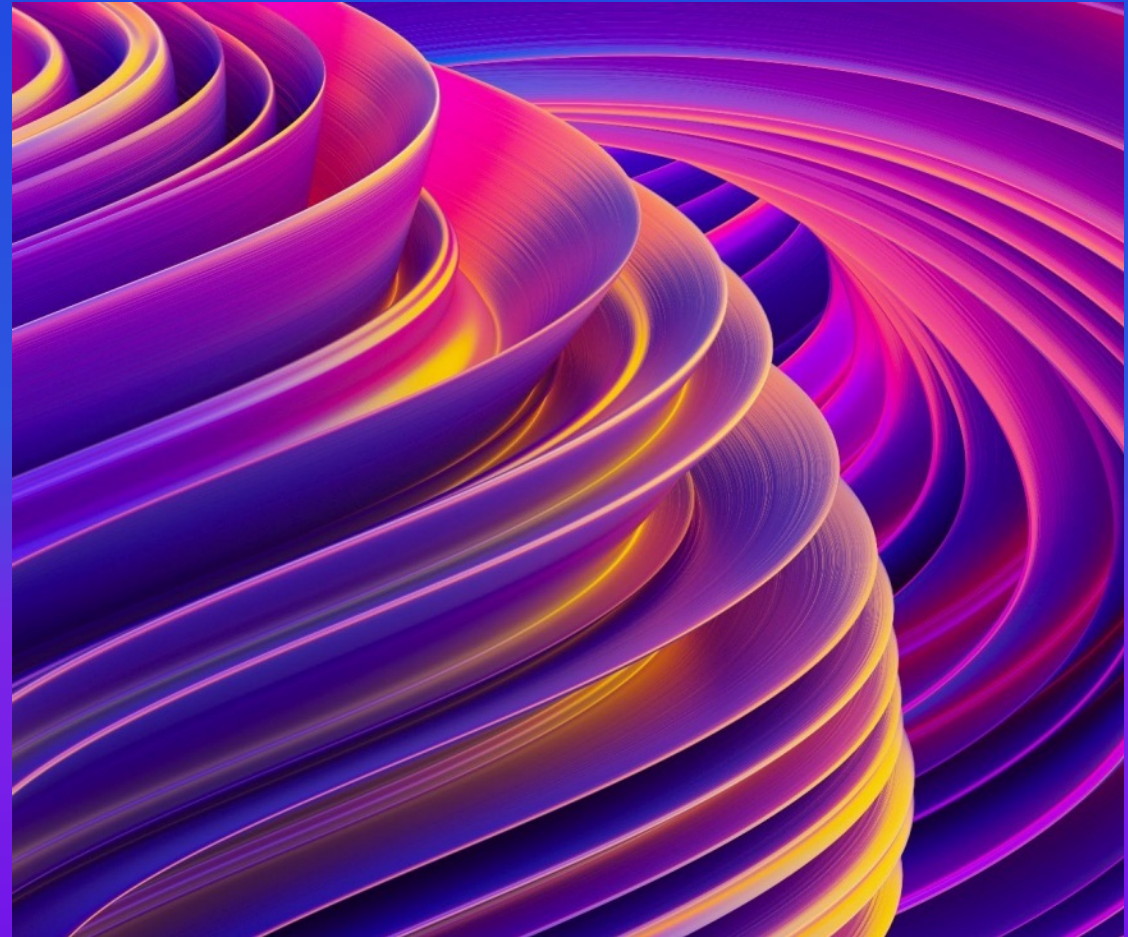
## KPMG Clara Analytics – AI Transaction Scoring, powered by MindBridge

MindBridge is a tool that applies advanced statistical, machine learning, and rules-based analytics technology to analyze transactions on a more granular level and deliver an even higher quality audit. The engagement team primarily use this tool to perform testing over non-salary expenses during the audit.



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

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Financial Statements of

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

Year ended December 31, 2024

DRAFT

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

Financial Statements

Year ended December 31, 2024

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## Management's Responsibility for the Financial Statements

## Independent Auditor's Report

### Financial Statements:

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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. Piotr Oglaza  
Medical Officer of Health and Chief  
Executive Officer

## INDEPENDENT AUDITOR'S 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, 2024;
- 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 remeasurement gains and losses for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its cash flows, and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

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

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

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

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

Management is responsible for the preparation and fair presentation of 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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

October 22, 2025

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

## Statement of Financial Position

December 31, 2024, with comparative information for 2023

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| <b>Financial assets:</b>                    |                     |                     |
| Cash  | \$ 2,149,492        | \$ 1,217,099        |
| Due from Province of Ontario                | 2,214,472           | 1,924,375           |
| Investments (note 3)                        | –                   | 772,336             |
| Accounts receivable                         | 158,673             | 163,392             |
|   | <u>4,522,637</u>    | <u>4,077,202</u>    |
| <b>Financial liabilities:</b>               |                     |                     |
| Accounts payable and accrued liabilities    | 1,590,039           | 1,940,976           |
| Due to Province of Ontario                  | 2,094,895           | 1,873,625           |
| Deferred revenues                           | 1,677,423           | 275,154             |
| Long-term liabilities (note 5)              | 570,355             | 646,117             |
|   | <u>5,932,712</u>    | <u>4,735,872</u>    |
| <b>Net debt</b>                             | <b>(1,410,075)</b>  | <b>(658,670)</b>    |
| <b>Non-financial assets:</b>                |                     |                     |
| Tangible capital assets (note 8)            | 2,650,123           | 2,801,656           |
| Prepaid expenses                            | 329,246             | 322,871             |
|   | <u>2,979,369</u>    | <u>3,124,527</u>    |
| Commitments (note 6)                        |                     |                     |
| Contingent liabilities (note 11)            |                     |                     |
| Subsequent event (note 14)                  |                     |                     |
| <b>Accumulated surplus</b>                  | <b>\$ 1,569,294</b> | <b>\$ 2,465,857</b> |
| <b>Accumulated surplus is comprised of:</b> |                     |                     |
| Accumulated surplus (note 7)                | \$ 1,569,294        | \$ 2,532,855        |
| Accumulated remeasurement losses            | –                   | (66,998)            |
|   | <u>\$ 1,569,294</u> | <u>\$ 2,465,857</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, 2024, with comparative information for 2022

|  | Budget<br>2024<br>(note 12) | 2024                | 2023                |
|--|-----------------------------|---------------------|---------------------|
| <b>Revenue:</b>  |                             |                     |                     |
| Municipal funding  | \$ 3,571,648                | \$ 3,571,648        | \$ 3,255,649        |
| Provincial grants:   |                             |                     |                     |
| Mandatory programs   | 9,120,700                   | 9,120,700           | 8,243,748           |
| Ontario Senior's Dental Care program   | 985,900                     | 985,900             | 1,076,240           |
| Ministry of Health one-time funding<br>and other programs                    | 993,163                     | 993,163             | 3,006,880           |
| Ministry of Children and Youth Services<br>funding Preschool Speech Language | 1,476,585                   | 1,476,585           | 1,458,158           |
| Ministry of Children and Youth Services<br>funding Healthy Babies            | 1,103,623                   | 1,103,623           | 1,060,739           |
| Other revenues and grants:   |                             |                     |                     |
| Ontario Works  | 75,000                      | 73,330              | 91,177              |
| Land control (Schedule 2)  | –                           | (721)               | 2,849               |
| Interest earned  | 50,000                      | –                   | 185,974             |
| Realized gain on disposal of investments                                     | –                           | 32,275              | –                   |
| Other related grants and projects  | –                           | 252,460             | 257,945             |
| <b>Total revenue</b>   | <b>17,376,619</b>           | <b>17,608,963</b>   | <b>18,639,359</b>   |
| <b>Expenses (note 9):</b>  |                             |                     |                     |
| Mandatory programs   | 12,692,348                  | 12,936,684          | 12,054,594          |
| Ontario Senior's Dental Care program   | 985,900                     | 985,900             | 1,030,538           |
| Other related programs and one-time funding                                  | 993,163                     | 932,152             | 2,587,940           |
| Preschool Speech and Language  | 1,476,585                   | 1,476,585           | 1,458,158           |
| Healthy Babies Healthy Children  | 1,103,623                   | 1,103,623           | 1,060,739           |
| Ontario Works  | 75,000                      | 73,330              | 91,177              |
| Land control (Schedule 2)  | –                           | 15,421              | 272,432             |
| Amortization   | –                           | 417,182             | 684,329             |
| Other  | 50,000                      | 631,647             | 46,422              |
| <b>Total expenses</b>  | <b>17,376,619</b>           | <b>18,572,524</b>   | <b>19,286,329</b>   |
| <b>Annual deficit</b>  | <b>–</b>                    | <b>(963,561)</b>    | <b>(646,970)</b>    |
| Accumulated surplus, beginning of year                                       | 2,532,855                   | 2,532,855           | 3,179,825           |
| <b>Accumulated surplus, end of year</b>                                      | <b>\$ 2,532,855</b>         | <b>\$ 1,569,294</b> | <b>\$ 2,532,855</b> |

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, 2024, with comparative information for 2023

|  | Budget<br>2024<br>(note 12) | 2024           | 2023         |
|--|-----------------------------|----------------|--------------|
| Annual deficit   | \$ —                        | \$ (963,561)   | \$ (646,970) |
| Amortization of tangible capital assets  | —                           | 417,182        | 684,329      |
| Acquisition of tangible capital assets   | —                           | (265,649)      | (433,026)    |
| Acquisition (utilization) of prepaid expenses                                  | —                           | (6,375)        | 43,052       |
| Change in net debt excluding net measurement losses                            | —                           | (818,403)      | (352,615)    |
| Unrealized gains (losses) attributable to investments designated at fair value | —                           | 99,273         | (66,998)     |
| Realized gain on disposal of investments                                       | —                           | (32,275)       | —            |
| Net remeasurement gains (losses) for the year                                  | —                           | 66,998         | (66,998)     |
| Net debt, beginning of year  | (658,670)                   | (658,670)      | (239,057)    |
| Net debt, end of year  | \$ (658,670)                | \$ (1,410,075) | \$ (658,670) |

See accompanying notes to financial statements.

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

## Statement of Remeasurement Gains and Losses

Year ended December 31, 2024, with comparative information for 2023

|   | 2024        | 2023        |
|---|-------------|-------------|
| Accumulated remeasurement losses, beginning of year | \$ (66,998) | \$ –        |
| Net unrealized gains (losses) attributable to:      |             |             |
| Investments designated at fair value                | 99,273      | (66,998)    |
| Realized gain on disposal of investments            | (32,275)    | –           |
| Net remeasurement gains (losses) for the year       | 66,998      | (66,998)    |
| Accumulated remeasurement losses, end of year       | \$ –        | \$ (66,998) |

See accompanying notes to financial statements.

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

## Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

|  | 2024         | 2023         |
|--|--------------|--------------|
| Operating activities:  |              |              |
| Annual deficit   | \$ (963,561) | \$ (646,970) |
| Items not involving cash:  |              |              |
| Amortization of tangible capital assets                                  | 417,182      | 684,329      |
| Unrealized losses on investments   | –            | (66,998)     |
| Net unrealized gain attributable to investments designated at fair value | 99,273       | –            |
| Change in non-cash operating working capital:                            |              |              |
| Accounts receivable  | 4,719        | (116,225)    |
| Due from the Province of Ontario   | (290,097)    | (1,924,375)  |
| Prepaid expenses   | (6,375)      | 43,052       |
| Due to the Province of Ontario   | 221,270      | 448,952      |
| Accounts payable and accrued liabilities                                 | (350,937)    | (234,065)    |
| Deferred revenues  | 1,402,269    | (80,884)     |
|  | 533,743      | (1,893,184)  |
| Capital activities:  |              |              |
| Acquisition of tangible capital assets                                   | (265,649)    | (433,026)    |
| Repayment of long-term liabilities                                       | (75,762)     | (73,893)     |
|  | (341,411)    | (506,919)    |
| Investing activities:  |              |              |
| Redemption (purchase) of investments, net                                | 740,061      | (3,772)      |
| Increase (decrease) in cash  | 932,393      | (2,403,875)  |
| Cash, beginning of year  | 1,217,099    | 3,620,974    |
| Cash, end of year  | \$ 2,149,492 | \$ 1,217,099 |

See accompanying notes to financial statements.

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

Notes to Financial Statements

Year ended December 31, 2024

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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:

- Ministry of Health, Mandatory Programs
- Ministry of Health, Ontario Senior's Dental Care Program
- Ontario Works
- Land Control

Fiscal years ending March 31

- Ministry of Health, One-Time Funding and Other Programs
- Ministry of Children, Community and Social Services, Language Express Program
- Ministry of Children, Community and Social Services, 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.

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

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (b) Basis of accounting (continued):

- (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.

### (c) Financial instruments:

On January 1, 2023, the Corporation adopted PS 3450 *Financial Instruments* which establishes accounting and reporting for all types of financial instruments, including derivatives, as disclosed in Note 3. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost.

On application of this standard, a new statement, the Statement of Remeasurement Gains and Losses has been included in these financial statements which records the remeasurement gains and losses for financial instruments measured at fair value. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity through the Statement of Operations and Accumulated Surplus. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the Statement of Operations and Accumulated Surplus.

#### Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

#### Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 1. Significant accounting policies (continued):

### (c) Financial instruments (continued):

#### Fair value hierarchy (continued):

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

### (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 |
|-------------------------|---------------------|
| Buildings               | 25                  |
| Building improvements   | 15                  |
| Furniture and equipment | 10                  |
| Vehicles                | 5                   |
| Multi-media equipment   | 5                   |
| Computer equipment      | 3                   |

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.

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.

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

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (d) Tangible capital assets (continued):

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.

### (g) Revenue recognition:

Government transfers, comprised of provincial funding, federal funding and municipal levies, relate to health programs. Transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized and eligibility criteria have been met and reasonable estimates of the amounts can be made.

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

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (g) Revenue recognition (continued):

Expense recoveries, rental and other revenue are recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. Other restricted contributions received in advance of the related expenditure are deferred until the related expenditure is incurred.

Interest income is recorded as earned.

### (h) 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.

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

The Health Unit adopted the following standards concurrently beginning January 1, 2024 prospectively: PS 3400 *Revenue*, PSG-8 *Purchased Intangibles*, and adopted PS 3160 *Public Private Partnerships*.

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships* (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

There were no adjustments to the financial statements as a result of adopting the new accounting standards.

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

Notes to Financial Statements (continued)

Year ended December 31, 2024

### 3. Investments:

Investments are comprised of:

|                            | Level | 2024 | 2023       |
|----------------------------|-------|------|------------|
| Fixed income funds         | 1     | \$ – | \$ 470,580 |
| Balanced funds and options | 2     | –    | 301,756    |
|                            |       | \$ – | \$ 772,336 |

All investments were redeemed and converted to cash during December 2024

### 4. 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, 2024. At that time, the plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion actuarial deficit).

The amount contributed to OMERS for current services in 2024 was \$1,145,523 (2023 - \$1,091,144) and is recorded as a component of expenses 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, 2024

## 5. Long-term liabilities:

|   | 2024       | 2023       |
|---|------------|------------|
| 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 | \$ 570,355 | \$ 646,117 |

Principal payments for the next two years are as follows:

|      |            |
|------|------------|
| 2025 | \$ 570,355 |
|------|------------|

Interest paid during the year was \$14,894 (2023 - \$16,763) and is recorded as a component of expenses on the Statement of Operations.

## 6. Commitments:

The Health Unit leases space for service sites in Gananoque, Almonte, Kemptville and Perth, Ontario. The aggregate lease payments over the next year are estimated to be \$113,000 (2024 – \$77,924).

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

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 7. Accumulated surplus:

|  | 2024         | 2023         |
|--|--------------|--------------|
| Investment in tangible capital assets: |              |              |
| Tangible capital assets                | \$ 2,650,123 | \$ 2,801,656 |
| Long-term liabilities                  | (570,355)    | (646,117)    |
|  | 2,079,768    | 2,155,539    |
| Operating surplus:                     |              |              |
| General                                | (1,063,583)  | (191,935)    |
| Land control program (Schedule 2)      | 63,274       | 79,416       |
| 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                | (510,474)    | 377,316      |
| Total accumulated surplus              | \$ 1,569,294 | \$ 2,532,855 |

## 8. Tangible capital assets:

| Cost                    | Balance at<br>December 31,<br>2023 | Transfers<br>and<br>additions | Disposals<br>and<br>adjustments | Balance at<br>December 31,<br>2024 |
|-------------------------|------------------------------------|-------------------------------|---------------------------------|------------------------------------|
| Land                    | \$ 250,000                         | \$ –                          | \$ –                            | \$ 250,000                         |
| Buildings               | 3,005,834                          | –                             | –                               | 3,005,834                          |
| Building improvements   | 1,204,518                          | 52,261                        | –                               | 1,256,779                          |
| Furniture and equipment | 1,963,600                          | 28,682                        | –                               | 1,992,282                          |
| Vehicles                | 54,737                             | –                             | –                               | 54,737                             |
| Multi-media equipment   | 189,493                            | 14,299                        | –                               | 203,792                            |
| Computer equipment      | 1,314,545                          | 170,407                       | –                               | 1,484,952                          |
| Total                   | \$ 7,982,727                       | \$ 265,649                    | \$ –                            | \$ 8,248,376                       |

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

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 8. Tangible capital assets (continued):

| Accumulated amortization | Balance at December 31, 2023 | Amortization      | Disposals, and adjustments | Balance at December 31, 2024 |
|--------------------------|------------------------------|-------------------|----------------------------|------------------------------|
| Land                     | \$ –                         | \$ –              | \$ –                       | \$ –                         |
| Buildings                | 1,439,137                    | 146,897           | –                          | 1,586,034                    |
| Building improvements    | 803,346                      | 63,262            | –                          | 866,608                      |
| Furniture and equipment  | 1,639,698                    | 54,591            | –                          | 1,694,289                    |
| Vehicles                 | 54,737                       | –                 | –                          | 54,737                       |
| Multi-media equipment    | 158,117                      | 13,995            | –                          | 172,112                      |
| Computer equipment       | 1,086,036                    | 138,437           | –                          | 1,224,473                    |
| <b>Total</b>             | <b>\$ 5,181,071</b>          | <b>\$ 417,182</b> | <b>\$ –</b>                | <b>\$ 5,598,253</b>          |

|                         | Net book value 2023 | Net book value 2024 |
|-------------------------|---------------------|---------------------|
| Land                    | \$ 250,000          | \$ 250,000          |
| Buildings               | 1,566,697           | 1,419,800           |
| Building improvements   | 401,172             | 390,171             |
| Furniture and equipment | 323,902             | 297,993             |
| Vehicles                | –                   | –                   |
| Multi-media equipment   | 31,376              | 31,680              |
| Computer equipment      | 228,509             | 260,479             |
| <b>Total</b>            | <b>\$ 2,801,656</b> | <b>\$ 2,650,123</b> |

## 9. 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, 2024

## 9. Segmented information (continued):

|  | Mandatory programs  | Ontario Seniors Dental Care program | Other related programs and one-time funding | Preschool Speech and Language | Healthy Babies Healthy Children | Ontario Works | Land Control       | Other               | 2024 Total          | 2023 Total          |
|--|---------------------|-------------------------------------|---|-------------------------------|---------------------------------|---------------|--------------------|---------------------|---------------------|---------------------|
| <b>Revenue:</b>                            |                     |                                     |   |                               |                                 |               |                    |                     |                     |                     |
| Provincial funding                         | \$ 9,120,700        | \$ 985,900                          | \$ 993,163                                  | \$ 1,476,585                  | \$ 1,103,623                    | \$ -          | \$ -               | \$ (66,245)         | \$ 13,613,726       | \$ 14,845,765       |
| Municipal funding                          | 3,571,648           | -                                   | -   | -                             | -                               | -             | -                  | -                   | 3,571,648           | 3,255,649           |
| Federal and other funding                  | -                   | -                                   | -   | -                             | -                               | 73,330        | (721)              | 318,705             | 391,314             | 351,971             |
| Interest income                            | -                   | -                                   | -   | -                             | -                               | -             | -                  | -                   | -                   | 185,974             |
| Realized gain on investments               | -                   | -                                   | -   | -                             | -                               | -             | -                  | 32,275              | 32,275              | -                   |
| <b>Total revenue</b>                       | <b>12,692,348</b>   | <b>985,900</b>                      | <b>993,163</b>                              | <b>1,476,585</b>              | <b>1,103,623</b>                | <b>73,330</b> | <b>(721)</b>       | <b>284,735</b>      | <b>17,608,963</b>   | <b>18,639,359</b>   |
| <b>Expenses</b>                            |                     |                                     |   |                               |                                 |               |                    |                     |                     |                     |
| Salaries, wages and benefits               | 11,208,059          | 39,147                              | 855,625                                     | 906,634                       | 1,052,464                       | 19,259        | -                  | 540,530             | 14,621,718          | 14,659,163          |
| Building occupancy and administration      | -                   | 24,000                              | 10,989                                      | 43,840                        | -                               | -             | -                  | 238,353             | 317,182             | 527,766             |
| Professional and contract services         | 375,815             | 902,987                             | 13,201                                      | 487,955                       | (1,500)                         | -             | 15,421             | 13,084              | 1,806,963           | 2,021,060           |
| Materials, supplies, travel and other      | 1,352,810           | 19,766                              | 52,337                                      | 38,156                        | 52,659                          | 54,071        | -                  | (160,320)           | 1,409,479           | 1,394,012           |
| Amortization                               | 401,948             | 15,234                              | -   | -                             | -                               | -             | -                  | -                   | 417,182             | 684,328             |
| <b>Total expenses</b>                      | <b>13,338,632</b>   | <b>1,001,134</b>                    | <b>932,152</b>                              | <b>1,476,585</b>              | <b>1,103,623</b>                | <b>73,330</b> | <b>15,421</b>      | <b>631,647</b>      | <b>18,572,524</b>   | <b>19,286,329</b>   |
| <b>Net surplus (deficit)</b>               | <b>\$ (646,284)</b> | <b>\$ (15,234)</b>                  | <b>\$ 61,011</b>                            | <b>\$ -</b>                   | <b>\$ -</b>                     | <b>\$ -</b>   | <b>\$ (16,142)</b> | <b>\$ (346,912)</b> | <b>\$ (963,561)</b> | <b>\$ (646,970)</b> |
| <b>Reconciliation to funding approach:</b> |                     |                                     |   |                               |                                 |               |                    |                     |                     |                     |
| Annual surplus (deficit)                   | \$ (646,284)        | \$ (15,234)                         | \$ 61,011                                   | \$ -                          | \$ -                            | \$ -          | \$ (16,142)        | \$ (346,912)        | \$ (963,561)        | \$ (646,970)        |
| Principal payments on mortgage             | (14,751)            | -                                   | (61,011)                                    | -                             | -                               | -             | -                  | -                   | (75,762)            | (73,893)            |
| Amortization                               | 401,948             | 15,234                              | -   | -                             | -                               | -             | -                  | -                   | 417,182             | 684,329             |
| Tangible capital assets acquisitions       | (265,649)           | -                                   | -   | -                             | -                               | -             | -                  | -                   | (265,649)           | (433,026)           |
| <b>Adjusted net deficit</b>                | <b>\$ (524,736)</b> | <b>\$ -</b>                         | <b>\$ -</b>                                 | <b>\$ -</b>                   | <b>\$ -</b>                     | <b>\$ -</b>   | <b>\$ (16,142)</b> | <b>\$ (346,912)</b> | <b>\$ (887,790)</b> | <b>\$ (469,560)</b> |

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

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 10. Financial risks and concentration of credit risk:

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 2023.

### (a) Credit risk:

Credit risk arises from the possibility that the entities to which the Health Unit provides services to may experience difficulties 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 due to 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. The Health Unit's financial liabilities exceed its financial assets by \$1,410,075 (2023 - \$658,670) as at December 31, 2024. Management prepares budgets and monitors its cash flow. Management expects that the Health Unit's cash flows from operating activities will be sufficient to meet these requirements.

## 11. 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, 2024

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## 12. Budget information:

The operating budget approved by the Health Unit for 2024 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.

## 13. Comparative information:

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

## 14. Subsequent events

Effective January 1, 2025, the organizations of Hastings Prince Edward Public Health, Kingston, Frontenac and Lennox & Addington Public Health and Leeds, Grenville and Lanark District Health Unit, merged to form the South East Health Unit.

Efforts to align and harmonize the three legacy agencies are currently ongoing.

The South East Health Unit will continue to be governed by the Board of Public Health as mandated by the Health Protection and Promotion Act for the purposes of promoting and protecting public health.

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

## Schedule 1: Continuity of Reserves and Reserve Funds

Year ended December 31, 2024, with comparative information for 2023

|  | Budget<br>(note 12) | 2024       | 2023       |
|--|---------------------|------------|------------|
| Net transfers from (to) other funds                      |                     |            |            |
| Transfers to operations                                  | \$ -                | \$ -       | \$ -       |
| Total net transfers                                      | -                   | -          | -          |
| Reserves and reserve fund balances,<br>beginning of year | 489,835             | 489,835    | 489,835    |
| Reserves and reserve fund balances,<br>end of year       | \$ 489,835          | \$ 489,835 | \$ 489,835 |

### Composition of Reserves and Reserve Funds:

|   | 2024       | 2023       |
|---|------------|------------|
| 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, 2024, with comparative information for 2023

|  | 2024      | 2023      |
|--|-----------|-----------|
| Revenues:                              |           |           |
| Sewage inspection fees and extensions  | \$ (721)  | \$ 1,986  |
| Severance fees and s-permits           | –         | 798       |
| Interest                               | –         | 65        |
|  | (721)     | 2,849     |
| Expenses:                              |           |           |
| Salaries and wages                     | –         | 176,322   |
| Employee benefits                      | –         | 54,882    |
| Fees for service                       | 15,421    | 16,306    |
| Travel                                 | –         | 23,911    |
| Materials and supplies                 | –         | 1,011     |
|  | 15,421    | 272,432   |
| Annual deficit                         | (16,142)  | (269,583) |
| Accumulated surplus, beginning of year | 79,416    | 348,999   |
| Accumulated surplus, end of year       | \$ 63,274 | \$ 79,416 |

DRAFT



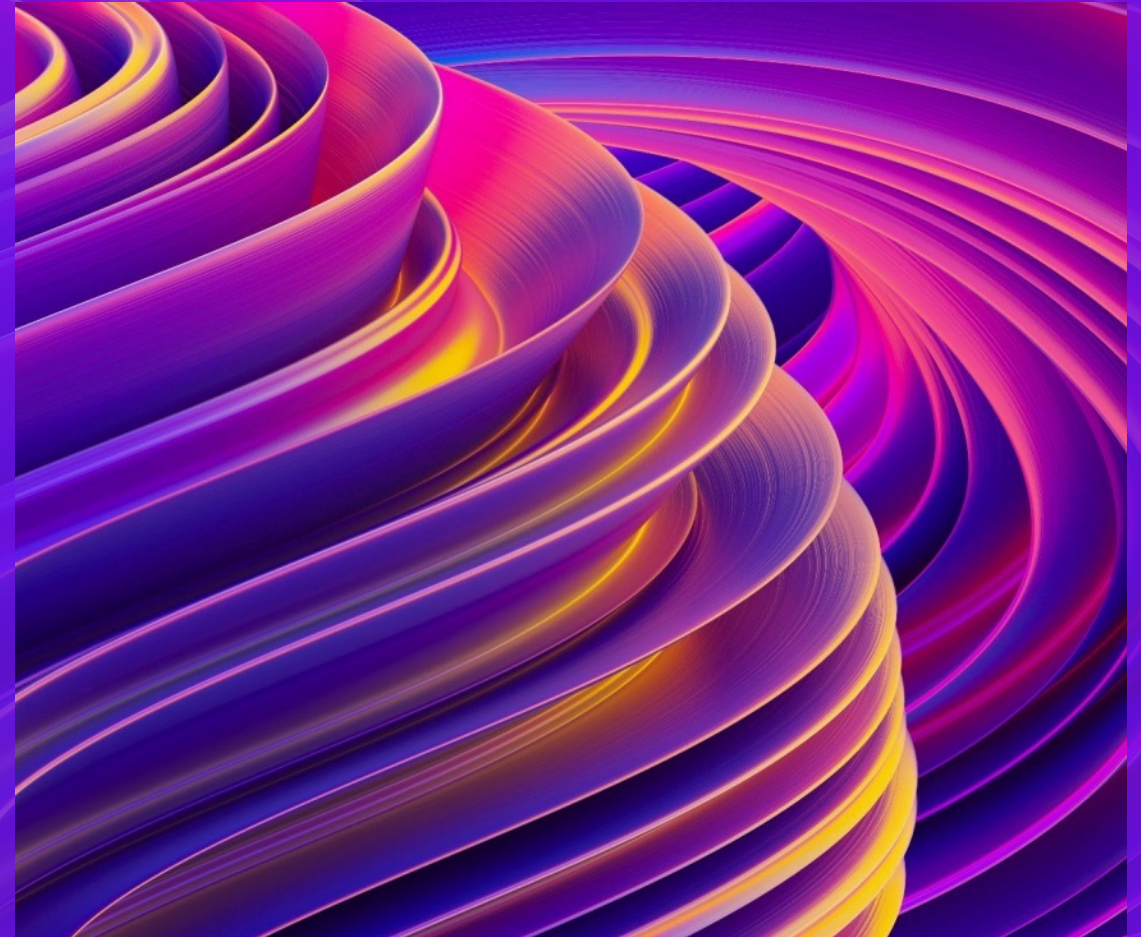
# Leeds, Grenville & Lanark District Health Unit

Audit Findings Report for the year ended  
December 31, 2024

*KPMG LLP*

Prepared as of September 22, 2025 for presentation to the  
Board of Directors on October 22, 2025

[kpmg.ca/audit](https://kpmg.ca/audit)



# KPMG contacts

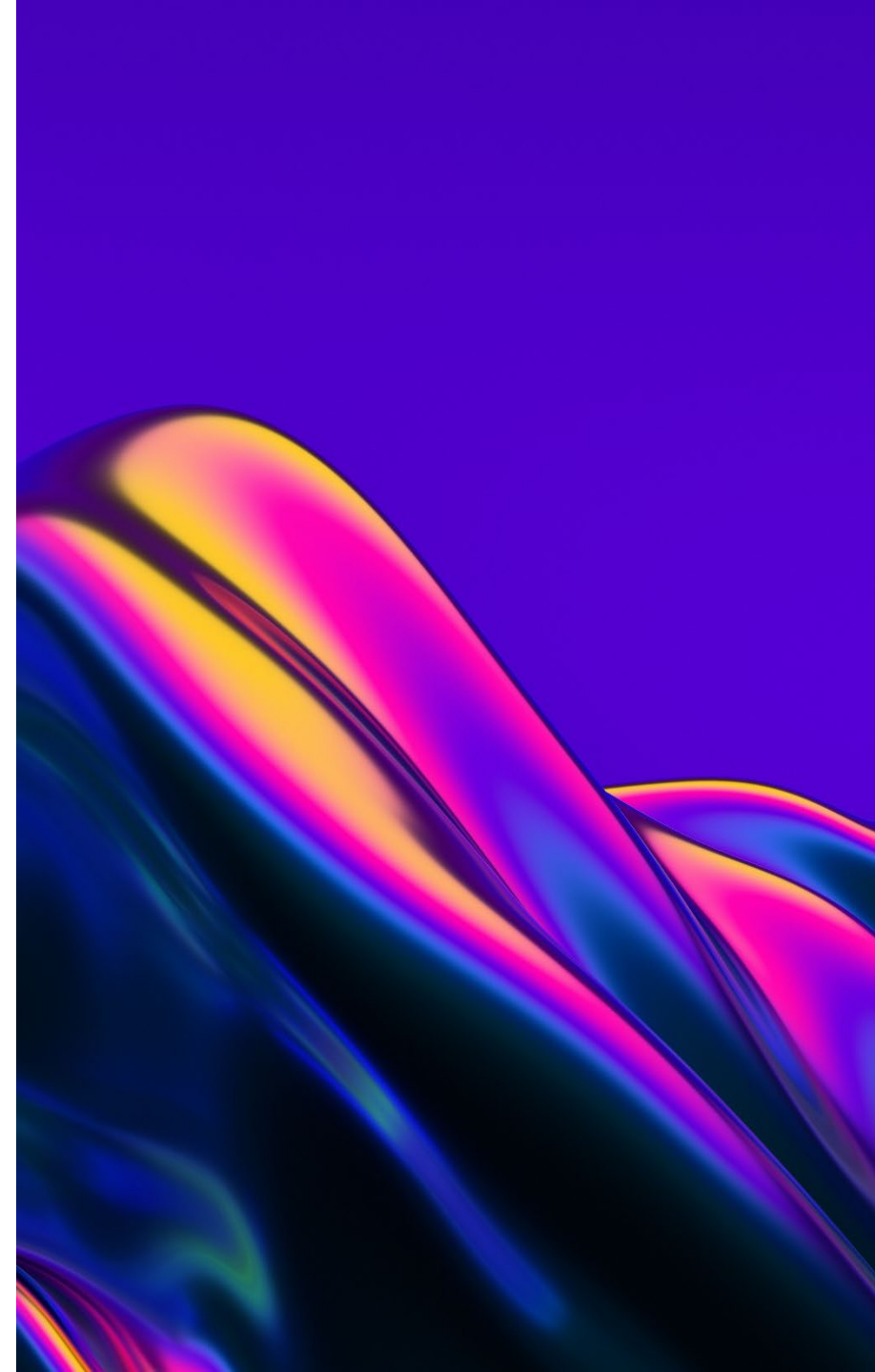
## Key contacts in connection with this engagement



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# Table of contents

## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

|           |                      |           |                             |           |                               |           |                        |
|-----------|----------------------|-----------|-----------------------------|-----------|-------------------------------|-----------|------------------------|
| <b>4</b>  | <b>Highlights</b>    | <b>5</b>  | <b>Status</b>               | <b>7</b>  | <b>Risks and results</b>      | <b>11</b> | <b>Other matters</b>   |
| <b>12</b> | <b>Misstatements</b> | <b>13</b> | <b>Control deficiencies</b> | <b>20</b> | <b>Policies and practices</b> | <b>22</b> | <b>Specific topics</b> |
| <b>23</b> | <b>Independence</b>  | <b>24</b> | <b>Appendices</b>           |           |                               |           |                        |

The purpose of this report is to assist you, as a member of the Board, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management and the Board and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Audit highlights

**Status**

We have completed the audit of the financial statements (“financial statements”) of Leeds, Grenville & Lanark District Health Unit (“Health Unit”) for the year ended December 31, 2024, with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.

**Significant changes**

Significant changes since our audit plan

Updates to our audit plan from the prior year were related to the adoption of newly effective accounting standards.

**Risks and results**

Significant risks

- We did not identify any significant financial reporting risks other than the presumed risk of management override of controls.

Other risks of material misstatement

- Other financial reporting risks that required additional audit procedures

**Policies and practices & Specific topics**

Significant unusual transactions

Accounting policies and practices

Other financial reporting matters

Going concern matters

No matters to report       Matters to report – see link for details

**Materiality**

|                                      |                  |
|--------------------------------------|------------------|
| <b>Current year</b>                  | <b>\$425,000</b> |
| Benchmark                            | Expenses         |
| % Benchmark                          | 2.3%             |
| Audit Misstatement Posting Threshold | \$21,250         |
| <b>Prior Year</b>                    | <b>\$425,000</b> |
| Benchmark                            | Expenses         |
| % Benchmark                          | 2.2%             |
| Audit Misstatement Posting Threshold | \$21,250         |

**Misstatements**

Corrected misstatements

Uncorrected misstatements

**Control deficiencies**

Significant deficiencies

Other observations



# Status

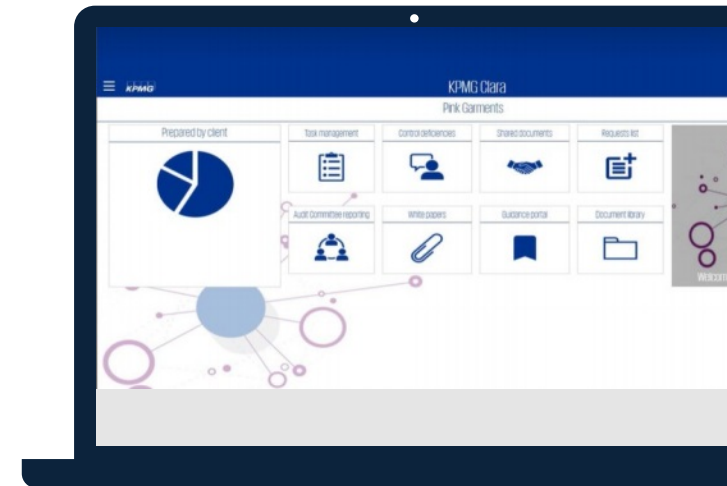
As of September 22, 2025, in preparation of our Audit Findings Report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

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

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

A draft of our auditor's report is provided in [Appendix 1a: Draft Auditor's Report](#), will be dated upon the completion of any remaining procedures.

## KPMG Clara for Clients (KCfc)





# Updates to our prior year audit plan

## Other significant changes



### Newly effective accounting standards



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

The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.

The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. It notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.

**PS 3160, Public private partnership**, became effective for this year end (fiscal years beginning on or after April 1, 2023).

The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership.

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

The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles.

Narrow scope amendments were made to PS 1000 *Financial statement concepts* to remove the prohibition to recognize purchased intangibles and to PS 1201 *Financial statement presentation* to remove the requirement to disclose purchased intangibles not recognized.


Newly effective accounting standards



### Newly effective auditing standards

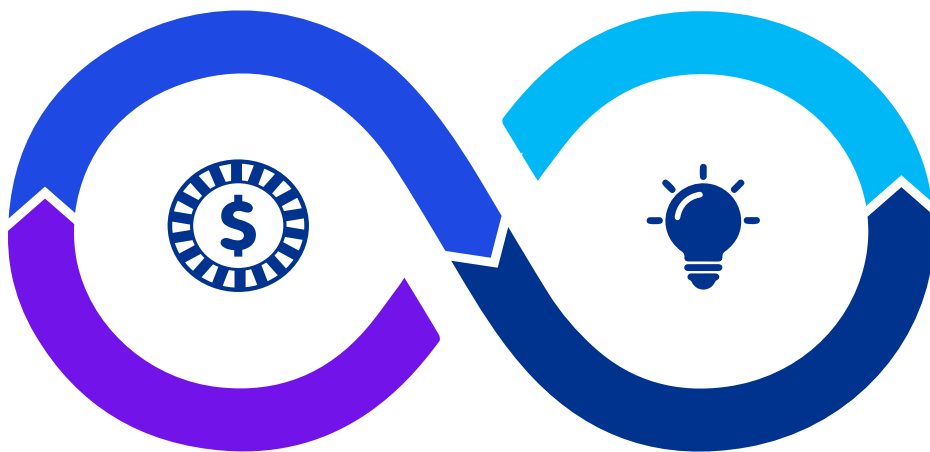


There are no new auditing standards impacting the current year audit.

Future changes to auditing standards 



# Materiality



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

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

## Plan and perform the audit

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

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

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

## Evaluate the effect of misstatements

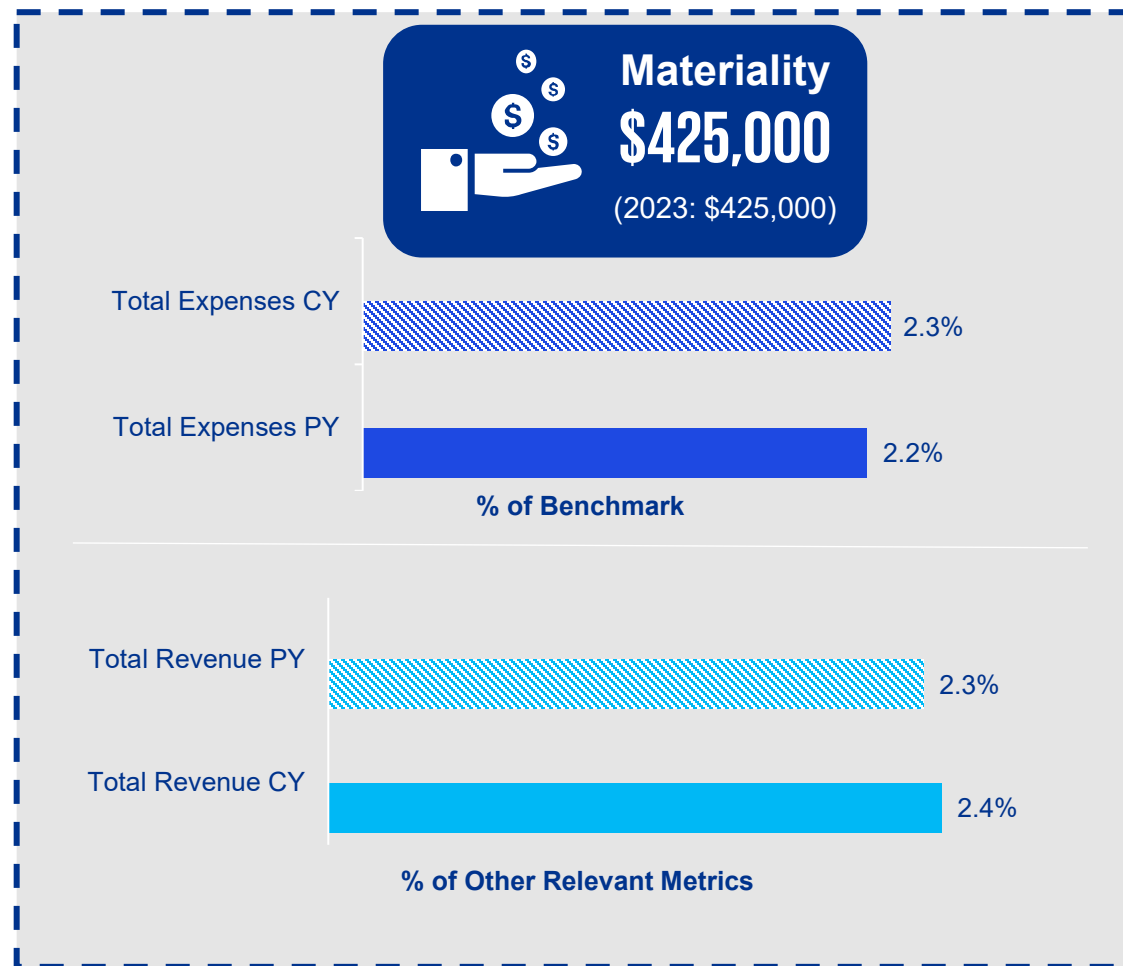
We also **use materiality** to evaluate the effect of:

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



# Materiality (continued)

Materiality has been set using the prior year audited financial statements. Performance materiality has been set at 75% of materiality or \$318,750. Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate.



**Total Expenses**

**\$18,572,000**

(2023: \$19,286,000)

**Total Revenue**

**\$17,608,000**

(2023: \$18,640,000)



# Risk assessment summary

Our planning begins with an assessment of risks of material misstatement in your financial statements.

We draw upon our understanding of the Health Unit and its environment (e.g. the industry, the wider economic environment in which the business operates, etc.), our understanding of the Health Unit's components of its system of internal control, including our business process understanding.

|  |  | Risk of fraud | Risk of error | Risk Rating |
|--|--|---------------|---------------|-------------|
| ● Management override of controls (presumed)                         |  | ✓             |               | Significant |
| ● Grant revenue and related deferred revenue and accounts receivable |  |               | ✓             | Base        |
| ● Operating and payroll expenses (including related accruals)        |  |               | ✓             | Base        |
| ● Tangible capital assets and related capital funding                |  |               | ✓             | Base        |
| ● Cash   |  |               | ✓             | Base        |
| ● Financial reporting  |  |               | ✓             | Base        |

● PRESUMED RISK OF MATERIAL MISSTATEMENT

● OTHER AREA OF FOCUS



## Current year findings

We did not uncover any significant findings as a result of the procedures performed over the areas highlighted above.



# Significant risks and results

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



Management Override of Controls

RISK OF  
  
FRAUD

## Significant risk

Estimate?

Key audit matter?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

No

## Our response

- Our procedures included:
  - We tested the design and implementation of controls surrounding the review of journal entries, and the business rationale for significant entries.
  - Using our KPMG software tools, we analyzed the journal entries posted during the year for completeness.
  - In responding to risks of fraud and management override of controls, we set specific criteria to isolate high risk journal entries and adjustments in order to analyze for further insights into our audit procedures and findings.
  - We have not identified any specific additional risks of management override relating to this audit.
- There were no significant changes to management's process for making the critical accounting estimates and there were no indicators of possible management bias.

**No issues were noted.**



# Other matters



## Ongoing Operations & Subsequent event

- Subsequent to the year-end, effective January 1, 2025, the Health Unit voluntarily merged with Hastings Prince Edward Public Health and Kingston, Frontenac and Lennox and Addington Public Health to form the South East Health Unit ("SEHU"), after receiving approvals from the Ministry of Health.
- With the restructure being a material event to the ongoing operations of the Health Unit, this has been disclosed in the financial statements, in accordance with CPA Handbook PS 2400 Subsequent Events.
- Refer to Note 14 in the financial statements.



## Financial Sustainability

- KPMG notes that as of December 31, 2024, the Health Unit is in a net financial liability (net debt) position of \$1.4 million, whereby the Organization's liabilities exceed its assets. KPMG also notes that the Health Unit generated an in-year deficit of \$963k and has an unrestricted accumulated deficit of \$1.06 million.
- As a result of the factors described above, we reviewed and discussed management's assessment of the current financial state and ensured it was appropriately reflected in the liquidity risk disclosure in note 10(c) to the financial statements. Further, with the merger and restructure of the three Health Units in fiscal 2025, management has identified efficiency measures and cost savings that will be implemented to ensure financial sustainability in 2025 and beyond.
- KPMG reviewed the CPA Handbook *PS 1202.025* to ensure the financial statements and related disclosures are prepared in accordance with the appropriate guidance.

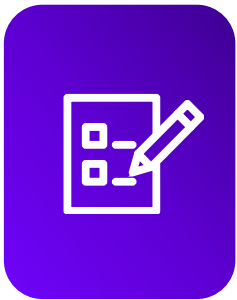


# Audit misstatements

As stated earlier in our report, materiality for fiscal 2024 was set at \$425,000 (2023 - \$425,000) which translated into an audit misstatement posting threshold of \$318,750 (2023 - \$318,750). As such, all misstatements identified during the audit greater than \$21,250 have been recorded on our summary of adjustments and differences.

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the Finance Committee that all identified adjustments or differences be corrected, if any.



## Impact of uncorrected misstatements

- We did not identify any misstatements that remain uncorrected.



## Impact of corrected misstatements

- We did not identify any misstatements that were corrected by management.



# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Health Unit's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively. **We identified certain control observations. See pages 15-19.**

## Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance. **We identified a significant deficiency in internal control over financial reporting in the prior year, which we included in our audit approach and increased substantive testing to mitigate this risk to an acceptable level to complete the audit, in all material respects. See page 14 for current year update.**



# Significant Control Deficiency



## Financial Governance

### Prior Year Observation:

KPMG notes the Director of Finance position turned over twice in the past year, with a contractor filling this role throughout the audit process.

During the audit, there were a number of control observations noted, as described in the following pages of this report. While corrected for the year-end financial statements, the in-year financial reporting was inaccurate. KPMG notes that accurate and reliable in-year financial reporting is critical to ensure the various funding envelopes and programming are being optimized.

KPMG notes that the lack of a consistent financial leadership role, along with the aggregate effect of the control observations noted, results in a significant control deficiency for the Organization, which Canadian auditing standards requires to be brought to the attention of the Finance Committee.

### Prior Year Recommendation:

KPMG recommends completing a review of the financial governance structure.

This includes but is not limited to reviewing all financial policies, internal controls and ensuring the appropriate level of oversight of financial transactions by a full-time qualified individual.

Adequate financial governance is a critical concept of internal control, which is a key finance function that requires immediate attention.

### Current Year Update:

KPMG notes that the 2023 audit report was issued in October 2024, with the subsequent merger of the three health units on January 1, 2025.

As a result, there was a lack of time to sufficiently implement changes required to improve financial governance for the December 31, 2024 fiscal year. Consequently, KPMG has maintained the significant control deficiency for fiscal 2024.

KPMG also notes a significant improvement in the quality of the year-end audit working papers provided throughout the course of fieldwork in the summer of 2025.

# Control deficiencies (continued)



## Prior year observations

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



## Reserve policies

### Observation:

KPMG noted the below findings with regards to the reserve policies as of December 31, 2023:

- (a) Land control – As at December 31, 2023, the land control reserve holds a balance of \$79,416 with no plan/policy in place to determine how the funds held in the reserve are to be utilized.
- (b) General operating reserves – As at December 31, 2023, KPMG noted there was a general operating deficit of \$191,933 from operations. KPMG also noted there was a general reserve for \$486,964. KPMG noted that understanding the nature of these reserves and existing policies around them with regards to how funds were to be utilized was critical to meet operating requirements in the absence of a surplus from operations.
- (c) Capital reserve – KPMG noted currently there was no reserve maintained to meet future capital requirements. Considering the capital assets that are currently held by the Organization, it was prudent that a formal policy exists with regards to funding future capital projects as well as covering the maintenance expenses of existing assets.

### Current year update:

KPMG notes that during the current year audit fieldwork, the position of the above reserves is as below:

- (a) Land control – As at December 31, 2024, the land control reserve holds a balance of \$63,274.
- (b) General operating reserves – As at December 31, 2024, KPMG notes a net deficit of \$1,063,583 from operations.
- (c) Similar to the prior year, there is no reserve being maintained to meet future capital requirements.

KPMG recommends a review to be undertaken of the existing reserves and to ensure policies are in place to ensure the reserves are been effectively utilized.

# Control deficiencies (continued)



## Prior year observations

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



## Opening balance discrepancies

### Observation:

During the audit, we noted a number of discrepancies between the opening trial balance and the prior year audited financial statements.

On further review, KPMG noted this largely surrounded the recording of the transfers to the reserves being maintained by the Organization pertaining to invested in tangible capital assets, unrestricted surplus and the land control reserve.

KPMG provided assistance to balance the financial statements, ensuring the proper safeguards were in place to maintain our auditor independence.

KPMG also provided assistance in the preparation of the financial statements, including the adoption of new accounting standards and required note disclosures.

### Current year update:

KPMG notes all balances were reconciled at the time of audit. **KPMG considers this matter closed.**

# Control deficiencies (continued)



## Prior year observations

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



## Tangible capital assets

### Observation:

KPMG noted the during the course of the audit the following matters with regards to tangible capital assets:

- (a) Amortization expense – During the year ended December 31, 2023, there were adjustments recorded by management with regards to the recording of amortization expenses across multiple asset classes arising due to both understatement as well as overstatement of amortization in prior years.
- (b) Amortization policy – On review of the capital asset policy, KPMG notes that assets were being amortized not in compliance with the accounting policy as described in the financial statements.
- (c) Accounting framework – On review of the preliminary accounts provided, KPMG noted there were journal entries recorded not in compliance with Public Sector Accounting Standards (“PSAS”) which required adjustments to bring the trial balance in accordance with the proper accounting framework.

### Current year update:

KPMG recommends the following with regards to tangible capital assets:

- (a) To assist with long term planning and improve the year end financial reporting, we would recommend the data be updated to a format designed for capital asset accountability. This will help mitigate the errors noted during the year pertaining to the recording of amortization expense.
- (b) To review the capital asset policy to ensure it is aligned with amortization rates in use.
- (c) To ensure there is a secondary review of all journal entries to ensure posting is in compliance with the applicable accounting framework.

# Control deficiencies (continued)



## Prior year observations

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



## Revenue reconciliation

### Observation:

During the audit, KPMG noted a significant number of discrepancies while reviewing the revenue reconciliations provided by management with regards to the funding received from the Ministry of Health compared to the revenue recorded as per the trial balance/general ledger for the year ended December 31, 2023.

On further review, KPMG notes that the preliminary accounts provided by management did not take into consideration the below:

- (a) Reversal of prior year revenue setup as receivables – as a result, preliminary Ministry revenue was overstated by the total of these receivable balances as these balances are to be deducted in determining the revenue for the year ended December 31, 2023
- (b) Reversal of prior year revenue setup as deferred revenue - as a result, management incorrectly calculated the amounts due from/(to) the Ministry as at December 31, 2023 by not taking into consideration if prior year deferred revenue was utilized or not in meeting the program funding requirements.
- (c) Accrual of current year Ministry receivables as well as deferred revenue – as mentioned above, not taking these accruals into account leads to materially misstating the Ministry of Health revenue for the year ended December 31, 2023 as well as determining the due from/(to) balances with the Ministry as at December 31, 2023

KPMG notes the above were subsequently corrected by the management after being brought to attention by KPMG during the course of the audit.

### Current year update:

KPMG notes all balances were reconciled at the time of audit. **KPMG considers this matter closed.**



# Control deficiencies (continued)



## Prior year observations

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



## Review of journal entries

### Observation:

During the audit, KPMG noted a significant number of discrepancies while reviewing the preliminary accounts provided by management as mentioned below:

- (a) High volume of journal entries to remedy the general ledger and lack of segregation of duties surrounding preparation, review and approval of journal entries posted to the general ledger – KPMG notes that between the final trial balance provided by management and the preliminary trial balance, a number of adjustments had to be recorded materially impacting a number of accounts
- (b) Lack of review of account details prior to finalizing the trial balance, leading to multiple adjusting journal entries – as mentioned above, a number of adjustments had to be recorded by management after the provision of the preliminary trial balance resulting in KPMG having to review and audit multiple versions of the trial balance during the course of the audit

Individually and in aggregate, the above items were over our audit posting threshold and deemed material to the overall financial statements. These were subsequently corrected by management after being brought to attention by KPMG during the course of the audit.

### Current year update:

KPMG notes all balances were reconciled at the time of audit. **KPMG considers this matter closed.**



# Accounting policies and practices



## Initial selection

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

- PS 3400 *Revenue*
- PSG-8 *Purchased Intangibles*
- PS 3160 *Public Private Partnerships (P3s)*



## Revised

No matters to report.



## Significant qualitative aspects

Significant accounting policies or practices are disclosed in note 2 to the financial statements.

No matters to report.



# Other financial reporting matters

We also highlight the following:



## Financial statement presentation - form, arrangement, and content



Subsequent event note disclosure has been added to the financial statements reflecting the January 1, 2025 merger of the three health units to form the South East Health Unit.



## Concerns regarding application of new accounting pronouncements



The revised Concepts Underlying Financial Performance is effective for fiscal years beginning on or after April 1, 2026. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.

The proposed section PS 1202 Financial statement presentation will replace the current section PS 1201 Financial statement presentation. PS 1202 Financial statement presentation will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.



## Significant qualitative aspects of financial statement presentation and disclosure



No matters to report



# Specific topics

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

| Matter  | Finding              |
|---|----------------------|
| <b>Illegal acts, including noncompliance with laws and regulations, or fraud</b>  | No matters to report |
| <b>Other information in documents containing the audited financial statements</b> | Not applicable.      |
| <b>Significant difficulties encountered during the audit</b>                      | No matters to report |
| <b>Difficult or contentious matters for which the auditor consulted</b>           | No matters to report |
| <b>Management's consultation with other accountants</b>                           | No matters to report |
| <b>Disagreements with management</b>  | No matters to report |
| <b>Related parties</b>  | No matters to report |
| <b>Significant issues in connection with our appointment or retention</b>         | No matters to report |
| <b>Other matters that are relevant matters of governance interest</b>             | No matters to report |



# Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code<sup>1</sup> and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



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



Ethics, independence and integrity training for all staff



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



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



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

## Statement of compliance

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



<sup>1</sup> International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)

# Appendices

**1**

Required communications

**4**

Audit and assurance insights

**2**

Audit quality

**5**

Technology highlights

**3**

Upcoming changes to auditing standards





# Appendix 1: Other required communications



## Engagement terms

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



## CPAB communication protocol

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

- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2023 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)



# Appendix 1a: Draft auditor's report

## INDEPENDENT AUDITOR'S 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, 2024;
- 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 remeasurement gains and losses for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its cash flows, and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

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

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

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



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

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

Management is responsible for the preparation and fair presentation of 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.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

Date



# Appendix 1b: Management representation letter

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

October 22, 2025

We are writing at your request to confirm our understanding that your review was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Leeds, Grenville & Lanark District Health Unit ("the Entity") as at and for the period ended December 31, 2024.

*General:*

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment 1](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

*Responsibilities:*

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated March 29, 2024, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.
  - e) providing you with additional information that you may request from us for the purpose of the engagement.
  - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
  - g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

*Internal control over financial reporting:*

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

*Fraud & non-compliance with laws and regulations:*

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - others
 where such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

*Subsequent events:*

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

*Related parties:*

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.



# Appendix 1b: Management representation letter (continued)

## *Estimates:*

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

## *Going concern:*

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

## *Non-SEC registrants or non-reporting issuers:*

- 11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 12) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

LEEDS, GRENVILLE & LANARK DISTRICT HEALTH UNIT

By: Ms. Suzette Taggart, Director of Corporate Services

## Attachment I – Definitions

### *Materiality*

Certain representations in this letter are described as being limited to matters that are material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

### *Fraud & error*

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.



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

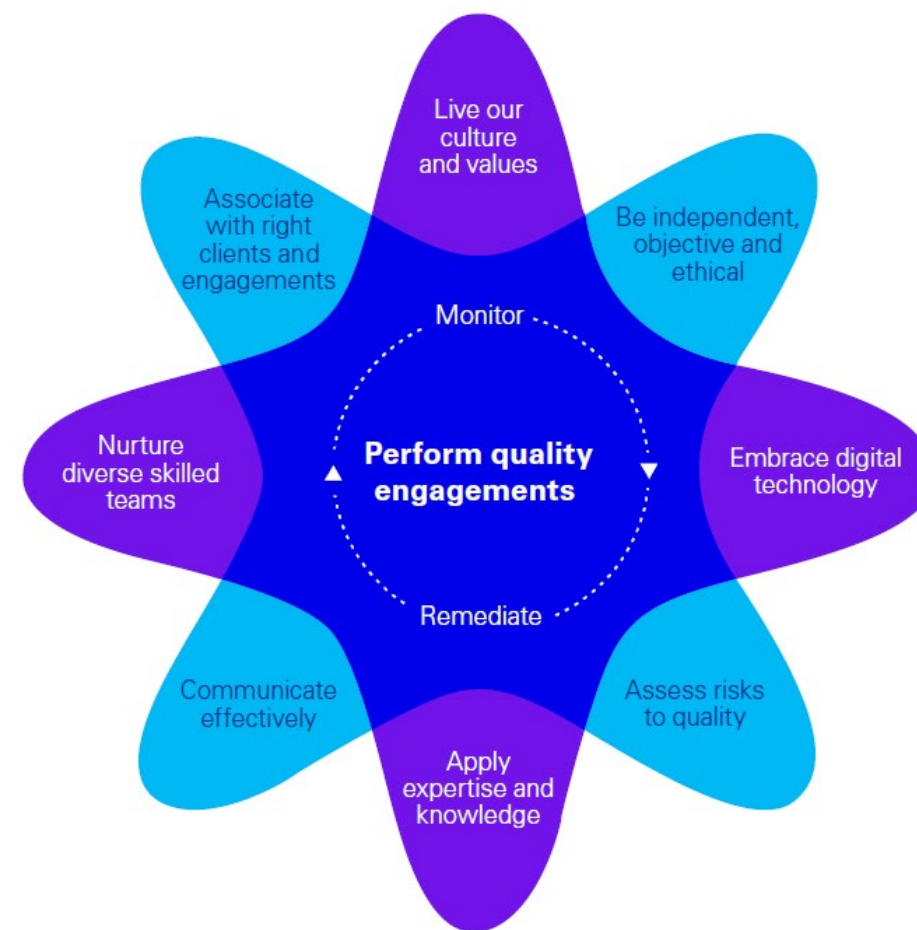
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

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

 [KPMG Canada Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**



# Appendix 2: Audit quality - Indicators (AQIs)

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

## Audit team composition

- Experience, commitment and knowledge of the broader public sector
- A combination of continuity and fresh perspectives
- Access to specialist resources with public sector experience

## Technology in the audit

- Increase in use of technology in the audit year over year
- Use of secure KPMG portal for transfer of electronic documents

## Independence




- We will not put ourselves in a situation where we would audit our own work.
- We apply the most rigorous standards to our professional services in order to ensure our continued independence in our role.

## Client preparedness

- Key financial records and working papers were made available to the audit team on week of fieldwork
- Management completed the preparation of the financial statements

## Finance Committee

- Finance Committee participate fully in the discussion with auditors, including meeting in camera with the auditors
- KPMG provides current industry trends and updates to accounting and audit standards

-  Nothing to report
-  Some matters to report
-  Specific matters to report



# Appendix 3: Upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments



Effective for periods beginning on or after December 15, 2024 (Year ending December 31, 2025)

## ISA 260/CAS 260

.....  
Communications  
with those charged  
with governance

## ISA 700/CAS 700

.....  
Forming an opinion  
and reporting on  
the financial  
statements



# Appendix 4: Audit and assurance insights

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

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

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

## Insights - KPMG Canada

## Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

## IFRS Breaking News

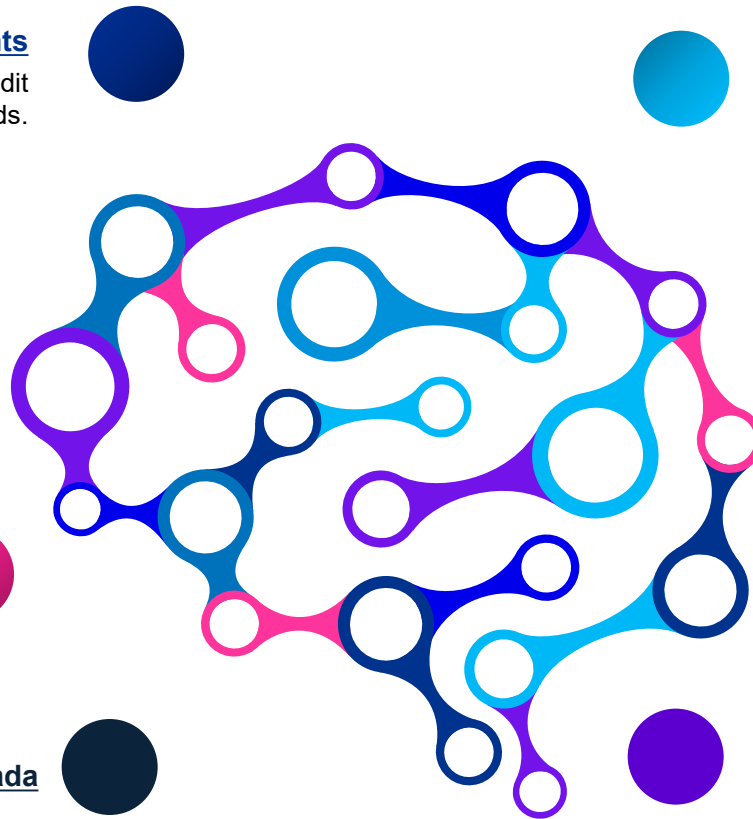
A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

## Finance Committee Guide – Canadian Edition

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

## Accelerate 2025

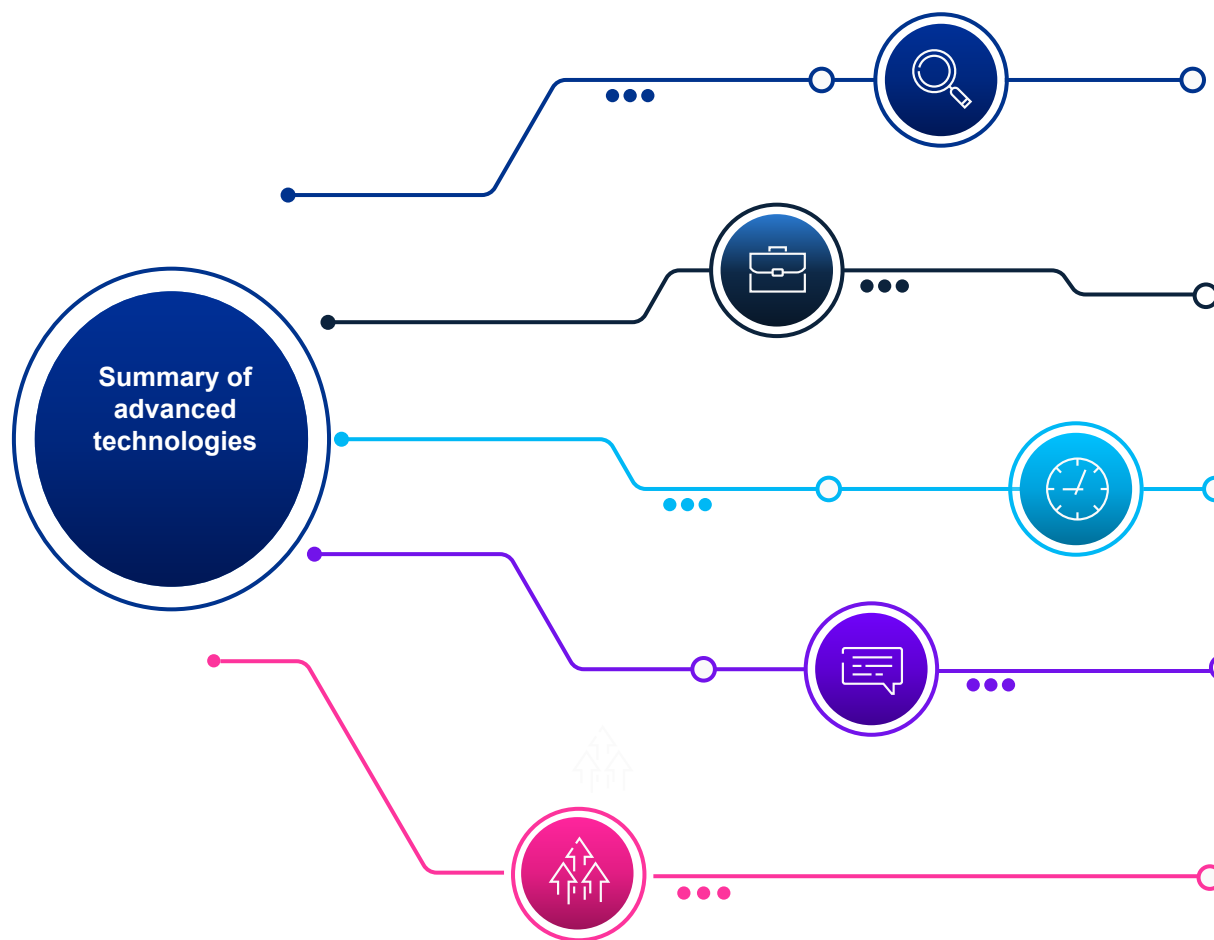
The key issues driving the Finance Committee agenda in 2025.





# Appendix 5: Technology highlights

We plan to utilize technology to enhance the quality and effectiveness of the audit.



## KPMG Clara Analytics

Using the latest technologies to analyze data, KPMG Clara allows us to visualize the flow of transactions through the system, identify risks in your financial data and perform more specific audit procedures. The engagement team primarily use this tool to prepare trend analytics (planning and final) during the audit.

## KPMG Clara for Client (Kcfc)

Allows the client team to see the real-time status of the engagement and who from our KPMG team is leading on a deliverable. The tool is used to control the status of audit requirements and as a collaboration site to share files and data.

## KPMG Clara Workflow (KCw)

A modern, intuitively written, highly applicable audit methodology that allows us to deliver globally consistent engagements. The tool allows us to identify and respond to relevant risks, document our audit procedures, conclusions, and reporting.

## Datasnipper

Datasnipper is an audit tool that uses optical character recognition and robotic process automation to automate vouching procedures within the audit engagement. It automatically matches specified excel data to the corresponding documents, leaving an audit trail behind for review.

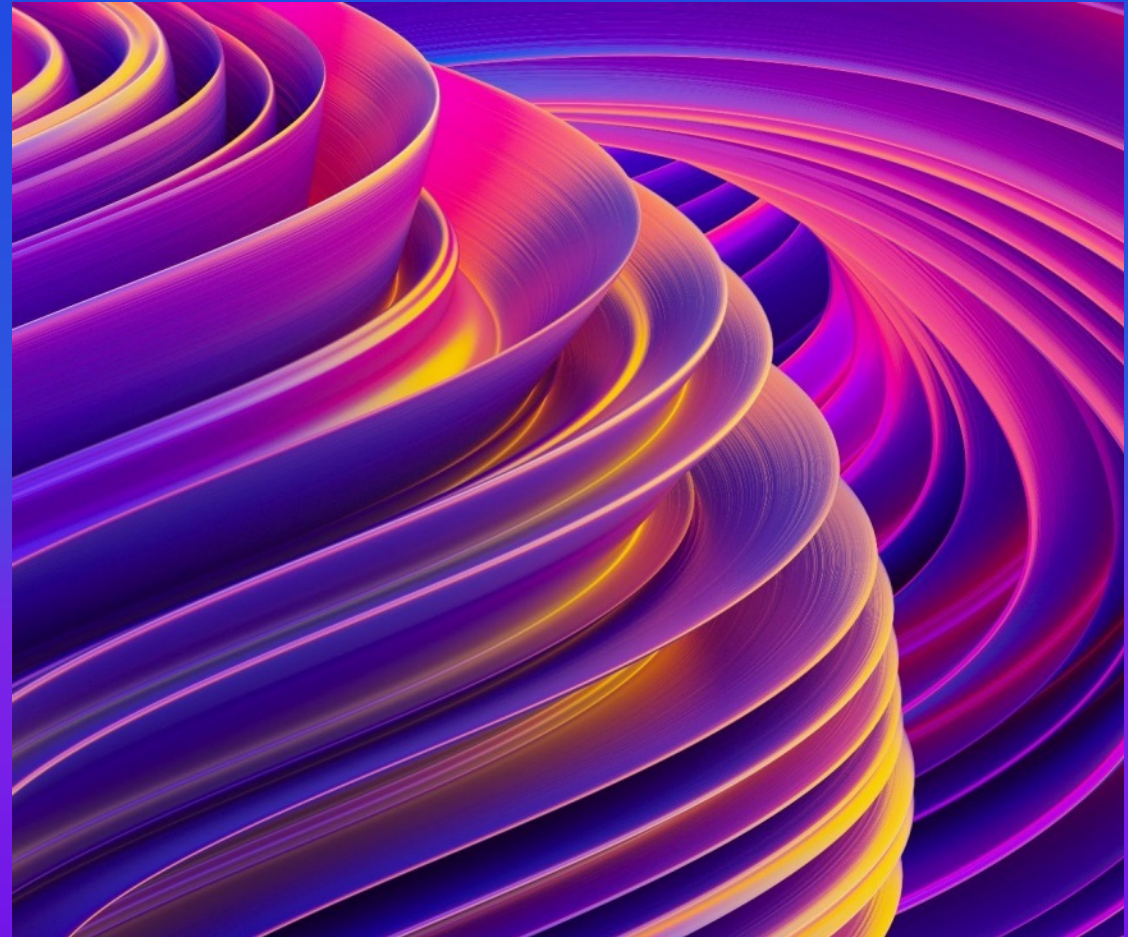
## KPMG Clara Analytics – AI Transaction Scoring, powered by MindBridge

MindBridge is a tool that applies advanced statistical, machine learning, and rules-based analytics technology to analyze transactions on a more granular level and deliver an even higher quality audit. The engagement team primarily use this tool to perform testing over non-salary expenses during the audit.



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

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# Appendix 7

## Southeast Public Health Statement of Financial Position, Pro Forma

|   | 2024-Dec-31          |                      |                     | 2025-Jan-01          |
|---|----------------------|----------------------|---------------------|----------------------|
|   | HPE                  | KFLA                 | LGLD                | SEHU                 |
| <b>Financial Assets</b>                   |                      |                      |                     |                      |
| Cash                                      | \$ 8,973,333         | \$ 5,228,495         | \$ 2,149,492        | \$ 16,351,320        |
| Accounts Receivable                       | 169,016              | 915,805              | 158,673             | 1,243,494            |
| Due from Province of Ontario              | 290,341              | 644,725              | 2,214,472           | 3,149,538            |
| Investments                               | -                    | -                    | -                   | -                    |
| <b>Total Financial Assets</b>             | <b>9,432,690</b>     | <b>6,789,025</b>     | <b>4,522,637</b>    | <b>20,744,352</b>    |
| <b>Financial Liabilities</b>              |                      |                      |                     |                      |
| Accounts Payable and Accrued Liabilities  | 1,646,752            | 1,758,980            | 1,590,039           | 4,995,771            |
| Deferred Revenue                          | 1,224,921            | 258,101              | 1,677,423           | 3,160,445            |
| Due to Province of Ontario                | 629,793              | 766,446              | 2,094,895           | 3,491,134            |
| Mortgage Payable                          | 5,970,647            | 2,228,000            | 570,355             | 8,769,002            |
| Interest Rate Swaps                       | (167,033)            | 139,382              | -                   | (27,651)             |
| <b>Total Financial Assets</b>             | <b>9,305,080</b>     | <b>5,150,909</b>     | <b>5,932,712</b>    | <b>20,388,701</b>    |
| <b>Net Financial Assets (Liabilities)</b> | <b>127,610</b>       | <b>1,638,116</b>     | <b>(1,410,075)</b>  | <b>355,651</b>       |
| <b>Non-Financial Assets (Liabilities)</b> |                      |                      |                     |                      |
| Prepaid Expenses                          | 152,542              | 325,305              | 329,246             | 807,093              |
| Tangible Capital Assets                   | 9,849,598            | 8,777,973            | 2,650,123           | 21,277,694           |
| Commitments                               | -                    | -                    | -                   | -                    |
| Economic Dependence                       | -                    | -                    | -                   | -                    |
| Subsequent Event                          | -                    | -                    | -                   | -                    |
| <b>Non-Financial Assets (Liabilities)</b> | <b>10,002,140</b>    | <b>9,103,278</b>     | <b>2,979,369</b>    | <b>22,084,787</b>    |
| <b>Total Net Assets (Liabilities)</b>     | <b>\$ 10,129,750</b> | <b>\$ 10,741,394</b> | <b>\$ 1,569,294</b> | <b>\$ 22,440,438</b> |
| <b>Accumulated Surplus</b>                |                      |                      |                     |                      |
| Accumulated Surplus                       | \$ 9,962,717         | \$ 10,880,776        | \$ 1,569,294        | \$ 22,412,787        |
| Accumulated Remeasurement Gains (Losses)  | 167,033              | (139,382)            | -                   | 27,651               |
| Accumulated Surplus Legacy HPE            |                      |                      |                     |                      |
| Accumulated Surplus Legacy KFLA           |                      |                      |                     |                      |
| <b>Total Accumulated Surplus</b>          | <b>\$ 10,129,750</b> | <b>\$ 10,741,394</b> | <b>\$ 1,569,294</b> | <b>\$ 22,440,438</b> |

**South East Health Unit**  
**Financial Results Package**  
For the Year to Date Ended  
**2025-Aug-31**

Prepared for  
**Board of Health | Finance Committee**  
**2025-Oct-15**

**Southeast Public Health  
Statement of Operations | Mandatory Programs  
For the Calendar Year Ended  
2025-Aug-31**

|  | Actuals             | Budget            | Variance            | Annual Budget     | Budget Spend % |
|--|---------------------|-------------------|---------------------|-------------------|----------------|
| <b>Funding and Grants</b>                    |                     |                   |                     |                   |                |
| Provincial                                   | \$ 23,416,000       | \$ 22,836,067     | \$ 579,933          | \$ 34,254,100     | 68.36          |
| Municipal                                    | 10,000,691          | 9,690,399         | 310,292             | 14,535,598        | 68.80          |
| Federal and Other                            | 504,069             | -                 | 504,069             | -                 | -              |
| <b>Total Funding and Grants</b>              | <b>33,920,760</b>   | <b>32,526,466</b> | <b>1,394,294</b>    | <b>48,789,698</b> | <b>69.52</b>   |
| <b>Expenses</b>                              |                     |                   |                     |                   |                |
| Employee Salaries and Wages                  | 20,580,490          | 21,651,014        | 1,070,524           | 32,476,521        | 63.37          |
| Employee Benefits                            | 6,428,864           | 6,171,431         | (257,433)           | 9,257,147         | 69.45          |
| <b>Total Employee Salaries, Wages and Be</b> | <b>27,009,355</b>   | <b>27,822,445</b> | <b>813,090</b>      | <b>41,733,668</b> | <b>64.72</b>   |
| Expenses (Summary)                           | 4,589,166           | 4,570,687         | (18,479)            | 6,856,030         | 66.94          |
| Capital Expenditures                         | -                   | 133,334           | 133,334             | 200,000           | -              |
| <b>Total Expenses</b>                        | <b>31,598,520</b>   | <b>32,526,466</b> | <b>927,946</b>      | <b>48,789,698</b> | <b>64.76</b>   |
| <b>Operating Surplus (Deficit)</b>           | <b>\$ 2,322,240</b> | <b>\$ -</b>       | <b>\$ 2,322,240</b> | <b>\$ -</b>       |                |
| Municipal Excess Transferred to Surplus      | 2,195,357           | -                 |                     |                   |                |
| <b>Funding Surplus</b>                       | <b>\$ 126,883</b>   | <b>\$ -</b>       |                     |                   |                |

| <b>Expenses (Details)</b>                    |                      |                      |                   |                      |              |
|--|----------------------|----------------------|-------------------|----------------------|--------------|
| Employee Salaries and Wages                  | \$ 20,580,490        | \$ 21,651,014        | \$ 1,070,524      | \$ 32,476,521        | 63.37        |
| Employee Benefits                            | 6,428,864            | 6,171,431            | (257,433)         | 9,257,147            | 69.45        |
| <b>Total Employee Salaries, Wages and Be</b> | <b>27,009,355</b>    | <b>27,822,445</b>    | <b>813,090</b>    | <b>41,733,668</b>    | <b>64.72</b> |
| Staff Training and Development               | 134,713              | 270,153              | 135,440           | 405,230              | 33.24        |
| Board of Health                              | 15,176               | -                    | (15,176)          | -                    | -            |
| Volunteer                                    | -                    | -                    | -                 | -                    | -            |
| Travel                                       | 286,491              | 343,100              | 56,609            | 514,650              | 55.67        |
| Building Occupancy                           | 1,301,166            | 1,063,945            | (237,221)         | 1,595,918            | 81.53        |
| Office Expenses, Printing and Postage        | 365,005              | 178,795              | (186,210)         | 268,192              | 136.10       |
| Program Specific Materials and Supplies      | 266,734              | 993,660              | 726,926           | 1,490,490            | 17.90        |
| Office Equipment                             | 102,603              | -                    | (102,603)         | -                    | -            |
| Professional and Contract Services           | 840,234              | 794,067              | (46,167)          | 1,191,100            | 70.54        |
| Municipal Charges                            | -                    | -                    | -                 | -                    | -            |
| Telephone, Cell Phone and Internet Costs     | 271,394              | 110,067              | (161,327)         | 165,100              | 164.38       |
| Allocated Admin Costs                        | -                    | -                    | -                 | -                    | -            |
| Information and Technology Equipment         | 1,229,176            | 1,274,033            | 44,857            | 1,911,050            | 64.32        |
| Other Expenses                               | (223,525)            | (457,133)            | (233,608)         | (685,700)            | 32.60        |
| <b>Total</b>                                 | <b>31,598,520</b>    | <b>32,393,132</b>    | <b>794,612</b>    | <b>48,589,698</b>    | <b>65.03</b> |
| Capital Expenditures                         | -                    | 133,334              | 133,334           | 200,000              | -            |
| <b>Total Expenses</b>                        | <b>\$ 31,598,520</b> | <b>\$ 32,526,466</b> | <b>\$ 927,946</b> | <b>\$ 48,789,698</b> | <b>64.76</b> |

**Southeast Public Health**  
**Statement of Operations | Ontario Senior's Dental Care Program**  
**For the Calendar Year Ended**  
**2025-Aug-31**

|  | Actuals          | Budget           | Variance         | Annual Budget    | Budget Spend % |
|--|------------------|------------------|------------------|------------------|----------------|
| <b>Funding and Grants</b>                    |                  |                  |                  |                  |                |
| Provincial                                   | \$ 2,168,462     | \$ 2,302,400     | \$ (133,938)     | \$ 3,453,600     | 62.79          |
| Municipal                                    | -                | -                | -                | -                | -              |
| Federal and Other                            | 2,539            | -                | 2,539            | -                | -              |
| <b>Total Funding and Grants</b>              | <b>2,171,001</b> | <b>2,302,400</b> | <b>(131,399)</b> | <b>3,453,600</b> | <b>62.86</b>   |
| <b>Expenses</b>                              |                  |                  |                  |                  |                |
| Employee Salaries and Wages                  | 399,782          | 475,262          | 75,480           | 712,893          | 56.08          |
| Employee Benefits                            | 117,630          | 146,416          | 28,786           | 219,624          | 53.56          |
| <b>Total Employee Salaries, Wages and Be</b> | <b>517,412</b>   | <b>621,678</b>   | <b>104,266</b>   | <b>932,517</b>   | <b>55.49</b>   |
| Expenses (Summary)                           | 1,581,083        | 1,680,722        | 99,639           | 2,521,083        | 62.71          |
| Capital Expenditures                         | -                | -                | -                | -                | -              |
| <b>Total Expenses</b>                        | <b>2,098,495</b> | <b>2,302,400</b> | <b>203,905</b>   | <b>3,453,600</b> | <b>60.76</b>   |
| <b>Operating Surplus (Deficit)</b>           | <b>\$ 72,506</b> | <b>\$ -</b>      | <b>\$ 72,506</b> | <b>\$ -</b>      |                |

| <b>Expenses (Details)</b>                    |                     |                     |                   |                     |              |
|--|---------------------|---------------------|-------------------|---------------------|--------------|
| Employee Salaries and Wages                  | \$ 399,782          | \$ 475,262          | \$ 75,480         | \$ 712,893          | 56.08        |
| Employee Benefits                            | 117,630             | 146,416             | 28,786            | 219,624             | 53.56        |
| <b>Total Employee Salaries, Wages and Be</b> | <b>517,412</b>      | <b>621,678</b>      | <b>104,266</b>    | <b>932,517</b>      | <b>55.49</b> |
| Staff Training and Development               | 400                 | 3,333               | 2,933             | 5,000               | 8.00         |
| Board of Health                              | -                   | -                   | -                 | -                   | -            |
| Volunteer                                    | -                   | -                   | -                 | -                   | -            |
| Travel                                       | 15,009              | 23,567              | 8,558             | 35,350              | 42.46        |
| Building Occupancy                           | 34,970              | 67,600              | 32,630            | 101,400             | 34.49        |
| Office Expenses, Printing and Postage        | 13,692              | 20,000              | 6,308             | 30,000              | 45.64        |
| Program Specific Materials and Supplies      | 49,579              | 69,419              | 19,840            | 104,128             | 47.61        |
| Office Equipment                             | 10,241              | -                   | (10,241)          | -                   | -            |
| Professional and Contract Services           | 1,418,267           | 1,462,003           | 43,736            | 2,193,005           | 64.67        |
| Municipal Charges                            | -                   | -                   | -                 | -                   | -            |
| Telephone, Cell Phone and Internet Costs     | 858                 | 5,867               | 5,009             | 8,800               | 9.75         |
| Allocated Admin Costs                        | -                   | -                   | -                 | -                   | -            |
| Information and Technology Equipment         | 38,067              | 42,133              | 4,066             | 63,200              | 60.23        |
| Other Expenses                               | -                   | (13,200)            | (13,200)          | (19,800)            | -            |
| <b>Total</b>                                 | <b>2,098,495</b>    | <b>2,302,400</b>    | <b>203,905</b>    | <b>3,453,600</b>    | <b>60.76</b> |
| Capital Expenditures                         | -                   | -                   | -                 | -                   | -            |
| <b>Total Expenses</b>                        | <b>\$ 2,098,495</b> | <b>\$ 2,302,400</b> | <b>\$ 203,905</b> | <b>\$ 3,453,600</b> | <b>60.76</b> |

**Southeast Public Health**  
**Statement of Operations | Healthy Babies, Healthy Children**  
**For the Calendar Year Ended**  
**2025-Aug-31**

|  | Actuals          | Budget           | Variance         | Annual Budget    | Budget Spend % |
|--|------------------|------------------|------------------|------------------|----------------|
| <b>Funding and Grants</b>                    |                  |                  |                  |                  |                |
| Provincial                                   | \$ 2,452,273     | \$ 2,440,690     | \$ 11,583        | \$ 3,661,035     | 66.98          |
| Municipal                                    | -                | -                | -                | -                | -              |
| Federal and Other                            | 333              | -                | 333              | -                | -              |
| <b>Total Funding and Grants</b>              | <b>2,452,607</b> | <b>2,440,690</b> | <b>11,917</b>    | <b>3,661,035</b> | <b>66.99</b>   |
| <b>Expenses</b>                              |                  |                  |                  |                  |                |
| Employee Salaries and Wages                  | 1,745,877        | 1,759,193        | 13,316           | 2,638,789        | 66.16          |
| Employee Benefits                            | 524,257          | 501,219          | (23,038)         | 751,828          | 69.73          |
| <b>Total Employee Salaries, Wages and Be</b> | <b>2,270,134</b> | <b>2,260,412</b> | <b>(9,722)</b>   | <b>3,390,617</b> | <b>66.95</b>   |
| Expenses (Summary)                           | 154,317          | 180,280          | 25,963           | 270,418          | 57.07          |
| Capital Expenditures                         | -                | (2)              | (2)              | -                | -              |
| <b>Total Expenses</b>                        | <b>2,424,451</b> | <b>2,440,690</b> | <b>16,239</b>    | <b>3,661,035</b> | <b>66.22</b>   |
| <b>Operating Surplus (Deficit)</b>           | <b>\$ 28,156</b> | <b>\$ -</b>      | <b>\$ 28,156</b> | <b>\$ -</b>      |                |

| <b>Expenses (Details)</b>                    |                     |                     |                  |                     |              |
|--|---------------------|---------------------|------------------|---------------------|--------------|
| Employee Salaries and Wages                  | \$ 1,745,877        | \$ 1,759,193        | \$ 13,316        | \$ 2,638,789        | 66.16        |
| Employee Benefits                            | 524,257             | 501,219             | (23,038)         | 751,828             | 69.73        |
| <b>Total Employee Salaries, Wages and Be</b> | <b>2,270,134</b>    | <b>2,260,412</b>    | <b>(9,722)</b>   | <b>3,390,617</b>    | <b>66.95</b> |
| Staff Training and Development               | 2,801               | 10,067              | 7,266            | 15,100              | 18.55        |
| Board of Health                              | -                   | -                   | -                | -                   | -            |
| Volunteer                                    | -                   | -                   | -                | -                   | -            |
| Travel                                       | 59,324              | 69,967              | 10,643           | 104,950             | 56.53        |
| Building Occupancy                           | 46,684              | 22,698              | (23,986)         | 34,047              | 137.12       |
| Office Expenses, Printing and Postage        | 15,845              | 9,443               | (6,402)          | 14,164              | 111.87       |
| Program Specific Materials and Supplies      | 3,145               | 12,697              | 9,552            | 19,045              | 16.51        |
| Office Equipment                             | -                   | -                   | -                | -                   | -            |
| Professional and Contract Services           | 7,513               | (2,245)             | (9,758)          | (3,368)             | (223.08)     |
| Municipal Charges                            | -                   | -                   | -                | -                   | -            |
| Telephone, Cell Phone and Internet Costs     | 9,423               | 17,800              | 8,377            | 26,700              | 35.29        |
| Allocated Admin Costs                        | -                   | -                   | -                | -                   | -            |
| Information and Technology Equipment         | 21,440              | 39,853              | 18,413           | 59,780              | 35.86        |
| Other Expenses                               | (11,858)            | -                   | 11,858           | -                   | -            |
| <b>Total</b>                                 | <b>2,424,451</b>    | <b>2,440,692</b>    | <b>16,241</b>    | <b>3,661,035</b>    | <b>66.22</b> |
| Capital Expenditures                         | -                   | (2)                 | (2)              | -                   | -            |
| <b>Total Expenses</b>                        | <b>\$ 2,424,451</b> | <b>\$ 2,440,690</b> | <b>\$ 16,239</b> | <b>\$ 3,661,035</b> | <b>66.22</b> |

**Southeast Public Health  
Statement of Operations | Preschool Speech and Language  
For the Calendar Year Ended  
2025-Aug-31**

|  | Actuals          | Budget           | Variance         | Annual Budget    | Budget Spend % |
|--|------------------|------------------|------------------|------------------|----------------|
| <b>Funding and Grants</b>                    |                  |                  |                  |                  |                |
| Provincial                                   | \$ 1,080,469     | \$ 1,028,430     | \$ 52,039        | \$ 1,542,645     | 70.04          |
| Municipal                                    | -                | -                | -                | -                | -              |
| Federal and Other                            | -                | -                | -                | -                | -              |
| <b>Total Funding and Grants</b>              | <b>1,080,469</b> | <b>1,028,430</b> | <b>52,039</b>    | <b>1,542,645</b> | <b>70.04</b>   |
| <b>Expenses</b>                              |                  |                  |                  |                  |                |
| Employee Salaries and Wages                  | 468,905          | 470,509          | 1,604            | 705,763          | 66.44          |
| Employee Benefits                            | 141,941          | 131,742          | (10,199)         | 197,613          | 71.83          |
| <b>Total Employee Salaries, Wages and Be</b> | <b>610,846</b>   | <b>602,251</b>   | <b>(8,595)</b>   | <b>903,376</b>   | <b>67.62</b>   |
| Expenses (Summary)                           | 444,829          | 426,179          | (18,650)         | 639,269          | 69.58          |
| Capital Expenditures                         | -                | -                | -                | -                | -              |
| <b>Total Expenses</b>                        | <b>1,055,674</b> | <b>1,028,430</b> | <b>(27,244)</b>  | <b>1,542,645</b> | <b>68.43</b>   |
| <b>Operating Surplus (Deficit)</b>           | <b>\$ 24,795</b> | <b>\$ -</b>      | <b>\$ 24,795</b> | <b>\$ -</b>      |                |

| <b>Expenses (Details)</b>                    |                     |                     |                    |                     |              |
|--|---------------------|---------------------|--------------------|---------------------|--------------|
| Employee Salaries and Wages                  | \$ 468,905          | \$ 470,509          | \$ 1,604           | \$ 705,763          | 66.44        |
| Employee Benefits                            | 141,941             | 131,742             | (10,199)           | 197,613             | 71.83        |
| <b>Total Employee Salaries, Wages and Be</b> | <b>610,846</b>      | <b>602,251</b>      | <b>(8,595)</b>     | <b>903,376</b>      | <b>67.62</b> |
| Staff Training and Development               | 273                 | -                   | (273)              | -                   | -            |
| Board of Health                              | -                   | -                   | -                  | -                   | -            |
| Volunteer                                    | -                   | -                   | -                  | -                   | -            |
| Travel                                       | 9,843               | 8,800               | (1,043)            | 13,200              | 74.57        |
| Building Occupancy                           | 92,395              | 42,858              | (49,537)           | 64,287              | 143.72       |
| Office Expenses, Printing and Postage        | 3,939               | -                   | (3,939)            | -                   | -            |
| Program Specific Materials and Supplies      | 15,480              | 21,171              | 5,691              | 31,757              | 48.75        |
| Office Equipment                             | -                   | -                   | -                  | -                   | -            |
| Professional and Contract Services           | 321,078             | 353,350             | 32,272             | 530,025             | 60.58        |
| Municipal Charges                            | -                   | -                   | -                  | -                   | -            |
| Telephone, Cell Phone and Internet Costs     | 1,821               | -                   | (1,821)            | -                   | -            |
| Allocated Admin Costs                        | -                   | -                   | -                  | -                   | -            |
| Information and Technology Equipment         | -                   | -                   | -                  | -                   | -            |
| Other Expenses                               | -                   | -                   | -                  | -                   | -            |
| <b>Total</b>                                 | <b>1,055,674</b>    | <b>1,028,430</b>    | <b>(27,244)</b>    | <b>1,542,645</b>    | <b>68.43</b> |
| Capital Expenditures                         | -                   | -                   | -                  | -                   | -            |
| <b>Total Expenses</b>                        | <b>\$ 1,055,674</b> | <b>\$ 1,028,430</b> | <b>\$ (27,244)</b> | <b>\$ 1,542,645</b> | <b>68.43</b> |

**Southeast Public Health**  
**Statement of Operations | Substance Use and Addictions Program**  
**For the Calendar Year Ended**  
**2025-Aug-31**

|  | Actuals        | Budget         | Variance    | Annual Budget    | Budget Spend % |
|--|----------------|----------------|-------------|------------------|----------------|
| <b>Funding and Grants</b>                    |                |                |             |                  |                |
| Provincial                                   | \$ -           | \$ -           | \$ -        | \$ -             | -              |
| Municipal                                    | -              | -              | -           | -                | -              |
| Federal and Other                            | 853,477        | 853,477        | -           | 1,280,216        | 66.67          |
| <b>Total Funding and Grants</b>              | <b>853,477</b> | <b>853,477</b> | <b>-</b>    | <b>1,280,216</b> | <b>66.67</b>   |
| <b>Expenses</b>                              |                |                |             |                  |                |
| Employee Salaries and Wages                  | 66,667         | 66,667         | -           | 100,000          | 66.67          |
| Employee Benefits                            | 20,000         | 20,000         | -           | 30,000           | 66.67          |
| <b>Total Employee Salaries, Wages and Be</b> | <b>86,667</b>  | <b>86,667</b>  | <b>-</b>    | <b>130,000</b>   | <b>66.67</b>   |
| Expenses (Summary)                           | 766,811        | 766,811        | -           | 1,150,216        | 66.67          |
| Capital Expenditures                         | -              | -              | -           | -                | -              |
| <b>Total Expenses</b>                        | <b>853,478</b> | <b>853,478</b> | <b>-</b>    | <b>1,280,216</b> | <b>66.67</b>   |
| <b>Operating Surplus (Deficit)</b>           | <b>\$ (1)</b>  | <b>\$ (1)</b>  | <b>\$ -</b> | <b>\$ -</b>      |                |

| <b>Expenses (Details)</b>                    |                   |                   |             |                     |              |
|--|-------------------|-------------------|-------------|---------------------|--------------|
| Employee Salaries and Wages                  | \$ 66,667         | \$ 66,667         | \$ -        | \$ 100,000          | 66.67        |
| Employee Benefits                            | 20,000            | 20,000            | -           | 30,000              | 66.67        |
| <b>Total Employee Salaries, Wages and Be</b> | <b>86,667</b>     | <b>86,667</b>     | <b>-</b>    | <b>130,000</b>      | <b>66.67</b> |
| Staff Training and Development               | -                 | -                 | -           | -                   | -            |
| Board of Health                              | -                 | -                 | -           | -                   | -            |
| Volunteer                                    | -                 | -                 | -           | -                   | -            |
| Travel                                       | -                 | -                 | -           | -                   | -            |
| Building Occupancy                           | -                 | -                 | -           | -                   | -            |
| Office Expenses, Printing and Postage        | -                 | -                 | -           | -                   | -            |
| Program Specific Materials and Supplies      | -                 | -                 | -           | -                   | -            |
| Office Equipment                             | -                 | -                 | -           | -                   | -            |
| Professional and Contract Services           | 766,811           | 766,811           | -           | 1,150,216           | 66.67        |
| Municipal Charges                            | -                 | -                 | -           | -                   | -            |
| Telephone, Cell Phone and Internet Costs     | -                 | -                 | -           | -                   | -            |
| Allocated Admin Costs                        | -                 | -                 | -           | -                   | -            |
| Information and Technology Equipment         | -                 | -                 | -           | -                   | -            |
| Other Expenses                               | -                 | -                 | -           | -                   | -            |
| <b>Total</b>                                 | <b>853,478</b>    | <b>853,478</b>    | <b>-</b>    | <b>1,280,216</b>    | <b>66.67</b> |
| Capital Expenditures                         | -                 | -                 | -           | -                   | -            |
| <b>Total Expenses</b>                        | <b>\$ 853,478</b> | <b>\$ 853,478</b> | <b>\$ -</b> | <b>\$ 1,280,216</b> | <b>66.67</b> |

**Southeast Public Health  
Statement of Operations | Summary  
For the Calendar Year Ended  
2025-Aug-31**

|  | <b>Mandatory Programs</b> | <b>Ontario Senior's Dental Care Program</b> | <b>Healthy Babies, Healthy Children</b> | <b>Preschool Speech and Language</b> | <b>Substance Use and Addictions Program</b> | <b>Total</b>        |
|--|---------------------------|---|---|--------------------------------------|---|---------------------|
|  | <b>Actuals</b>            | <b>Actuals</b>                              | <b>Actuals</b>                          | <b>Actuals</b>                       | <b>Actuals</b>                              | <b>Actuals</b>      |
| <b>Funding and Grants</b>                    |                           |   |   |                                      |   |                     |
| Provincial                                   | \$ 23,416,000             | \$ 2,168,462                                | \$ 2,452,273                            | \$ 1,080,469                         | \$ -  | \$ 29,117,205       |
| Municipal                                    | 10,000,691                | -   | -                                       | -                                    | -   | 10,000,691          |
| Federal and Other                            | 504,069                   | 2,539                                       | 333                                     | -                                    | 853,477                                     | 1,360,419           |
| <b>Total Funding and Grants</b>              | <b>33,920,760</b>         | <b>2,171,001</b>                            | <b>2,452,607</b>                        | <b>1,080,469</b>                     | <b>853,477</b>                              | <b>40,478,315</b>   |
| <b>Expenses</b>                              |                           |   |   |                                      |   |                     |
| Employee Salaries and Wages                  | 20,580,490                | 399,782                                     | 1,745,877                               | 468,905                              | 66,667                                      | 23,261,720          |
| Employee Benefits                            | 6,428,864                 | 117,630                                     | 524,257                                 | 141,941                              | 20,000                                      | 7,232,693           |
| <b>Total Employee Salaries, Wages and Be</b> | <b>27,009,355</b>         | <b>517,412</b>                              | <b>2,270,134</b>                        | <b>610,846</b>                       | <b>86,667</b>                               | <b>30,494,413</b>   |
| Expenses (Summary)                           | 4,589,166                 | 1,581,083                                   | 154,317                                 | 444,829                              | 766,811                                     | 7,536,206           |
| Capital Expenditures                         | -                         | -   | -                                       | -                                    | -   | -                   |
| <b>Total Expenses</b>                        | <b>31,598,520</b>         | <b>2,098,495</b>                            | <b>2,424,451</b>                        | <b>1,055,674</b>                     | <b>853,478</b>                              | <b>38,030,619</b>   |
| <b>Operating Surplus (Deficit)</b>           | <b>\$ 2,322,240</b>       | <b>\$ 72,506</b>                            | <b>\$ 28,156</b>                        | <b>\$ 24,795</b>                     | <b>\$ (1)</b>                               | <b>\$ 2,447,696</b> |
| Municipal Excess Transferred to Surplus      | 2,195,357                 |   |   |                                      |   |                     |
| <b>Funding Surplus</b>                       | <b>\$ 126,883</b>         |   |   |                                      |   |                     |

**Expenses (Details)**

|  |                      |                     |                     |                     |                   |                      |
|--|----------------------|---------------------|---------------------|---------------------|-------------------|----------------------|
| Employee Salaries and Wages                  | \$ 20,580,490        | \$ 399,782          | \$ 1,745,877        | \$ 468,905          | \$ 66,667         | \$ 23,261,720        |
| Employee Benefits                            | 6,428,864            | 117,630             | 524,257             | 141,941             | 20,000            | 7,232,693            |
| <b>Total Employee Salaries, Wages and Be</b> | <b>27,009,355</b>    | <b>517,412</b>      | <b>2,270,134</b>    | <b>610,846</b>      | <b>86,667</b>     | <b>30,494,413</b>    |
| Staff Training and Development               | 134,713              | 400                 | 2,801               | 273                 | -                 | 138,187              |
| Board of Health                              | 15,176               | -                   | -                   | -                   | -                 | 15,176               |
| Volunteer                                    | -                    | -                   | -                   | -                   | -                 | -                    |
| Travel                                       | 286,491              | 15,009              | 59,324              | 9,843               | -                 | 370,667              |
| Building Occupancy                           | 1,301,166            | 34,970              | 46,684              | 92,395              | -                 | 1,475,215            |
| Office Expenses, Printing and Postage        | 365,005              | 13,692              | 15,845              | 3,939               | -                 | 398,481              |
| Program Specific Materials and Supplies      | 266,734              | 49,579              | 3,145               | 15,480              | -                 | 334,937              |
| Office Equipment                             | 102,603              | 10,241              | -                   | -                   | -                 | 112,844              |
| Professional and Contract Services           | 840,234              | 1,418,267           | 7,513               | 321,078             | 766,811           | 3,353,903            |
| Municipal Charges                            | -                    | -                   | -                   | -                   | -                 | -                    |
| Telephone, Cell Phone and Internet Costs     | 271,394              | 858                 | 9,423               | 1,821               | -                 | 283,496              |
| Allocated Admin Costs                        | -                    | -                   | -                   | -                   | -                 | -                    |
| Information and Technology Equipment         | 1,229,176            | 38,067              | 21,440              | -                   | -                 | 1,288,683            |
| Other Expenses                               | (223,525)            | -                   | (11,858)            | -                   | -                 | (235,383)            |
| <b>Total</b>                                 | <b>31,598,520</b>    | <b>2,098,495</b>    | <b>2,424,451</b>    | <b>1,055,674</b>    | <b>853,478</b>    | <b>38,030,619</b>    |
| Capital Expenditures                         | -                    | -                   | -                   | -                   | -                 | -                    |
| <b>Total Expenses</b>                        | <b>\$ 31,598,520</b> | <b>\$ 2,098,495</b> | <b>\$ 2,424,451</b> | <b>\$ 1,055,674</b> | <b>\$ 853,478</b> | <b>\$ 38,030,619</b> |

# Appendix 9

**Southeast Public Health  
Budget | Statement of Operations | Mandatory Programs**

| For the Calendar Year Ended                 | 2026                 | 2025                 | Change \$         | Change %    |
|---|----------------------|----------------------|-------------------|-------------|
| <b>Funding and Grants</b>                   |                      |                      |                   |             |
| Provincial                                  | \$ 33,091,738        | \$ 32,764,100        | \$ 327,638        | 1.00        |
| Municipal                                   | 14,694,165           | 14,535,598           | 158,567           | 1.09        |
| <b>Provincial and Municipal Funding</b>     | <b>47,785,903</b>    | <b>47,299,698</b>    | <b>486,205</b>    | <b>1.03</b> |
| Federal and Other                           | 100,000              | -                    | 100,000           | -           |
| Voluntary Merger Support                    | 1,850,000            | 1,490,000            | 360,000           | 24.16       |
| <b>Total Funding and Grants</b>             | <b>49,735,903</b>    | <b>48,789,698</b>    | <b>946,205</b>    | <b>1.94</b> |
| <b>Expenses</b>                             |                      |                      |                   |             |
| Employee Salaries and Wages                 | 32,960,930           | \$ 32,476,521        | \$ 484,409        | 1.49        |
| Employee Benefits                           | 9,805,009            | 9,257,147            | 547,862           | 5.92        |
| <b>Total Employee Salaries, Wages and B</b> | <b>42,765,939</b>    | <b>41,733,668</b>    | <b>1,032,271</b>  | <b>2.47</b> |
| Staff Training and Development              | 344,900              | 325,230              | 19,670            | 6.05        |
| Board of Health                             | 75,000               | 75,000               | -                 | -           |
| Volunteer                                   | 5,000                | 5,000                | -                 | -           |
| Travel                                      | 744,022              | 514,650              | 229,372           | 44.57       |
| Building Occupancy                          | 1,500,000            | 1,595,918            | (95,918)          | (6.01)      |
| Office Expenses, Printing and Postage       | 150,000              | 268,192              | (118,192)         | (44.07)     |
| Program Specific Materials and Supplies     | 964,000              | 1,490,490            | (526,490)         | (35.32)     |
| Office Equipment                            | -                    | -                    | -                 | -           |
| Professional and Contract Services          | 1,002,250            | 1,191,100            | (188,850)         | (15.86)     |
| Municipal Charges                           | -                    | -                    | -                 | -           |
| Telephone, Cell Phone and Internet Costs    | 175,000              | 165,100              | 9,900             | 6.00        |
| Allocated Admin Costs                       | -                    | -                    | -                 | -           |
| Information and Technology Equipment        | 1,600,000            | 1,911,050            | (311,050)         | (16.28)     |
| Other Expenses                              | 59,792               | (685,700)            | 745,492           | (108.72)    |
| <b>Total</b>                                | <b>49,385,903</b>    | <b>48,589,698</b>    | <b>796,205</b>    | <b>1.64</b> |
| Capital Expenditures                        | 350,000              | 200,000              | 150,000           | 75.00       |
| <b>Total Expenses</b>                       | <b>\$ 49,735,903</b> | <b>\$ 48,789,698</b> | <b>\$ 946,205</b> | <b>1.94</b> |
| <b>Operating Surplus (Deficit)</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>       | <b>-</b>    |

# Memo

To: Board of Health Members  
From: Dr. Piotr Oglaza, Medical Officer of Health/CEO  
Reviewed by: Governance Committee Chair  
Date: October 22, 2025  
**Re: Governance Committee Update for the Board of Health**

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## Issue:

The Governance Committee has reviewed the Board of Health Orientation Policy, Reserve Fund Policy and Skills Inventory Form and is recommending approval by the Board of Health. An outline of the Governance Training Project is being provided for information.

## Background:

As outlined in the Governance Committee's terms of reference, the Committee's responsibilities include:

- Review of Board policies, by-laws and Committee terms of reference every two years to ensure appropriate structures and procedures are in place and make recommendations to the Board for approval.
- Identify the appropriate composition, mix of skill sets, qualifications, expertise and diversity required by the Board and its Committees and prepare an inventory of Board member knowledge and skills related to Board functions.
- Organize orientation, continuing education and training for Board members as necessary to enable the Board to fulfill its mandate effectively.

## Current Status:

The Governance Committee met on October 7, 2025 to continue its review of Board of Health policies, develop a skills inventory form for distribution to the Board and discuss a Governance Training Project.

## Rationale:

- Board policy development guarantees accountability, transparency and efficiency and helps achieve the organization's goals.
- A skills inventory helps identify specific skills and expertise required by board members and ensures the Board composition aligns with the organization's goals and future challenges.
- Ongoing training provides evidence-informed governance resources which are crucial for effective decision making.

**Supporting Document for 7.2.1:**

Appendix #1 Skills Inventory Form

**Supporting Document for 7.2.2**

Appendix #2 BOH Orientation Policy

**Supporting Document for 7.2.3**

Appendix #3 Reserve Fund Policy

**Supporting Document for 7.2.4**

Appendix #4 Governance Training Project (for information only)

**Recommendation:**

**MOTION:** THAT the Board of Health approve the Skills Inventory Form, Board of Health Orientation Policy and Reserve Fund Policy as circulated.

## Board of Health Competency / Skills Inventory

A skills inventory is being developed to identify the knowledge, skills, abilities, and interests of Board members. This inventory will assist the Board in utilizing the skills of its members effectively and will ensure that members with experience can contribute their knowledge in key areas. It also assists in developing the membership on Board sub-committees and supports effective Board functioning.

Please complete the inventory of skills table below indicating your associated skills and experience:

Name: \_\_\_\_\_ Date: \_\_\_\_\_

| Competency / Skills Description   | Associated Skills and Experience | Experience Rating<br>(Please check one) |
|---|----------------------------------|---|
| <b>Relevant Professional Experience</b>   |                                  |   |
| <b>Financial Management/Accounting experience:</b><br>Has experience or knowledge in accounting or financial management. This may include analysing and interpreting financial statements, evaluating organizations budgets and understanding financial reporting.  |                                  | 1. Beginner <input type="checkbox"/>    |
|   |                                  | 2. Novice <input type="checkbox"/>      |
|   |                                  | 3. Moderate <input type="checkbox"/>    |
|   |                                  | 4. Advanced <input type="checkbox"/>    |
|   |                                  | 5. **Expert <input type="checkbox"/>    |
| <b>Business / Management experience:</b><br>Has experience with or knowledge in sound management and operational business processes and practices in the private or public sector. This may include an understanding of topics such as managing complex projects, leveraging information technology, planning and measuring performance, and allocating resources to achieve outcomes.              |                                  | 1. Beginner <input type="checkbox"/>    |
|   |                                  | 2. Novice <input type="checkbox"/>      |
|   |                                  | 3. Moderate <input type="checkbox"/>    |
|   |                                  | 4. Advanced <input type="checkbox"/>    |
|   |                                  | 5. Expert <input type="checkbox"/>      |
| <b>Governance/Board Development/Board experience:</b><br>Has experience or knowledge of board governance in the public and/or non-profit sector. Has a clear understanding of the distinction between the role of the Board versus the role of Management. Governance experience could be acquired through prior board or committee service or reporting to or working with a board as an employee. |                                  | 1. Beginner <input type="checkbox"/>    |
|   |                                  | 2. Novice <input type="checkbox"/>      |
|   |                                  | 3. Moderate <input type="checkbox"/>    |
|   |                                  | 4. Advanced <input type="checkbox"/>    |
|   |                                  | 5. Expert <input type="checkbox"/>      |

|   |                                      |
|---|--------------------------------------|
| <p><b>Human Resources/Labour Relations experience:</b><br/>Has experience or knowledge in strategic human resource management. This may include workforce planning, employee engagement, succession planning, organizational capacity, compensation, and professional development.</p>  | 1. Beginner <input type="checkbox"/> |
|   | 2. Novice <input type="checkbox"/>   |
|   | 3. Moderate <input type="checkbox"/> |
|   | 4. Advanced <input type="checkbox"/> |
|   | 5. Expert <input type="checkbox"/>   |
| <p><b>Legal / Regulatory experience:</b><br/>Has experience with or knowledge of legal principles, processes, and systems. This may include the understanding of government legislation / legislative process, or an understanding of the legal dimensions of organizational issues.</p>  | 1. Beginner <input type="checkbox"/> |
|   | 2. Novice <input type="checkbox"/>   |
|   | 3. Moderate <input type="checkbox"/> |
|   | 4. Advanced <input type="checkbox"/> |
|   | 5. Expert <input type="checkbox"/>   |
| <p><b>Public Relations / Communications experience:</b><br/>Has experience or knowledge of communications, public relations or interacting with the media. This may include knowledge of effective advocacy and public engagement strategies, developing key messages, crisis communications or social media and viral marketing.</p>                                 | 1. Beginner <input type="checkbox"/> |
|   | 2. Novice <input type="checkbox"/>   |
|   | 3. Moderate <input type="checkbox"/> |
|   | 4. Advanced <input type="checkbox"/> |
|   | 5. Expert <input type="checkbox"/>   |
| <p><b>Risk Management experience:</b><br/>Has experience or knowledge of enterprise risk management. This may include identifying potential risks, recommending and implementing preventive measures and devising plans to minimize the impact of risks. This may also include knowledge of auditing practices, organizational controls, and compliance measures.</p> | 1. Beginner <input type="checkbox"/> |
|   | 2. Novice <input type="checkbox"/>   |
|   | 3. Moderate <input type="checkbox"/> |
|   | 4. Advanced <input type="checkbox"/> |
|   | 5. Expert <input type="checkbox"/>   |
| <p><b>Capital Project Design/Construction experience:</b><br/>Has experience in overseeing large-scale projects from initial concept through completion. This involves managing budgets, timelines, and various stakeholders while ensuring the project aligns with the vision and objectives.</p>  | 1. Beginner <input type="checkbox"/> |
|   | 2. Novice <input type="checkbox"/>   |
|   | 3. Moderate <input type="checkbox"/> |
|   | 4. Advanced <input type="checkbox"/> |
|   | 5. Expert <input type="checkbox"/>   |
| <p><b>Information Technology experience:</b><br/>Has experience managing, processing, and distributing information involving hardware and software maintenance and network administration to ensure efficient and secure flow of information.</p>   | 1. Beginner <input type="checkbox"/> |
|   | 2. Novice <input type="checkbox"/>   |
|   | 3. Moderate <input type="checkbox"/> |
|   | 4. Advanced <input type="checkbox"/> |
|   | 5. Expert <input type="checkbox"/>   |
| <b>Specialized Environmental Knowledge</b>  |                                      |
| <p><b>Community / Stakeholder Engagement knowledge:</b><br/>Has experience or knowledge of the broader public policy context affecting public health; ability to adapt policy for local stakeholders and community.</p>   | 1. Beginner <input type="checkbox"/> |
|   | 2. Novice <input type="checkbox"/>   |
|   | 3. Moderate <input type="checkbox"/> |
|   | 4. Advanced <input type="checkbox"/> |
|   | 5. Expert <input type="checkbox"/>   |
| <p><b>Industry / Sector knowledge:</b></p>  | 1. Beginner <input type="checkbox"/> |

|   |  |                                      |
|---|--|--------------------------------------|
| Has experience with or knowledge of public health. This may include an understanding of particular trends, challenges and opportunities, or unique dynamics within the sector that are relevant to public health.   |  | 2. Novice <input type="checkbox"/>   |
|   |  | 3. Moderate <input type="checkbox"/> |
|   |  | 4. Advanced <input type="checkbox"/> |
|   |  | 5. Expert <input type="checkbox"/>   |
| <b>Personal Effectiveness Skills</b>  |  |                                      |
| <b>Critical Thinking / Problem Solving skills:</b><br>Demonstrates ability to apply critical thinking to creatively assess situations and to generate novel or innovative solutions to challenges facing the Board of Health.   |  | 1. Beginner <input type="checkbox"/> |
|   |  | 2. Novice <input type="checkbox"/>   |
|   |  | 3. Moderate <input type="checkbox"/> |
|   |  | 4. Advanced <input type="checkbox"/> |
|   |  | 5. Expert <input type="checkbox"/>   |
| <b>Leadership / Teamwork skills:</b><br>Demonstrates an ability to inspire, motivate and offer direction and leadership to others. Demonstrates an understanding of the importance of teamwork to the success of the Board. This may include an ability to recognize and value the contributions of board members, staff, and stakeholders. |  | 1. Beginner <input type="checkbox"/> |
|   |  | 2. Novice <input type="checkbox"/>   |
|   |  | 3. Moderate <input type="checkbox"/> |
|   |  | 4. Advanced <input type="checkbox"/> |
|   |  | 5. Expert <input type="checkbox"/>   |
| <b>Strategic Thinking / Planning skills:</b><br>Demonstrates an ability to think strategically about the opportunities and challenges facing public health and to engage in short, medium and long-range planning to provide high-level guidance and direction for public health.   |  | 1. Beginner <input type="checkbox"/> |
|   |  | 2. Novice <input type="checkbox"/>   |
|   |  | 3. Moderate <input type="checkbox"/> |
|   |  | 4. Advanced <input type="checkbox"/> |
|   |  | 5. Expert <input type="checkbox"/>   |
| <b>Ethics experience:</b><br>Demonstrates a system of moral principles with the ability to navigate situations with a sense of right and wrong, just and unjust which influences decisions and contributes to professional development.   |  | 1. Beginner <input type="checkbox"/> |
|   |  | 2. Novice <input type="checkbox"/>   |
|   |  | 3. Moderate <input type="checkbox"/> |
|   |  | 4. Advanced <input type="checkbox"/> |
|   |  | 5. Expert <input type="checkbox"/>   |
| <b>Other, please</b>  |  |                                      |

\*\* Expert Rating Definition – Has extensive background and is recognized as an authority in their field with a professional designation when applicable.



- Legislation governing public health, Health Units, and Boards of Health;
- The Ontario Public Health Standards: Requirements for Programs, Services and Accountability, including the Ministry's Accountability Framework;
- The government structure and relationships relevant to the Board, including the involvement, jurisdiction, and funding streams of involved ministries;
- The relationship with member municipalities and their financial obligations;
- The organization's current financial and risk position;
- Community demographics, including social and cultural diversity, and current challenges/priorities;
- The vision, mission, and goals of SEPH;
- The organization's operations, including the range of services provided, community partners and stakeholders, and emergency preparedness planning;
- An introduction to programs and services at SEPH;
- The organizational structure and management team;
- The roles and responsibilities of Board members;
- Processes for Board of Health meetings, including orientation to software used for virtual meetings;
- Any and all other matters pertaining to the role not otherwise listed.

#### **4. Additional Resources**

Additional Board of Health orientation materials will be made available to all members in a suitable and convenient format. These materials will include, but are not limited to:

- Names and contact information of current Board of Health Members
- Current Organizational Chart
- Most recent Annual Report
- Board of Health Procedural By-law, policies and procedures
- Southeast Public Health Strategic Plan
- Finance Policies and Financial Statements
- aPHa Board of Health Orientation Manual
- aPHa Governance Toolkit
- Municipal Conflict of Interest Act
- Robert's Rules of Order

This list may be supplemented with any other relevant papers or documents.

## ADMINISTRATIVE POLICY MANUAL

**Subject: Reserve Fund Policy****Number: xx-xxx****Issued by:** Board of Health

Page: 1 of 3

Original Issue: 2025 07

Revised: NEW/yyyy.mm

**Purpose**

To provide guidance on the establishment, maintenance, and use of reserve funds at Southeast Public Health (SEPH) to ensure a transparent and accountable financial resources process.

**Policy and Procedure**

1. The Board of Health (BOH) has the power under s. 417(1) of the Municipal Act, 2001 to establish and maintain reserve funds for contingency, emergency, or other unforeseen expenditures that are necessary for the proper functioning of SEPH and for future capital requirements.
2. Any reserve fund(s) will be established by resolution of the BOH. Except as otherwise expressly provided for herein, contributions to and withdrawals from the reserve fund(s) will be approved by the Medical Officer of Health (MOH) / Chief Executive Officer (CEO) within their annual \$250,000 Executive Spending Limit and all contributions to and withdrawals above the MOH/CEO Executive Spending Limit will be approved by resolution of the BOH.

Once reserve funds are accessed by the MOH/CEO the BOH will be informed within 30 days of the amount of reserve funds used, the purpose for the use of the reserve funds, identify which reserve fund was accessed, and provide any further information such as replenishment and maintenance of adequate financial reserves.

3. Establishing and maintaining reserve funds will enable SEPH, through the BOH, the MOH/CEO and staff, to perform its functions and fulfill its obligations under the *Health Protection and Promotion Act*, the Ontario Public Health Standards, and any other applicable legislation, regulation, standard or policy. SEPH will comply with the requirements of funding sources and will follow generally accepted Canadian accounting principles for non-profit organizations.
4. Audited financial statements shall be presented to the BOH annually that contain information about each reserve fund balance and changes to that balance during the year. SEPH shall endeavour to offset any unexpected expenditures within the annual operating budget for all programs and services, where possible, without jeopardizing programs. When there is an exceptional cost in a given year that cannot be paid out of the annual operating budget, the appropriate reserve fund may be used to mitigate undue hardship on program delivery.

# Southeast Public Health

## ADMINISTRATIVE POLICY MANUAL

**Subject: Reserve Fund Policy**

**Number: xx-xxx**

**Issued by:** Board of Health

Page: 2 of 3

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Revised:NEW/yyyy.mm

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5. Without limiting its ability to establish and maintain other reserve funds,
  - A. The BOH will establish and maintain a General Operating Reserve which shall be established and maintained as set out below:

- (i) General Operating Reserve

The General Operating Reserve shall be funded from retainable surplus funds generated through operations. Drawing funds from this reserve fund will be approved by the MOH/CEO when within their Executive Spending Limit; otherwise, the BOH will approve the use of funds. The MOH/CEO will inform the BOH and make them aware of the situation. One separate bank account will be established to manage and track funds related to the General Operating Reserve and will be separately tracked in the financial system.

- B. The BOH may, from time to time, establish Restricted Reserve(s) Funds which shall be established and maintained as follows:

- (i) Restricted Reserve Fund(s)

Circumstances may arise where funds received or generated must be used for a specific purpose and will need to be 'parked' for a period of time until spent. In these situations, a unique reserve will be created. One separate bank account will be setup to track all Restricted Reserve(s). In the financial system each unique reserve fund will be tracked separately. Drawing funds from this reserve(s) fund will be approved by the MOH/CEO when within their Executive Spending Limit; otherwise, the BOH will approve the use of funds. The MOH/CEO will inform the BOH and make them aware of the situation.

### Additional Information

1. As required pursuant to s. 417(2) of the *Municipal Act, 2001* and s. 52(4) of the *Health Protection and Promotion Act*, the BOH shall seek the consent of the councils of the majority of the municipalities within the health unit served by the BOH prior to establishing any reserve fund for the purpose of acquiring real property.

### References

Health Protection and Promotion Act  
Municipal Act, 2001

# Southeast Public Health

## ADMINISTRATIVE POLICY MANUAL

**Subject:** Reserve Fund Policy

**Number:** xx-xxx

**Issued by:** Board of Health

Page: 3 of 3

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Revised:NEW/yyyy.mm

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Ontario Public Health Standards

### Related Documents

Authorizing Signature:

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Dr. Piotr Oglaza  
Medical Officer of Health & Chief Executive Officer

- 18-month project to assess local learning needs and provide the training and coaching required to enhance collaborative governance and leadership for newly merged health units
- Led by governance experts and researchers based at U of T
- Ongoing evaluation component, resource/tool development
- Compliment to existing board training (alPHa, locally-identified training)

### Assessment of Local Needs

Surveys, interviews and document reviews to identify specific needs for curriculum development.

### 1:1 Coaching

Office hours for BOH members to seek advice and coaching on local governance and leadership challenges.



### Skill-building Workshops

Online workshops on essential leadership and governance skills for PHU boards + 'deep dive' workshops for each PHU

### Tailored Resources

Newly developed learning materials for asynchronous learning to PHU boards.

# Memo

To: Board of Health Members  
From: Dr. Piotr Oglaza, MOH/CEO  
Date: October 22, 2025  
**Re: Appointment of Auditor**

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In accordance with the Health Protection and Promotion Act and applicable municipal legislation, the Board of Health shall appoint an external auditor to audit the accounts and financial transactions of the organization.

KPMG LLP has historically provided auditing services to legacy public health agencies and municipalities represented on the Board of Health. Their continued engagement will provide stability and ensure continuity of financial oversight during the first full fiscal year of the merged organization. KPMG's familiarity with the legacy organizations' accounting systems, reporting structures, and municipal audit requirements will help maintain efficiency, reduce onboarding costs, and support a timely and accurate audit process for the 2025 fiscal year.

**Recommendation:**

THAT the Board of Health appoint KPMG LLP as the auditors for purposes of auditing all financial statements prepared during and for the year 2025.

# Memo

To: Board of Health Members  
From: Dr. Piotr Oglaza, MOH/CEO  
Date: October 22, 2025  
**Re: Municipal Levy Allocation**

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The goal of this briefing note is to present options and a recommendation for how the Southeast Board of Health should allocate the \$4.3 million in municipal harmonization funding from the Ministry of Health through the voluntary merger funding envelope.

During merger feasibility discussions and subsequent merger planning discussions, the Tri-Board Voluntary Merger Committee and then the South East Transitional Team (SETT) recognized that municipalities were contributing at varying levels of funding depending on the legacy grouping. It was agreed that the funding levels needed to be harmonized for all municipalities of the new Southeast Public Health (SEPH) agency. However, it was understood that moving to a higher funding level could pose a challenge for some municipalities. In the merger business case, support from the Ministry of Health was requested, and the result was approximately \$4.3 million in funding dedicated to helping municipalities build the capacity to meet higher, harmonized funding levies.

The Ministry of Health did not prescribe a method for allocating the \$4.3 million given for municipal levy harmonization. As discussed most recently at the Board of Health meeting of September 24, the Health Protection and Promotion Act (HPPA) provides guidance on how the costs of a health unit are to be allocated to its obligated municipalities. The HPPA guidance is to allocate costs to municipalities in proportion to their population. This \$4.3 million is effectively a cost reduction to the obligated municipalities of SEPH. As such, the “guidance and spirit” of the HPPA influences the recommendation in this briefing note.

It is important to note that at the recent board meeting in September, the 2025 municipal levies were reset and harmonized, effective January 1, 2025. As a result of this decision, some municipalities will have excess contributions that can be used to offset levies for future years (refer to Appendix A), while others are under-contributed for this year.

Additionally, within the voluntary merger funding envelope, funds were allocated to assist with paying off the outstanding mortgages for each legacy health unit. This represents a significant benefit of approximately \$8.8 million, which will decrease future costs, the benefit of which will be shared amongst all the SEPH municipalities. It is important to note, there would have been **no** mortgage buyout benefit without the merger.

Table 1 below outlines the mortgage buyout benefits received for each legacy agency through harmonizing municipal levies, versus what would have been received if the levies were not harmonized. If the Board did not agree to harmonize the levies effective January 1, 2025, then we would not have allocated the mortgages by population as per the HPPA, but assigned the respective benefits to the municipalities where each legacy health units existed prior to the merger.

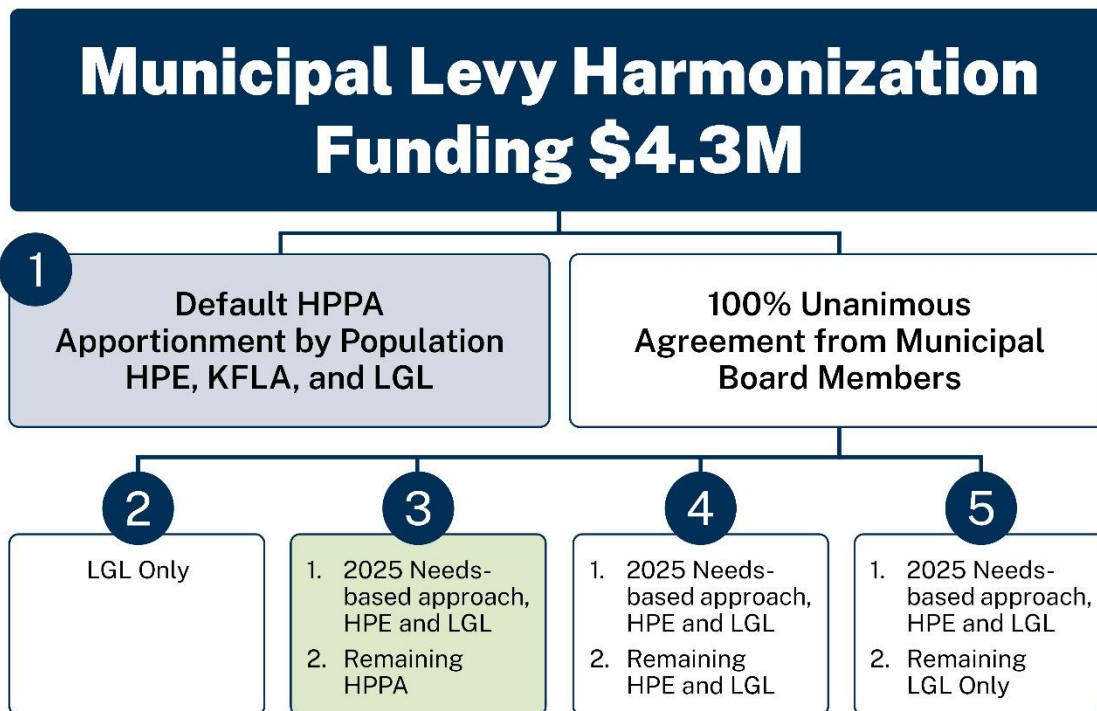
**Table 1: Mortgage buyout benefit by legacy health unit of harmonizing municipal levies**

| Benefit by Legacy Health Unit | Levies              |                     |
|-------------------------------|---------------------|---------------------|
|                               | Not Harmonized      | Harmonized          |
| HPE                           | \$ 5,970,647        | \$ 2,719,618        |
| KFLA                          | 2,228,000           | 3,264,417           |
| LGLD                          | 570,355             | 2,784,967           |
| <b>Total</b>                  | <b>\$ 8,769,002</b> | <b>\$ 8,769,002</b> |

The BOH decision to adopt the phased approach to municipal levy harmonization resulted in Leeds, Grenville and Lanark (LGL) municipalities receiving a proportional-to-population share of the mortgages paid out for SEPH offices in 2025.

Today, after the Board decides on how to allocate the \$4.3 million in harmonization funding, SEPH will create unique municipal accounts for each municipality to track their specific portion of this funding. The amounts transferred to these municipal accounts will be used to help offset a portion of their future municipal levies.

As the following illustration shows, there are five possible options to allocate the \$4.3 million, and more details on each option are below.



**1) Default HPPA**

In this option, the full \$4.3 million is allocated proportionally across all the municipalities. This approach aligns with the default option in the HPPA. If no other option receives unanimous agreement from the board, or a decision cannot be made in a timely fashion, this option will be selected by default, (refer to Appendix 1 for calculations). Please note that

through harmonizing municipal levies for 2025, all SEPH municipalities are now contributing to the SEPH budget proportionally to their populations. While some municipalities have overcontributed and others have under contributed for 2025, the cost reduction available through the levy harmonization funding to reach the agreed upon 67.5/32.5 split is, by legislative default, available to all municipalities, including those who have overcontributed this year.

## 2) LGL Only

In this option, the full \$4.3 million will be allocated to legacy LGL municipalities. This approach recognizes that legacy LGL was in the most challenging financial position at time of the merge, (refer to Appendix 2 for calculations) and that it was the agency that received the least immediate benefit from the merger-funded mortgage payments. Note, that the BOH decision from Sept. 24, 2025 to harmonize municipal levies ensured that LGL municipalities received the proportional to population share of the paid mortgages and increased their surplus. This option would provide no assistance to Hastings Prince Edward (HPE) or Kingston, Frontenac and Lennox & Addington (KFLA) municipalities to pay for future levy increases to meet the harmonized target.

## 3) 2025 needs-based approach, remaining HPPA (recommended approach)

In this option, any negative impacts from rebalancing/harmonizing the 2025 municipal levies would be covered first, approximately \$1.3 million. Afterwards, the remaining \$3 million will be allocated proportionately across all municipalities, in the spirit of the HPPA, (refer to Appendix 3 for calculations).

## 4) 2025 needs-based approach, remaining HPE and LGL

In this option, any negative impacts from rebalancing/harmonizing the 2025 municipal levies would be covered first, approximately \$1.3 million. Afterwards, the remaining \$3 million will be allocated proportionately across only the HPE and LGL municipalities, (refer to Appendix 3 for calculations). The legacy KFLA municipalities will have some excess municipal contributions due to overcontributions in 2025, which could be used for offsetting future levy increases but KFLA would no access to harmonization funding at all.

## 5) 2025 needs-based approach, remaining LGL

In this option, any negative impacts from rebalancing/harmonizing the 2025 municipal levies would be covered first, approximately \$1.3 million. Afterwards, the remaining \$3 million will be allocated to legacy LGL municipalities only, (refer to Appendix 4 for calculations).

## Recommendation

It is recommended that the Board endorses and approves staff to move forward and allocate the \$4.3 million as per **Option 3: 2025 needs-based approach, remaining HPPA**. This option recognizes that 2025 is nearly complete, and although in the September Board meeting it was passed that the current levies would be allocated proportionately, sending a new levy invoice to the municipalities that owe money due to this reallocation would not be realistic. It also reflects that all municipalities will need to climb to higher funding levels, and it aligns with the spirit of the HPPA.

## MOTION:

WHEREAS the apportionment of costs to obligated municipalities according to population size reflects the spirit of the merger and aligns with the default provisions of the Health Protection and Promotion Act (HPPA);

AND WHEREAS on September 24, 2025, the Board of Health of Southeast Public Health (SEPH) passed a motion to harmonize municipal levies across all obligated municipalities of SEPH;

AND WHEREAS on September 24, 2025, the Board of Health of SEPH passed a motion to gradually harmonize municipal levies according to the phased scenario, with the end goal of a 67.5/32.5 percent split, beginning in 2025 with a 70/30 percent funding split;

AND WHEREAS through harmonization of municipal levies for 2025, all obligated municipalities are now contributing to the SEPH budget proportionally to the population;

AND WHEREAS the selected harmonization scenario resulted in some municipalities under contributing for the 2025 fiscal year;

AND WHEREAS issuing revised levy invoices to recover the 2025 shortfall from municipalities would not be practical;

AND WHEREAS the \$4.3 million available for levy harmonization represents a cost reduction to obligated municipalities of SEPH to achieve the target harmonized levy;

THEREFORE BE IT RESOLVED THAT the Board of Health for SEPH endorse the recommended Option #3 for the allocation of \$4.3 million for municipal levy harmonization;

AND THAT these funds be used first to offset the negative impacts arising from rebalancing and harmonizing the 2025 municipal levies (approximately \$1.3 million), with the remaining \$3 million allocated proportionally across all municipalities.

## Appendix A

### 2025 Excess Municipal Contributions

|  | 2025                 |                      |                  |                      |
|--|----------------------|----------------------|------------------|----------------------|
|  | Original Levy        | Rebalanced           | Impact           | Excess Contributions |
| <b>HPE</b>                             |                      |                      |                  |                      |
| County of Hastings                     | \$ 987,246           | \$ 1,166,684         | \$ (179,438)     | \$ -                 |
| City of Belleville                     | 1,307,567            | 1,464,063            | (156,496)        | -                    |
| City of Quinte West                    | 1,105,488            | 1,211,412            | (105,924)        | -                    |
| County of Prince Edward                | 610,298              | 667,916              | (57,618)         | -                    |
| <b>Total HPE</b>                       | <b>4,010,599</b>     | <b>4,510,075</b>     | <b>(499,476)</b> | <b>-</b>             |
| <b>KFLA</b>                            |                      |                      |                  |                      |
| City of Kingston                       | 4,467,000            | 3,521,704            | 945,296          | 945,296              |
| County of Frontenac                    | 864,000              | 744,112              | 119,888          | 119,888              |
| County of Lennox and Addington         | 1,443,000            | 1,144,114            | 298,886          | 298,886              |
| <b>Total KFLA</b>                      | <b>6,774,000</b>     | <b>5,409,930</b>     | <b>1,364,070</b> | <b>1,364,070</b>     |
| <b>LGLD</b>                            |                      |                      |                  |                      |
| Lanark County                          | 1,387,000            | 1,733,762            | (346,762)        | -                    |
| Town of Smiths Falls                   | 193,000              | 238,786              | (45,786)         | -                    |
| United Counties of Leeds and Grenville | 1,512,000            | 1,849,140            | (337,140)        | -                    |
| City of Brockville                     | 462,000              | 542,170              | (80,170)         | -                    |
| Town of Gananoque                      | 112,000              | 136,718              | (24,718)         | -                    |
| Town of Prescott                       | 85,000               | 115,018              | (30,018)         | -                    |
| <b>Total LGLD</b>                      | <b>3,751,000</b>     | <b>4,615,594</b>     | <b>(864,594)</b> | <b>-</b>             |
| <b>Total SEHU</b>                      | <b>\$ 14,535,599</b> | <b>\$ 14,535,599</b> | <b>\$ -</b>      | <b>\$ 1,364,070</b>  |
| <b>Funding</b>                         |                      |                      |                  |                      |
| Provincial Funding                     | \$ 32,764,097        | \$ 32,764,097        | \$ -             | -                    |
| Municipal Funding                      | 14,535,599           | 14,535,599           | -                | -                    |
| <b>Total</b>                           | <b>\$ 47,299,696</b> | <b>\$ 47,299,696</b> | <b>\$ -</b>      | <b>-</b>             |
| <b>Funding Split</b>                   |                      |                      |                  |                      |
| Provincial Funding                     | 69.27                | 69.27                |                  |                      |
| Municipal Funding                      | 30.73                | 30.73                |                  |                      |
| <b>Total</b>                           | <b>100.00</b>        | <b>100.00</b>        |                  |                      |

## Appendix 1 Default “HPPA”

|  | 2025                 |                      |                  | Default HPPA        | Remaining for<br>Future Years |
|--|----------------------|----------------------|------------------|---------------------|-------------------------------|
|  | Original Levy        | Rebalanced           | Impact           |                     |                               |
|  | A                    | B                    | C = A - B        |                     |                               |
| <b>HPE</b>                             |                      |                      |                  |                     |                               |
| County of Hastings                     | \$ 987,246           | \$ 1,166,684         | \$ (179,438)     | \$ 344,981          | \$ 165,543                    |
| City of Belleville                     | 1,307,567            | 1,464,063            | (156,496)        | 432,913             | 276,417                       |
| City of Quinte West                    | 1,105,488            | 1,211,412            | (105,924)        | 358,207             | 252,283                       |
| County of Prince Edward                | 610,298              | 667,916              | (57,618)         | 197,499             | 139,881                       |
| <b>Total HPE</b>                       | <b>4,010,599</b>     | <b>4,510,075</b>     | <b>(499,476)</b> | <b>1,333,600</b>    | <b>834,124</b>                |
| <b>KFLA</b>                            |                      |                      |                  |                     |                               |
| City of Kingston                       | 4,467,000            | 3,521,704            | 945,296          | 1,042,048           | 1,987,344                     |
| County of Frontenac                    | 864,000              | 744,112              | 119,888          | 220,175             | 340,063                       |
| County of Lennox and Addington         | 1,443,000            | 1,144,114            | 298,886          | 338,534             | 637,420                       |
| <b>Total KFLA</b>                      | <b>6,774,000</b>     | <b>5,409,930</b>     | <b>1,364,070</b> | <b>1,600,757</b>    | <b>2,964,827</b>              |
| <b>LGLD</b>                            |                      |                      |                  |                     |                               |
| Lanark County                          | 1,387,000            | 1,733,762            | (346,762)        | 512,979             | 166,217                       |
| Town of Smiths Falls                   | 193,000              | 238,786              | (45,786)         | 70,651              | 24,865                        |
| United Counties of Leeds and Grenville | 1,512,000            | 1,849,140            | (337,140)        | 547,115             | 209,975                       |
| City of Brockville                     | 462,000              | 542,170              | (80,170)         | 160,414             | 80,244                        |
| Town of Gananoque                      | 112,000              | 136,718              | (24,718)         | 40,452              | 15,734                        |
| Town of Prescott                       | 85,000               | 115,018              | (30,018)         | 34,032              | 4,014                         |
| <b>Total LGLD</b>                      | <b>3,751,000</b>     | <b>4,615,594</b>     | <b>(864,594)</b> | <b>1,365,643</b>    | <b>501,049</b>                |
| <b>Total SEHU</b>                      | <b>\$ 14,535,599</b> | <b>\$ 14,535,599</b> | <b>\$ -</b>      | <b>\$ 4,300,000</b> | <b>\$ 4,300,000</b>           |

## Appendix 2 LGLD Only

|  | 2025                 |                      |                  | LGLD Only           | Remaining for<br>Future Years |
|--|----------------------|----------------------|------------------|---------------------|-------------------------------|
|  | Original Levy        | Rebalanced           | Impact           |                     |                               |
|  | A                    | B                    | C = A - B        |                     |                               |
| <b>HPE</b>                             |                      |                      |                  |                     |                               |
| County of Hastings                     | \$ 987,246           | \$ 1,166,684         | \$ (179,438)     | \$ -                | \$ (179,438)                  |
| City of Belleville                     | 1,307,567            | 1,464,063            | (156,496)        | -                   | (156,496)                     |
| City of Quinte West                    | 1,105,488            | 1,211,412            | (105,924)        | -                   | (105,924)                     |
| County of Prince Edward                | 610,298              | 667,916              | (57,618)         | -                   | (57,618)                      |
| <b>Total HPE</b>                       | <b>4,010,599</b>     | <b>4,510,075</b>     | <b>(499,476)</b> | <b>-</b>            | <b>(499,476)</b>              |
| <b>KFLA</b>                            |                      |                      |                  |                     |                               |
| City of Kingston                       | 4,467,000            | 3,521,704            | 945,296          | -                   | 945,296                       |
| County of Frontenac                    | 864,000              | 744,112              | 119,888          | -                   | 119,888                       |
| County of Lennox and Addington         | 1,443,000            | 1,144,114            | 298,886          | -                   | 298,886                       |
| <b>Total KFLA</b>                      | <b>6,774,000</b>     | <b>5,409,930</b>     | <b>1,364,070</b> | <b>-</b>            | <b>1,364,070</b>              |
| <b>LGLD</b>                            |                      |                      |                  |                     |                               |
| Lanark County                          | 1,387,000            | 1,733,762            | (346,762)        | 1,615,216           | 1,268,454                     |
| Town of Smiths Falls                   | 193,000              | 238,786              | (45,786)         | 222,460             | 176,674                       |
| United Counties of Leeds and Grenville | 1,512,000            | 1,849,140            | (337,140)        | 1,722,700           | 1,385,560                     |
| City of Brockville                     | 462,000              | 542,170              | (80,170)         | 505,097             | 424,927                       |
| Town of Gananoque                      | 112,000              | 136,718              | (24,718)         | 127,370             | 102,652                       |
| Town of Prescott                       | 85,000               | 115,018              | (30,018)         | 107,157             | 77,139                        |
| <b>Total LGLD</b>                      | <b>3,751,000</b>     | <b>4,615,594</b>     | <b>(864,594)</b> | <b>4,300,000</b>    | <b>3,435,406</b>              |
| <b>Total SEHU</b>                      | <b>\$ 14,535,599</b> | <b>\$ 14,535,599</b> | <b>\$ -</b>      | <b>\$ 4,300,000</b> | <b>\$ 4,300,000</b>           |

### Appendix 3 2025 Needs Basis + HPPA (recommended approach)

|  | 2025                 |                      |                  | Need Basis          | HPPA                | Remaining for<br>Future Years |
|--|----------------------|----------------------|------------------|---------------------|---------------------|-------------------------------|
|  | Original Levy        | Rebalanced           | Impact           |                     |                     |                               |
|  | A                    | B                    | C = A - B        |                     |                     |                               |
|  |                      |                      | D1               | D2                  | E = C + D1 + D2     |                               |
| <b>HPE</b>                             |                      |                      |                  |                     |                     |                               |
| County of Hastings                     | \$ 987,246           | \$ 1,166,684         | \$ (179,438)     | \$ 179,438          | \$ 235,544          | \$ 235,544                    |
| City of Belleville                     | 1,307,567            | 1,464,063            | (156,496)        | 156,496             | 295,582             | 295,582                       |
| City of Quinte West                    | 1,105,488            | 1,211,412            | (105,924)        | 105,924             | 244,575             | 244,575                       |
| County of Prince Edward                | 610,298              | 667,916              | (57,618)         | 57,618              | 134,848             | 134,848                       |
| <b>Total HPE</b>                       | <b>4,010,599</b>     | <b>4,510,075</b>     | <b>(499,476)</b> | <b>499,476</b>      | <b>910,549</b>      | <b>910,549</b>                |
| <b>KFLA</b>                            |                      |                      |                  |                     |                     |                               |
| City of Kingston                       | 4,467,000            | 3,521,704            | 945,296          | -                   | 711,484             | 1,656,780                     |
| County of Frontenac                    | 864,000              | 744,112              | 119,888          | -                   | 150,330             | 270,218                       |
| County of Lennox and Addington         | 1,443,000            | 1,144,114            | 298,886          | -                   | 231,142             | 530,028                       |
| <b>Total KFLA</b>                      | <b>6,774,000</b>     | <b>5,409,930</b>     | <b>1,364,070</b> | <b>-</b>            | <b>1,092,956</b>    | <b>2,457,026</b>              |
| <b>LGLD</b>                            |                      |                      |                  |                     |                     |                               |
| Lanark County                          | 1,387,000            | 1,733,762            | (346,762)        | 346,762             | 350,249             | 350,249                       |
| Town of Smiths Falls                   | 193,000              | 238,786              | (45,786)         | 45,786              | 48,239              | 48,239                        |
| United Counties of Leeds and Grenville | 1,512,000            | 1,849,140            | (337,140)        | 337,140             | 373,556             | 373,556                       |
| City of Brockville                     | 462,000              | 542,170              | (80,170)         | 80,170              | 109,527             | 109,527                       |
| Town of Gananoque                      | 112,000              | 136,718              | (24,718)         | 24,718              | 27,619              | 27,619                        |
| Town of Prescott                       | 85,000               | 115,018              | (30,018)         | 30,018              | 23,235              | 23,235                        |
| <b>Total LGLD</b>                      | <b>3,751,000</b>     | <b>4,615,594</b>     | <b>(864,594)</b> | <b>864,594</b>      | <b>932,425</b>      | <b>932,425</b>                |
| <b>Total SEHU</b>                      | <b>\$ 14,535,599</b> | <b>\$ 14,535,599</b> | <b>\$ -</b>      | <b>\$ 1,364,070</b> | <b>\$ 2,935,930</b> | <b>\$ 4,300,000</b>           |

## Appendix 4

### 2025 Needs Basis + Remaining HPE and LGLD

|  | 2025                 |                      |                  | Need Basis          | Remaining<br>HPE and LGLD | Remaining for<br>Future Years |
|--|----------------------|----------------------|------------------|---------------------|---------------------------|-------------------------------|
|  | Original Levy        | Rebalanced           | Impact           |                     |                           |                               |
|  | A                    | B                    | C = A - B        |                     |                           |                               |
|  |                      |                      | D1               | D2                  | E = C + D1 + D2           |                               |
| <b>HPE</b>                             |                      |                      |                  |                     |                           |                               |
| County of Hastings                     | \$ 987,246           | \$ 1,166,684         | \$ (179,438)     | \$ 179,438          | \$ 375,231                | \$ 375,231                    |
| City of Belleville                     | 1,307,567            | 1,464,063            | (156,496)        | 156,496             | 470,874                   | 470,874                       |
| City of Quinte West                    | 1,105,488            | 1,211,412            | (105,924)        | 105,924             | 389,617                   | 389,617                       |
| County of Prince Edward                | 610,298              | 667,916              | (57,618)         | 57,618              | 214,817                   | 214,817                       |
| <b>Total HPE</b>                       | <b>4,010,599</b>     | <b>4,510,075</b>     | <b>(499,476)</b> | <b>499,476</b>      | <b>1,450,539</b>          | <b>1,450,539</b>              |
| <b>KFLA</b>                            |                      |                      |                  |                     |                           |                               |
| City of Kingston                       | 4,467,000            | 3,521,704            | 945,296          | -                   | -                         | 945,296                       |
| County of Frontenac                    | 864,000              | 744,112              | 119,888          | -                   | -                         | 119,888                       |
| County of Lennox and Addington         | 1,443,000            | 1,144,114            | 298,886          | -                   | -                         | 298,886                       |
| <b>Total KFLA</b>                      | <b>6,774,000</b>     | <b>5,409,930</b>     | <b>1,364,070</b> | <b>-</b>            | <b>-</b>                  | <b>1,364,070</b>              |
| <b>LGLD</b>                            |                      |                      |                  |                     |                           |                               |
| Lanark County                          | 1,387,000            | 1,733,762            | (346,762)        | 346,762             | 557,960                   | 557,960                       |
| Town of Smiths Falls                   | 193,000              | 238,786              | (45,786)         | 45,786              | 76,847                    | 76,847                        |
| United Counties of Leeds and Grenville | 1,512,000            | 1,849,140            | (337,140)        | 337,140             | 595,089                   | 595,089                       |
| City of Brockville                     | 462,000              | 542,170              | (80,170)         | 80,170              | 174,480                   | 174,480                       |
| Town of Gananoque                      | 112,000              | 136,718              | (24,718)         | 24,718              | 43,999                    | 43,999                        |
| Town of Prescott                       | 85,000               | 115,018              | (30,018)         | 30,018              | 37,016                    | 37,016                        |
| <b>Total LGLD</b>                      | <b>3,751,000</b>     | <b>4,615,594</b>     | <b>(864,594)</b> | <b>864,594</b>      | <b>1,485,391</b>          | <b>1,485,391</b>              |
| <b>Total SEHU</b>                      | <b>\$ 14,535,599</b> | <b>\$ 14,535,599</b> | <b>\$ -</b>      | <b>\$ 1,364,070</b> | <b>\$ 2,935,930</b>       | <b>\$ 4,300,000</b>           |

## Appendix 5

### 2025 Needs Basis + Remaining LGLD

|  | 2025                 |                      |                  | Need Basis          | Remaining LGLD Only | Remaining for Future Years |
|--|----------------------|----------------------|------------------|---------------------|---------------------|----------------------------|
|  | Original Levy        | Rebalanced           | Impact           |                     |                     |                            |
|  | A                    | B                    | C = A - B        |                     |                     |                            |
|  |                      |                      | D1               | D2                  | E = C + D1 + D2     |                            |
| <b>HPE</b>                             |                      |                      |                  |                     |                     |                            |
| County of Hastings                     | \$ 987,246           | \$ 1,166,684         | \$ (179,438)     | \$ 179,438          | \$ -                | \$ -                       |
| City of Belleville                     | 1,307,567            | 1,464,063            | (156,496)        | 156,496             | -                   | -                          |
| City of Quinte West                    | 1,105,488            | 1,211,412            | (105,924)        | 105,924             | -                   | -                          |
| County of Prince Edward                | 610,298              | 667,916              | (57,618)         | 57,618              | -                   | -                          |
| <b>Total HPE</b>                       | <b>4,010,599</b>     | <b>4,510,075</b>     | <b>(499,476)</b> | <b>499,476</b>      | -                   | -                          |
| <b>KFLA</b>                            |                      |                      |                  |                     |                     |                            |
| City of Kingston                       | 4,467,000            | 3,521,704            | 945,296          | -                   | -                   | 945,296                    |
| County of Frontenac                    | 864,000              | 744,112              | 119,888          | -                   | -                   | 119,888                    |
| County of Lennox and Addington         | 1,443,000            | 1,144,114            | 298,886          | -                   | -                   | 298,886                    |
| <b>Total KFLA</b>                      | <b>6,774,000</b>     | <b>5,409,930</b>     | <b>1,364,070</b> | -                   | -                   | <b>1,364,070</b>           |
| <b>LGLD</b>                            |                      |                      |                  |                     |                     |                            |
| Lanark County                          | 1,387,000            | 1,733,762            | (346,762)        | 346,762             | 1,102,828           | 1,102,828                  |
| Town of Smiths Falls                   | 193,000              | 238,786              | (45,786)         | 45,786              | 151,890             | 151,890                    |
| United Counties of Leeds and Grenville | 1,512,000            | 1,849,140            | (337,140)        | 337,140             | 1,176,216           | 1,176,216                  |
| City of Brockville                     | 462,000              | 542,170              | (80,170)         | 80,170              | 344,867             | 344,867                    |
| Town of Gananoque                      | 112,000              | 136,718              | (24,718)         | 24,718              | 86,965              | 86,965                     |
| Town of Prescott                       | 85,000               | 115,018              | (30,018)         | 30,018              | 73,164              | 73,164                     |
| <b>Total LGLD</b>                      | <b>3,751,000</b>     | <b>4,615,594</b>     | <b>(864,594)</b> | <b>864,594</b>      | <b>2,935,930</b>    | <b>2,935,930</b>           |
| <b>Total SEHU</b>                      | <b>\$ 14,535,599</b> | <b>\$ 14,535,599</b> | <b>\$ -</b>      | <b>\$ 1,364,070</b> | <b>\$ 2,935,930</b> | <b>\$ 4,300,000</b>        |

# Memo

To: Board of Health Members  
From: Susan Stewart, Director, Merger Office  
Date: October 22, 2025  
**Re: Merger Updates**

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## Organization Transition

On October 27, all staff will move into their new teams and report to their “future” manager. This project is a significant step forward in the creation of Southeast Public Health (SEPH). While some staff have been reporting to their future state managers for some time (e.g., Corporate Services or due to management retirements), on October 27, all staff will start to report to their new manager. While the Public Sector Labour Relations Transition Act (PSLRTA) and program harmonization are still on-going, some staff may be asked to perform work from their previous role for a period of time to ensure stability and continuity in our programs and services. A transition plan and tools have been created and communicated to staff and managers including:

- Conversation guides for managers, financial procedures “cheat sheet”, summaries of collective agreements and key policies, service/program transfer planning templates;
- Webinar for all managers to review the tools and answer questions about the process; and
- Recorded webinar for all staff to explain the process and the tools.

This is a huge and important milestone for SEPH!

## Branding and Marketing

Our new name, our new logo and our new colours are now live! We officially launched our new brand on September 29 internally at a Town Hall and publicly with a media release. We are starting to apply the new brand to things like our email signatures, PowerPoint slides and resources. Our new website also launched on September 29 – this minimally viable website provides the public with a branded landing page - [Southeast Public Health | SEPH](#). We will continue to add content to the new website in phases, which aligns with our program harmonization approach. We also launched SEPH social media accounts on Facebook, Instagram, LinkedIn and YouTube, and will move towards sunsetting legacy accounts over time.

## Change Management

### Change Readiness Assessment

Our third quarter change readiness assessment is open to staff from October 7- 21 and results will be available in November. Repeating the Change Readiness Assessment each quarter will allow leadership to monitor readiness scores and trends, and to identify where more initiatives are required.

### Change Management Advisory Group

To assist with change management across the SEPH, a Change Management Advisory Group (CMAG) of 10 staff from across the organization will seek real time feedback from colleagues for specific changes. This information will be shared with the Merger Office for appropriate action. This group will provide information between readiness assessments which will help staff and management build a culture that supports managing changes which are happening due to the merger.

### Coffee & Conversation

Results from the Change Readiness Assessments showed that staff were looking for more face-to-face opportunities to meet with the Executive Team. Coffee and Conversation events for October have also been scheduled:

- Smiths Falls – October 16 10:00 – 11:00 a.m.
- Belleville – October 20 10:00 – 11:00 a.m.
- Kingston – October 23 10:00 – 11:00 a.m.

### All Staff Day

On December 2, all staff from across SEPH will come together in a central location for the first time to celebrate and build relationships. A group of volunteers led by a project team is planning this event. This is another significant milestone in our transformation journey.

## **Finance**

### Enterprise Resource Planning System

The Finance and Human Resources teams have evaluated different options for harmonizing their applications. The decision has been made to go with Dayforce for human resources and payroll, and Sparkrock for accounting. Implementation will occur over the course of several months into 2026.

## **Information Technology**

The IT Team has completed the project to move all SEPH staff onto a common Microsoft tenant. This complex project has enabled staff across SEPH to interact on Microsoft products together, including Outlook, Teams and SharePoint. Staff now have new email addresses ending in @southeastph.ca, which aligns with the launch of our new brand. The IT team is working on an initial file architecture to support team collaboration while ensuring IT policies are adhered to. The file architecture project will also establish the future vision and implementation plan for file architecture at SEPH following best practices in records management and IT security.

Staff have been participating in training modules to learn how to effectively use these new Microsoft tools to communicate and collaborate across the organization.

The tenancy project also creates opportunities to use the Microsoft 365 tools across the organization for new initiatives like triaging internal requests; managing projects and collaborating in real-time. Corporate Services managers have participated in demonstrations from other health units to learn how they are using Microsoft 365 tools to support ticketing systems for things like internal communication requests, maintenance requests, and IT support. Implementing ticketing systems across SEPH will be a key enabler to support effective operations.

### **Electronic Medical Record (EMR) System**

SEPH is looking at having one EMR. The work to date has reviewed the current systems and what programs will be using an EMR. We have looked at the costing of different EMRs and will be looking at creating an implementation team in the near future.

### **Medical Directives**

The Office of the Chief Nursing Officer (OCNO) is working on harmonizing medical directives. To date, the OCNO has compiled a complete inventory of medical directives and is currently working through an assessment of each medical directive. This work is on track to be completed by December 31, 2025.

### **Program Harmonization**

The management teams in each portfolio have identified programs will be harmonized first to make it manageable for the teams and the organization.

Tools and templates have been created for this process, and each program harmonization will follow the same process:

- Documentation and description of the current state for all three legacy organizations.
- Assessment of the current state (what is working well, what is not working well, opportunities for improvement).
- Recommendations for future programming.
- Creation of a high-level implementation plan for future programming.

This tool was shared with both managers and staff through a number of webinars.

This memo is for the information of the Board.

# Information Items

## Board of Health Meeting – October 22, 2025

1. alPHa Info Break – Fall 2025
2. Windsor-Essex County Health Unit – Board of Health Resolution – Strengthening Coordination of Provincial and Federal Dental Programs – dated September 18, 2025.
3. Simcoe Muskoka District Health Unit – Introductions – dated October 1, 2025:
  - Dr. Lisa Simon, Acting Medical Officer of Health and Chief Executive Officer.
  - Dr. Michelle Quaye, Public Health Physician.
4. alPHa 2025 Fall Symposium – dated October 15, 2025 – BOH members can register by contacting Kathleen Thompson by October 24, 2025.

# InfoBreak

*alPHA's members' portal*



Fall 2025

9.1

## Key Highlights:

- Registration for the online 2025 alPHA Fall Symposium and Workshops has launched. Click [here](#) to register.
- Health Promotion Ontario has launched its Fall Webinar Series.
- Haliburton Kawartha Northumberland Peterborough has rebranded as [Lakelands Public Health](#).

## Leadership in Action:

Since the last newsletter in July, alPHA is maintaining its strategic momentum:

### Promoting Local Public Health Leadership:

- **Continuing to Strengthen Advocacy at the Association of Municipalities of Ontario (AMO) Annual Conference:** alPHA's Executive Committee and Chief Executive Officer, Loretta Ryan, along with several local public health units, maintained a strong presence at the annual AMO conference in Ottawa. Attendance at AMO is critical to advancing the profile and importance of local public health with decision-makers at the local and provincial levels.
- **Engaging with Medical Leadership:** Engagements continue as alPHA's Executive Committee and Chief Executive Officer met with Ontario Medical Association leaders. Dialogue focused on mutual interests, such as the importance of stabilizing local public health agencies, including the newly merged ones; the pivotal role that public health fulfills, given the primary care gaps; and the importance of working together on joint priorities such as a provincial vaccine registry.
- **Board of Health Orientation Support:** Since the June conference, alPHA staff delivered on Member requests for tailored Board of Health orientations. Most recently, the Board of Health Governance Course was delivered in Kenora to the Northwestern Health Unit Board of Health and senior staff. This was a follow-up to another successful course that was held in Cornwall with the Eastern Ontario Health Unit, following the AMO Conference. Further information on the course can be found [here](#).
- **Expanding Leadership Representation:** alPHA continues to work with the Affiliate Representative, Cynthia St. John, regarding the Association of Public Health Business Administrators' expanded membership. This represents an excellent outcome for alPHA as it broadens our Membership to include public health leaders in Corporate Resources, Human Resources, Finance, Communications, and Information Technology.

**ALPHA's Feedback and Input Opportunities:****• OPHS and Funding Review:**

- o While I write this update, the field is still awaiting news about the updated 2026 Ontario Public Health Standards (OPHS) and an update about the ministry's Funding Review for local public health agencies.
- o Once updates about these key pillars of the government's *Strengthening Public Health* initiative are announced, ALPHA will work to provide initial feedback in a timely manner.
- o At this year's Fall Symposium, ALPHA plans to provide and give opportunities for feedback on these key public health issues.

**Open Channels for Feedback:** ALPHA is continuously open to receiving feedback. Your input is invaluable in shaping our strategic direction. Thank you to our Members for attending and providing feedback on our well-received government relations workshop in June! Please continue to share ideas that align with your priorities.



# 2025 alPHa Fall Symposium

**SAVE THE DATE!**

## alPHa 2025 Fall Symposium and Workshops November 5-7, 2025

Registration for the Fall Symposium and Workshops, taking place **online** November 5-7, is now open! You can register [here](#). These events will discuss a variety of issues of key importance to public health leaders, and you won't want to miss out. The cost to attend is \$399.00 +HST.

**New for this year:** We will be extending the symposium to an all-day program. This means you will have an opportunity to hear from even more speakers, explore more topics, and participate in more discussions! On Friday, November 7, from 8:30 a.m. to 4:30 p.m., there is an exciting lineup of Symposium speakers and topics. Key speakers include Dr. Hsiu-Li Wang, alPHa Chair and more members of the alPHa Board of Directors, and more. Additional information about other speakers and topics is available on the symposium webpage.

In conjunction with the Symposium, we are also holding two half-day workshops. The first one, *titled Public Health and Engagement with Indigenous Communities*, will be held on Wednesday, November 5, from 1 p.m. to 4 p.m., and will feature Nicole Blackman, IPHCC, Darryl Souliere-Lamb, IPHCC, Julia Creglia, IPHCC, and Leonor Tavares, OCMOH. Participants will gain further insights into the importance of appropriate and inclusive Indigenous engagement with local public health efforts. The session will provide an opportunity for reflection on how public health agencies can foster meaningful relationships with First Nations, Inuit, and Métis (FNIM) communities and organizations. On Thursday, November 6, from 1 p.m. to 4 p.m., we will hold the second workshop featuring Marilyn Owston, TrendLine Consulting Services. This workshop is titled *Leading Others: Understanding Communication Styles*. This highly interactive session has been specifically designed to enhance leaders' ability to communicate more effectively with their teams. If you do not have time to attend both pre-symposium workshops, pick the one that interests you the most!

For more information on how to register, please go the symposium webpage. The preliminary program is available [here](#).

alPHa would like to thank [Southwestern Public Health](#) for being this year's Fall Symposium co-host. A shoutout also goes to [Eastern Ontario Health Unit](#) and the [Dalla Lana School of Public Health](#) for their event support.

**Association of Local  
Public Health  
Agencies**

**Fall Symposium  
and Workshops**

**November 5-7,  
2025**

Co-hosted by

**alPHA**

Association of Local  
**PUBLIC HEALTH**  
Agencies

**Sw** SOUTHWESTERN  
**Public Health**  
Oxford • Elgin • St. Thomas

**alPHA's Fall Symposium and Workshops will continue the important conversations on the critical role, value, and benefit of Ontario's local public health system.**

**Participate in engaging online workshops and in-depth plenary sessions with public health leaders.**

**You must be an alPHA member to participate.  
Pre-Symposium Workshops are included when you register for the  
Fall Symposium: \$399 + HST.**

**Registration will be available mid-September and further information will also be shared in alPHA's newsletter, InfoBreak, as details become available.**

**The Fall Symposium is generously supported by:**



**Dalla Lana**  
School of Public Health

# 2025 Fall EA/AA Workshop registration is open!

# alpha

Association of Local  
**PUBLIC HEALTH**  
Agencies

## Executive Assistants / Administrative Assistants Fall Workshop November 4, 2025

In case you missed it, registration has opened for the 2025 alpha Executive Assistant/Administrative Assistant Fall Workshop! This **online** event will be held on Tuesday, November 4 from 2 p.m.- 4 p.m., and is an opportunity to connect with colleagues from across Ontario and learn new skills. The cost is \$149+HST and the final day to register is Friday, October 31.

The workshop, that is titled *Working with Others: Understanding Communication Styles*, is being led by Marilyn Owston from Trendline. This highly interactive session has been designed to enhance participants' ability to deal more effectively with people whether they are colleagues, clients, members of the public, or representatives of other groups or organizations. To learn more about this event, you can view the flyer [here](#).

ALPHA would like to acknowledge and thank Southwestern Public Health for being the symposium and workshop's co-host. A shoutout also goes to Eastern Ontario Health Unit and the Dalla Lana School of Public Health for their event support.

# Online Event

# Affiliates

Association of Local Public  
Health Agencies

## Announcing! HPO Fall 2025 Webinar Series

Health Promotion Ontario (HPO) is excited to announce that the HPO Professional Development Working Group will be hosting a Fall 2025 Webinar Series spotlighting **Emerging Topics in Health Promotion**.

This dynamic 3-part series will bring together experts and innovators to explore what's shaping our field today:

1. **Quality Improvement (QI) in Health Promotion** – *early October*
2. **Social Prescribing through a Health Promotion lens**– *late October*
3. **A Fireside Chat with Health Promoters** – *mid-November*

*Featuring leaders who are driving innovative health promotion initiatives*

Tune into this webinar series for thought-provoking conversations, fresh ideas, and practical takeaways to inspire your work!

To stay up to date on registration details and announcements, keep an eye out on HPO's on [LinkedIn](#), [Facebook](#) or [X](#) pages to learn more.



HEALTH PROMOTION ONTARIO PRESENTS OUR  
FALL 2025 WEBINAR SERIES

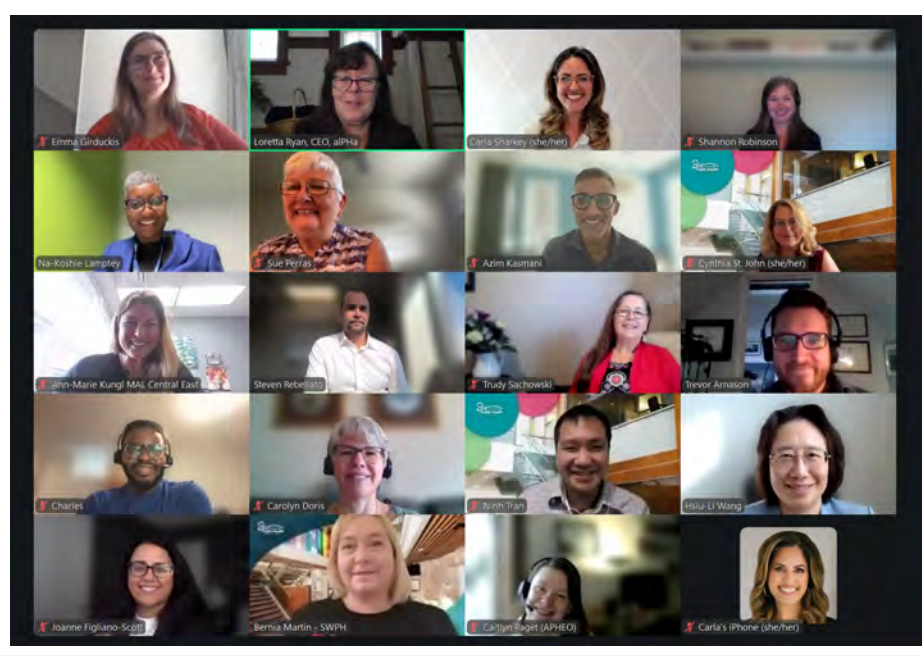
### Emerging Topics in Health Promotion

A dynamic 3-part series bringing together experts and innovators to explore what's shaping health promotion today!

|                      |   |
|----------------------|---|
| <b>Early October</b> | <i>Quality Improvement in Health Promotion</i>            |
| <b>Late October</b>  | <i>Social Prescribing Through a Health Promotion Lens</i> |
| <b>Mid November</b>  | <i>A Fireside Chat with Health Promoters</i>              |

**FOLLOW US ON LINKEDIN, FACEBOOK OR X TO STAY UP TO DATE ON REGISTRATION DETAILS AND ANNOUNCEMENTS.**

Health Promotion  
Promotion de la santé  
Ontario



# alPHA Board of Directors - Team building session

The alPHA Board of Directors joined Carla Sharkey, Founder & CEO of Sharkey Coaching, for a highly engaging 3-hour session that helped to bring the Board team closer together—virtually and strategically. Together, they strengthened collaboration through engaging, highly interactive exercises. They clarified shared values to create a strong foundation for decision-making, and agreed how to work together and shape the board’s culture. By the end of the session, they had deeper connections with fellow board members, a clear set of shared values, and a foundation that enhances collaboration, fosters accountability, and increases governance effectiveness.





National Collaborating Centre  
for Methods and Tools

Centre de collaboration nationale  
des méthodes et outils

## Workshops

The National Collaborating Centre for Methods and Tools (NCCMT)'s workshops help prepare you to meet the demands of today's public health challenges. These practice-based sessions use real-world examples to develop your skills for integrating evidence in your practice. Upcoming sessions include:

- **Evidence Synthesis for Public Health Decision Making:** This workshop will take you through the evidence review process with hands-on examples for steps in evidence synthesis and resources to support continued learning.
- **Implementation & Evaluation:** This workshop provides hands-on guidance through the steps involved in planning, implementing and evaluating change.

Click here to learn more and register: <https://www.nccmt.ca/workshops-webinars/>

## Lakelands Public Health launches new brand identity following merger



Lakelands Public Health proudly unveiled its new name and brand identity, marking the official merger of the Haliburton, Kawartha, Pine Ridge District Health Unit and Peterborough Public Health. This transformation reflects a unified vision for advancing public health across the City of Kawartha Lakes, City and County of Peterborough, Haliburton County, and Northumberland County, while honouring the legacy and strengths of both organizations. "This is more than a new name and logo," said Dr. Thomas Piggott, Medical Officer of Health and Chief Executive Officer of Lakelands Public Health. "It's a commitment to building a healthier future together for generations to come. By bringing our teams, expertise, and resources under one identity, we're better equipped to meet the evolving needs of our communities."



# GenWell: Talk to a Stranger Week - Nov. 24-30

This campaign intends to educate, empower, and catalyze Canadians about the many benefits of talking to strangers.

Talk To a Stranger Week is an opportunity to build a sense of connection and community that many need in a post-pandemic world. It is seizing the opportunity that many of us have each day to make a difference in our own lives and the lives of others by simply saying hello, smiling or striking up a conversation with a stranger. To learn more, click [here](#).

**Join us November 24-30, 2025**

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Talk To A Stranger Week is an opportunity to build a sense of connection and community that many need in a post-pandemic world. It is seizing the opportunity that many of us have each day to make a difference in our own lives and the lives of others by simply saying hello, smiling or striking up a conversation with a stranger.

[www.TalkToAStrangerWeek.org](http://www.TalkToAStrangerWeek.org)
[@GenWellProject](https://www.instagram.com/GenWellProject)

**THE BENEFITS:**

Connecting with strangers can enhance our happiness, optimism, empathy, and sense of belonging, grounding us in the world.

Additionally, several long-term benefits arise from these connections, including:

- Increased well-being
- Greater happiness and optimism
- Stronger empathy and compassion for others
- Better cognitive performance
- Heightened sense of connection
- Higher trust levels
- Decreased feelings of social isolation, disconnection, and loneliness

**TIPS TO CONNECT:**

- Say hello
- Compliment someone
- Make eye contact and smile
- Celebrate or complain about the weather
- Strike up a conversation in a line-up
- Speak about a current event
- Ask for advice
- Tell a joke or make light of a situation



**"A stranger today can be a friend tomorrow."**

Proud health partners:



Make a donation directly to GenWell  
 Help us scale our impact and bring social health to the forefront across Canada. Scan the QR to access our donations page for more details.



# Unlock the Power of Local Data: Join the Rapid Risk Factor Surveillance System in 2026

Are you looking for reliable, timely, and locally relevant data to inform public health decisions in your community? The Rapid Risk Factor Surveillance System (RRFSS) offers Ontario Public Health Units a proven, customizable solution for gathering actionable data on emerging and ongoing public health issues.

For over two decades, RRFSS has empowered health units across Ontario to monitor public awareness and opinion and risk factors on local health topics. Planning is beginning for the 2026 cycle, and now is the perfect time to explore how RRFSS can support your unit's strategic goals.

## Why RRFSS?

- **Tailored to Your Needs:** Choose your own questions, set your sample size and your preferred mix of landline and cell phone interviews, and set a timeframe for collection (three cycles are available per year).
- **Ready-to-Use Questions and Data Dictionaries:** Access hundreds of pretested questions and shared analysis tools.
- **Cost conscious:** The RRFSS administration was simplified in 2024 resulting in administrative costs cuts. Survey packages can be customized to fit a wide range of budgets.
- **Local Impact:** RRFSS data is designed to reflect the unique characteristics and concerns of your community—making it a powerful tool for evidence-based planning and evaluation.

## What's New and Why It Matters

RRFSS continues to evolve to meet the needs of Ontario's public health units with new questions that address critical issues, many of which are not available from other local data sources. New questions for 2025 include:

- Gambling frequency, modes and advertising
- Mental health supports
- Stigma related to mental health and substance use health



# Unlock the Power of Local Data: Join the Rapid Risk Factor Surveillance System in 2026

These additions complement a robust set of existing questions on topics such as:

- Environmental health: climate change, radon testing, safe water, poor air quality, built environment
- Emergency preparedness: household planning for emergencies
- Infectious disease and prevention: Lyme disease, West Nile virus, influenza vaccination, public health inspection and food safety
- Health behaviours and access: cannabis, alcohol, tobacco, nutrition, physical activity and access to health services
- Familiarity and perceived credibility of the public health unit
- Sociodemographics

These topics represent pressing public health concerns where local, timely data is scarce—making RRFSS a vital tool for evidence-informed planning and response.

## Take the Next Step

Don't miss the opportunity to strengthen your health unit's surveillance capacity with high-quality, locally relevant data. While you can join anytime, **the deadline for confirming 2026 participation is October 15.**

To learn more or discuss participation options, contact:

- Liza Mercier at [lmercier@yorku.ca](mailto:lmercier@yorku.ca)
- Katherine Russell, Epidemiologist & RRFSS Chair, Ottawa Public Health at [katherine.russell@ottawa.ca](mailto:katherine.russell@ottawa.ca)
- Visit [www.rrfss.ca](http://www.rrfss.ca)

# Ontario Early Adversity and Resilience Framework



The newly released Ontario Early Adversity and Resilience Framework was developed by members of the Public Health Ontario ACEs and Resilience Community of Practice and was endorsed at the June 19th alpha meeting. This framework is a call for collective action across sectors and aims to inspire and mobilize communities to work together to develop innovative and meaningful solutions that prevent adversity, strengthen protective factors, build resilience, and support healing in families and communities.

A key message of the framework is that “Everyone has a shared responsibility to foster children's potential and build family and community resilience”.

To access the full report, a 2-page graphic summary, and more information about the Community of Practice and why this framework was created, see [earlyadversityandresilience.ca](http://earlyadversityandresilience.ca).

## alpha Correspondence

Through policy analysis, collaboration, and advocacy, ALPHA's Members and staff act to promote public health policies that form a strong foundation for the improvement of health promotion and protection, disease prevention, and surveillance services in all of Ontario's communities. A complete online library of submissions is available [here](#). These documents are publicly available and can be shared widely.

- [alpha Letter - CMOH 2024 Annual Report](#) - September 8, 2025
- [alpha Letter - Resolution A25-01, OEAR \(CMOH\)](#) - August 6, 2025
- [alpha Letter - Resolution A25-01, OEAR \(MoH\)](#) - August 6, 2025
- [alpha Letter - Resolution A25-03, Heavy Metals](#) - August 6, 2025

# Board of Health Shared Resources

A resource page is available on ALPHA's website for Board of Health members to facilitate the sharing of and access to information, orientation materials, best practices, case studies, by-laws, Resolutions, and other resources. In particular, ALPHA is seeking resources to share regarding the province's *Strengthening Public Health Initiative*, including but not limited to, voluntary mergers and the need for long-term funding for local public health. If you have a best practice, by-law or any other resource that you would like to make available via the newsletter and/or the website, please send a file or a link with a brief description to [gordon@alphaweb.org](mailto:gordon@alphaweb.org) and for posting in the appropriate library.

Resources available on the ALPHA website include:

- [Orientation Manual for Boards of Health \(Revised Jan. 2024\)](#)
- [Review of Board of Health Liability, 2018, \(PowerPoint presentation, Feb. 24, 2023\)](#)
- [Legal Matters: Updates for Boards of Health \(Video, June 8, 2021\)](#)
- [Obligations of a Board of Health under the Municipal Act, 2001 \(Revised 2021\)](#)
- [Governance Toolkit \(Revised 2022\)](#)
- [Risk Management for Health Units](#)
- [Healthy Rural Communities Toolkit](#)
- [The Canadian Centre on Substance Use and Addiction](#)
- [The Ontario Public Health Standards](#)
- [Public Appointee Role and Governance Overview \(for Provincial Appointees to BOH\)](#)
- [Ontario Boards of Health by Region](#)
- [List of Units sorted by Municipality](#)
- [List of Municipalities sorted by Health Unit](#)
- [Map: Boards of Health Types NCCHP Report: Profile of Ontario's Public Health System \(2021\)](#)
- [The Municipal Role of Public Health \(2022 U of T Report\)](#)
- [Boards of Health and Ontario Not-For-Profit Corporations Act](#)



# Calling all Ontario Boards of Health: Level up your expertise with our training courses designed just for you!

Don't miss this unique opportunity to enhance your knowledge and strengthen local public health leadership in Ontario.

## **BOH Governance training course**

Master public health governance and Ontario's Public Health Standards. You'll learn all about public health legislation, funding, accountability, roles, structures, and much more. Gain insights into leadership and services that drive excellence in your unit.

## **Social Determinants of Health training course**

Explore the impact of Social Determinants of Health on public health and municipal governments. Understand the context, explore Maslow's Hierarchy of Needs, and examine various SDOH diagrams to better serve your communities.

Reserve your spot for in-person or virtual training now! Visit [our website](#) to learn more about the costs for Public Health Units (PHUs). Let's shape a healthier future together.





## ***Ontario Public Health Directory: September 2025 update***

The *Ontario Public Health Directory* has been updated and is available on the ALPHA website. Please ensure you have the latest version, which has been dated as of **September 8, 2025**. To view the file, log into the ALPHA website.

Public  
Health  
Ontario

Santé  
publique  
Ontario

### **Apply Now for the Sheela Basrur Centre Grant**

Effective public health communication is the foundation of a healthy and informed community. Yet today, public trust is increasingly challenged by misinformation, disinformation, and growing skepticism.

The Sheela Basrur Centre Grant is now accepting applications for projects of up to \$100,000. This new one-time funding opportunity supports public health units in leading innovative, community-driven projects that strengthen trust, improve communication, and counter the spread of misinformation across Ontario.

Applications are approaching fast and are due on October 1, 2025, at 9:00 a.m. ET. For more information about the grant, application requirements, and how to apply visit the [Call for Proposals](#).

# Public Health Ontario

## New Course Released! Infection Prevention and Control for Health Care Workers

The new [Infection Prevention and Control \(IPAC\) for Health Care Workers \(HCWs\) interactive course](#) has launched! This interactive scenario-based e-learning course is designed to help health care workers improve their IPAC knowledge and skills. It includes critical practice elements including understanding the chain of transmission, conducting a point-of-care risk assessment and critical IPAC practices such as hand hygiene, as well as the elements of additional precautions and actions to take when an infection is suspected or confirmed.

Informed by input from partners from all health care sectors across Ontario and aligns with up-to-date recommendations from the Provincial Infectious Diseases Advisory Committee, this course can be incorporated into ongoing training, orientation for new staff, or as a refresher. This new course replaces our previous IPAC Core Competencies course.

## Recent Knowledge Products

- [Measles in Ontario](#)
- [How to Recognize and Respond to Measles](#)
- [Mpox in Ontario](#)
- [Influenza Genomic Surveillance in Ontario 2024-25 Season](#)
- [iGAS Disease in Ontario](#)
- [Legionellosis in Ontario](#)
- [Updated: Substance Use and Harms Tool](#)
- [SARS-CoV-2 Genomic Surveillance in Ontario](#)
- [Ontario Respiratory Virus Tool](#)
- [Infection Prevention and Control for Health Workers Interactive Course](#)

## Events

Be sure to keep an eye on PHO's [Events page](#) for their upcoming events.

## Recent Presentations

- [Prospects and partnerships for building Indigenous food sovereignty, security and self-determination in Northwestern Ontario](#)
- [Building a Pediatric Infectious Disease Observatory in a Resource-Limited Setting](#)

# Dalla Lana

## School of Public Health

### *Upcoming DLSPH Events and Webinars*

- [Leadership for Change: Toward Sustainable Health Systems](#) (Sept. 23-Nov. 4)
- [Keystone Symposia: Predicting and Responding to Emerging Viral Infections](#) (Oct. 13-16)
- [Climate, Health & Sustainable Care 2025 Annual Symposium](#) (Oct. 30)



In partnership with ALPHA, [BrokerLink](#) is proud to offer preferred home and auto insurance rates for members, [get a quote today](#). Going boating? Make sure you're prepared and protected! Before you set sail, check our list to ensure you have the important items you need [here](#).



Managing a public health unit may be complicated, but your technology doesn't have to be! Vocalmeet provides a modular, all-in-one platform purpose-built for member-based organizations. By combining key systems like online continuing education, certification, membership management/CRM, and events/conferences into one integrated solution, we help organizations streamline operations and reduce overhead. Our platform includes features like: Custom AI-powered reports and real-time analytics, professional development hosting with automated certificates of completion, seamless event registration and management (including Zoom and Teams integration), and integrated eCommerce and unlimited online stores. And, with Vocalmeet, you only pay for the modules you need! The result? Less manual work, and more time to focus on what truly matters: improving public health and safety.

Let's talk: <https://vocalmeet.com/contact/>

# RSV Protection Webinar – Reaching Provincial Targets for Better Infant Outcomes together



Early health. Lifelong health.  
Début en santé. Longue vie en santé.

Let's make this RSV season a success—together.

Join BORN Ontario for a live webinar designed for birthing units, NICUs, midwifery practice groups, and public health units to help prepare for the upcoming RSV season. We'll share practical information and tips to help your team reach the 90% protection target—a goal that's proven to reduce hospitalizations and prevent severe disease in infants.

Join one of two sessions available: Both live sessions will be identical— choose the date that works best for you and register at one of the links: [October 1 at 10 a.m.](#) and [October 2 at 1 p.m.](#) Note, these sessions will be recorded and sent out for those who are unable to attend.

## Survey on the barriers to adult vaccination in Canada



# QUICK SURVEY

The findings from this survey will contribute to identifying logistical, social, and systemic challenges in vaccination uptake, with the ultimate goal of informing strategies to create an adult immunization schedule. The survey is designed to take approximately 15 minutes to complete and is available in [English](#) and [French](#). The deadline to complete the survey is October 24, 2025.



# NEWS

## News Releases

The most up to date news releases from the Government of Ontario can be accessed [here](#).



## ALPHA's mailing address

Please note our mailing address is:

PO Box 73510, RPO Wychwood  
Toronto, ON M6C 4A7

For further information, please contact [info@alphaweb.org](mailto:info@alphaweb.org).



Killarney Provincial Park

This update is a tool to keep ALPHA's Members apprised of the latest news in public health including provincial announcements, legislation, ALPHA activities, correspondence, and events. Visit us at [alphaweb.org](http://alphaweb.org).



## Windsor-Essex County Health Unit Board of Health

### RECOMMENDATION/RESOLUTION REPORT – Strengthening Coordination of Provincial and Federal Dental Programs

2025-09-18

#### BACKGROUND

The Province of Ontario has long supported the oral health needs of those who meet high priority income or age-related thresholds. Through the delivery of the provincial *Healthy Smiles Ontario (HSO)* program the WECHU has connected thousands of children to barrier and cost-free oral health treatment and has set the course for healthier overall growth and development into adulthood. In addition, provincial social service programs like *Ontario Works (OW)* and *Ontario Disability Support Program (ODSP)* which are managed through Ontario municipalities have provided certain basic services or emergency treatment for those who qualify.

The *Canadian Dental Care Plan (CDCP)* is a federal program launched in late 2023 to improve access to dental care for eligible Canadians who do not have private dental insurance and meet income-based eligibility criteria. With the introduction of the CDCP, service providers began working with clients to coordinate the application of the new federal program with the existing provincial programs and the Province of Ontario has released resources to support the complex nature of coordination. Accordingly, the province requires that in any situation involving concurrent eligibility of provincial programs and the federal (CDCP) program, the CDCP will serve as the **primary payer** and that any provincial program will serve as the **secondary payer**.

While the pathways and interactions have been communicated to service providers and the public, there are opportunities to further improve coordination and communication to reduce access barriers.

Resulting from the direction around primary and secondary payer private dental offices have reported to social service providers and public health that they are unable to see clients under the provincial programs (i.e., HSO, OW, ODSP) until such time that the client is enrolled in CDCP. This presents a challenge to those who have yet to be enrolled in CDCP and require urgent oral health treatment. This specifically impacts:

- those who have applied to CDCP and have yet to be approved
- those who are unable to apply as they have not filed a tax return in the previous year, including those who are unhoused or underhoused
- those who have just learned about CDCP but have not yet enrolled
- those who are asylum seekers or have recently moved to Canada

Under these circumstances, it is likely that those most in need (e.g., new Canadians, individuals who are underemployed or underhoused) will continue to lack access to urgent oral health treatment, and in some cases, have less timely access than they would have prior to the implementation of the CDCP.

## PROPOSED MOTION

**Whereas**, oral health is a critical component of overall health and well-being, and access to dental care remains a significant barrier for many low-income individuals and families in Windsor-Essex and across Ontario; and

**Whereas**, the Government of Canada has launched the Canadian Dental Care Plan (CDCP) to expand access to dental services for uninsured Canadians with low and middle incomes; and

**Whereas**, the Province of Ontario administers several dental and social assistance programs, including Healthy Smiles Ontario (HSO), the Ontario Disability Support Program (ODSP), and Ontario Works (OW), which also provide dental benefits to eligible populations; and

**Whereas**, the current coordination of benefits between the CDCP and Ontario's programs is evolving, and clear, consistent, and integrated processes are essential to avoid duplication, ensure continuity of care, and reduce confusion for clients and providers; and

**Whereas**, local public health units, including the Windsor-Essex County Health Unit, play a vital role in delivering oral health services and supporting vulnerable populations;

**Now therefore be it resolved** that the Board of Health for the Windsor-Essex County Health Unit urges all levels of government to continue to improve the coordination between CDCP and Ontario's dental and social assistance programs to ensure seamless access to oral health treatment when needed; and

**FURTHER THAT**, the Province of Ontario provide clear guidance and streamlined administrative processes to social service organizations, oral health providers, and other healthcare providers to support navigation of the available support programs and eliminates delays in accessing oral health care; and

**FURTHER THAT**, the Province of Ontario provide a time-limited exemption which temporally waives the requirement to utilize CDCP as the primary payer for emergency dental treatment for those who are not currently enrolled in the program until such time that enrollment can occur; and

**FURTHER THAT**, the Government of Canada and Province of Ontario provide additional support to social services to ensure those experiencing homelessness or who may have experienced challenges in filing tax returns are able to do so and in so doing become eligible for oral health services and a multitude of other social supports.

October 1, 2025

To: Simcoe Muskoka District Health Unit partners and public health organizations

**RE: Introduction of Dr. Lisa Simon, Medical Officer of Health and Chief Executive Officer**

On behalf of the Board of Health, I am pleased to share that on October 1, 2025, Dr. Lisa Simon will begin her role as the Simcoe Muskoka District Health Unit's (SMDHU) Acting Medical Officer of Health and Chief Executive Officer (MOH/CEO), following the retirement of Dr. Charles Gardner on September 30, 2025. Dr. Simon's appointment as MOH/CEO is considered Acting until formal approval is received by the Minister of Health, as required under the Health Protection and Promotion Act.

Dr. Simon is regarded highly and known broadly as a respected public health professional. She has been part of the health unit since 2011, serving as Associate Medical Officer of Health (AMOH), and brings a deep understanding of our region with a proven track record of leadership and a clear, forward-looking vision for public health. Her training and career—shaped by a strong commitment to upstream, population-based approaches—has spanned both local and international settings. Throughout, Dr. Simon has consistently focused on reducing health disparities and advancing equity in the communities she serves.

As MOH/CEO, Dr. Simon will be responsible for providing public health medical leadership to protect and promote the health of the population and prevent disease, and for providing strategic leadership and management of all operations and public health programs and services for the populations in Simcoe Muskoka. This work will expand upon her contributions as AMOH, where she provided public health medical leadership for SMDHU's strategic initiatives in health equity and Indigenous engagement, co-led the multi-sector Simcoe Muskoka Opioid Strategy, supported emergency response efforts—including planning and engagement for the COVID-19 pandemic—and contributed to chronic disease prevention, child and youth health, health data initiatives, and health care system partnerships.

She holds a medical degree from the University of Calgary, a Master of Public Health from the University of Toronto, and completed her residency training in Public Health and Preventive Medicine, as well as Family Medicine, at McMaster University. Dr. Simon also serves as a faculty member of the Public Health and Preventive Medicine residency program at the University of Toronto's Dalla Lana School of Public Health.

Dr. Simon brings a deep commitment to collaborative leadership, evidence-informed practice, and meaningful community engagement in advancing public health across Simcoe Muskoka. The Board of Health is delighted to welcome her into this new leadership role and is confident in

her ability to guide the health unit forward with vision and integrity. We invite our partners and community members to join us in warmly welcoming Dr. Simon as MOH/CEO and look forward to the continued progress we will achieve together under her leadership.

Dr. Simon can be contacted going forward at [MOH@smdhu.org](mailto:MOH@smdhu.org) or through the Executive Assistant, Melissa Nickason at [melissa.nickason@smdhu.org](mailto:melissa.nickason@smdhu.org) or (705) 721-7520 ext. 7079.

Sincerely,

**ORIGINAL Signed By:**

Ann-Marie Kungl  
Chair, Board of Health

AMK/HH/mn

cc: Simcoe Muskoka District Health Unit Board of Health

□ **Barrie:**  
15 Sperling Dr.  
P: 705-721-7520  
F: 705-721-1495

□ **Barrie Clinic:**  
403-80 Bradford St.  
P: 705-721-7520  
F: 705-721-7848

□ **Collingwood**  
280 Pretty River Pkwy.  
P: 705-445-0804  
F: 705-445-6498

□ **Cookstown**  
2-25 King St. South  
P: 705-458-1103  
F: 705-458-0105

□ **Gravenhurst**  
2-5 Pineridge Gate  
P: 705-684-9090  
F: 705-684-9887

□ **Huntsville**  
34 Chaffey St.  
P: 705-789-8813  
F: 705-789-7245

□ **Midland**  
A-925 Hugel Ave.  
P: 705-526-9324  
F: 705-526-1513

□ **Orillia**  
120-169 Front St. S.  
P: 705-325-9565  
F: 705-325-2091

October 8, 2025

To: Simcoe Muskoka District Health Unit partners and public health organizations

**RE: Introduction of Dr. Michelle Quaye, Public Health Physician**

I am very pleased to share that the Simcoe Muskoka District Health Unit has welcomed Dr. Michelle Quaye to our leadership team. Dr. Quaye joined us on September 22, 2025 as a Public Health Physician, and will be transitioning into an Associate Medical Officer of Health (AMOH) role in mid-2026.

Dr. Quaye brings strong clinical and academic expertise, as well as a deep commitment to community health. She is a practicing family physician, and her Public Health and Preventive Medicine specialty training has taken her to a range of local, provincial, and international settings. She also holds a Master of Public Health in Health Policy and Systems and a Diploma in Tropical Medicine and Hygiene.

In addition to her professional background, Dr. Quaye has demonstrated substantial community leadership. In recent years, she has served in leadership roles with Girl Guides of Canada and with several medical training environments to deepen diversity and equity throughout all training stages. These experiences reflect her collaborative approach, commitment to community, and dedication to better serving diverse populations—all qualities that align strongly with the values of SMDHU.

We are delighted to have Dr. Quaye join our organization and are confident that her expertise, perspective, and passion for public health will be valuable assets to our health unit and to our community partnerships.

Sincerely,

**ORIGINAL Signed By:**

Dr. Lisa Simon  
Lisa Simon, MD, MPH, CCFP, FRCPC  
Acting Medical Officer of Health and Chief Executive Officer

LS/HH/mn

cc: Simcoe Muskoka District Health Unit Board of Health

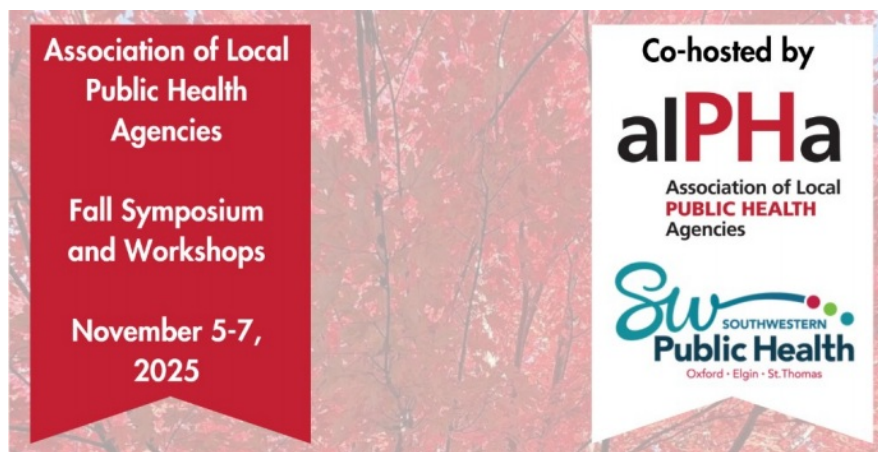
**Kathleen Thompson**

**From:** allhealthunits <allhealthunits-bounces@lists.alphaweb.org> on behalf of alPHa communications <communications@alphaweb.org>  
**Sent:** Wednesday, October 15, 2025 10:06 AM  
**To:** 'allhealthunits@lists.alphaweb.org'  
**Cc:** Board  
**Subject:** [allhealthunits] BOH Section Members - 2025 Fall Symposium – Register Today!

This sender is trusted.

**PLEASE ROUTE TO:**

**All Board of Health Members**  
**All Members of Regional Health & Social Service Committees**  
**All Senior Public Health Managers**



Dear Board of Health Section Members,

Have you registered for this year's [Fall Symposium and Workshops](#) that are taking place **online** on November 5-7 yet? These events are sure to be exciting and will continue the conversation on the critical role of the province's public health system. Registration for the Fall Symposium is \$399+HST and closes on Friday, October 31. You won't want to miss out! Please note, your health unit must be an alPHa Member in order to register.

alPHa would like to thank [Southwestern Public Health](#) for being this year's Fall Symposium co-host. A shoutout also goes to [Eastern Ontario Health Unit](#) and the [Dalla Lana School of Public Health](#) for their event support.

**New for this year:** The newly formatted all-day program means you will have an opportunity to hear from even more speakers, explore more topics, and participate in more discussions! The Symposium program can be accessed [here](#).

On Friday, November 7, from 8:30 a.m.- 4 p.m., there is an exciting lineup of Symposium speakers and topics. This includes the Premier of Ontario, Hon. Doug Ford, and Robin Jones, President, Association of Municipalities of Ontario (AMO), who will both be giving opening remarks. Other speakers and topics include: *Humanizing Care: The Clinical Value of Storytelling in Mental Health and Addictions*, with Chris Cull, Founder, Inspire By Example; an update from Public Health Ontario with Nicole Visschedyk, Director, Indigenous Strategy and Engagement, Marnie MacKinnon, Director, Quality Improvement, Kaitlynn Almeida, Manager, Quality Improvement, and Dr. Sarah Wilson, Deputy Chief, Medical and Systems Support, Communicable Disease Control; *From Silos to Synergy: How Local Public Health is Collaborating with Ontario Health Teams* with Dr. Kit Young Hoon, Medical Officer of Health, Northwestern Health Unit, Dr. Piotr Oglaza, Medical Officer of Health, South East Health Unit, and Nicole Britten, Manager, Strategic Policy & Projects, Peel Public Health; an alPHa Update with alPHa Chair, Dr. Hsiu-Li Wang; *an Update from the Chief Nursing Officer*, Dr. Karima Velji, Chief of Nursing and Professional Practice; *Artificial Intelligence (AI) and Public Health* with Steven Rebellato, Board of Directors, alPHa; *Legally Speaking – alPHa’s Legal Counsel in Conversation with alPHa Members* with James LeNoury, Principal, LeNoury Law and Legal Counsel, alPHa, and an *Association of Municipalities of Ontario Update* with Alicia Neufeld, Senior Manager, Policy, and Daniela Spagnuolo, Policy Advisor. Please click on the link above to view the full program.

We will also be holding two workshops. The first, called *Public Health and Engagement with Indigenous Communities*, is a follow-up to the highly successful Indigenous presentation at the 2025 June alPHa Conference. It is being held on Wednesday, November 5 from 1 p.m. to 4 p.m. Participants will gain further insights into the importance of appropriate and inclusive Indigenous engagement with local public health efforts. The session will provide an opportunity for reflection on how public health agencies can foster meaningful relationships with First Nations, Inuit, and Métis (FNIM) communities and organizations. Prior attendance at the June conference is not necessary to participate in this workshop. To learn more, please view the poster [here](#).

The second workshop, *Leading Others: Understanding Communication Styles*, featuring Marilyn Owston, TrendLine Consulting Services, is being held on Thursday, November 6 from 1 p.m. to 4 p.m. It is a highly interactive session that has been specifically designed to enhance leaders' ability to communicate more effectively with their teams. In an effort to provide participants with the tools necessary to lead their teams more effectively, individuals will assess their own communication style and consider the impact differences in style have on decision making, problem-solving, change and other variables at work, especially as they relate to stress. Understanding the strengths and challenges each style brings to the team, emphasis will be placed on the ability of leaders to flex their own style in order to bring out the best in their team. To learn more, please view the poster [here](#).

Also available on the symposium webpage is a [Zoom Webinar Troubleshooting Tips document](#).

We will see you **online** November 5-7!



Sincerely,

Tammy DeGiovanni  
BOH Section Chair