

Financial Statements of

**WINDSOR-ESSEX
COUNTY HEALTH UNIT**

And Independent Auditor's Report thereon

Year ended December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Windsor-Essex County Health Unit ("Health Unit") are the responsibility of the Health Unit's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Board of Health is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Health carries out their responsibility for reviewing the financial statement principally through the Audit Committee. The members of the Audit Committee are not officers or employees of the Health Unit. The Audit Committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to recommending approval of the financial statements to the Board of Health. The external auditors have full access to the Audit Committee with and without the presence of management.

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



Dr. Ken Blanchette
Chief Executive Officer



Michael Horrobin
Director of Corporate Services & CFO



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INDEPENDENT AUDITOR'S REPORT

To the Directors of Windsor-Essex County Health Unit

Opinion

We have audited the financial statements of Windsor-Essex County Health Unit (the Health Unit), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated deficit for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and the notes and schedules 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 Health Unit as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted auditing standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility 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 Health Unit in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



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

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

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

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

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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Health Unit's internal control.



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- 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 the events or conditions that may cast significant doubt on the Health Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Health Unit'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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

June 30, 2025

WINDSOR-ESSEX COUNTY HEALTH UNIT

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Financial assets:		
Cash and short-term investments (note 2)	\$ 6,153,094	\$ 3,872,384
Accounts receivable (note 3)	1,984,063	3,358,225
	<u>\$ 8,137,157</u>	<u>\$ 7,230,609</u>
Financial liabilities		
Financial liabilities:		
Due to Province of Ontario (note 4)	\$ 2,935,535	\$ 2,343,608
Due to Municipalities (note 5)	361,888	1,183,298
Due to community programs	238,502	480,775
Amounts held in trust (note 6)	64,588	91,844
Trade accounts payable	1,875,541	868,508
Accrued payroll and deductions	2,163,687	1,743,256
Deferred revenue (note 7)	81,870	442,223
Employee future benefit liabilities (note 8)	2,479,162	2,525,686
	<u>10,200,774</u>	<u>9,679,198</u>
Net debt	(2,063,617)	(2,448,588)
Non-financial assets		
Non-financial assets:		
Tangible capital assets (note 9)	1,207,997	1,541,496
Prepaid and other expenses	642,581	344,872
	<u>1,850,578</u>	<u>1,886,368</u>
Commitments and contingencies (notes 12, 13 and 14)		
Accumulated deficit (note 10)	<u>\$ (213,039)</u>	<u>\$ (562,221)</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

WINDSOR-ESSEX COUNTY HEALTH UNIT

Statement of Operations and Accumulated Surplus (Deficit)

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

	2,024	2023
Revenue		
Municipalities:		
City of Windsor	\$ 3,723,647	\$ 3,226,011
County of Essex	3,128,764	2,713,579
Township of Pelee	3,729	3,179
	<u>6,856,140</u>	<u>5,942,769</u>
Province of Ontario:		
Mandatory Health Programs	17,743,958	16,290,825
Ontario Seniors Dental Care Program	2,891,645	2,631,233
One-time funding (schedule 2)	1,405,417	5,310,628
	<u>22,041,020</u>	<u>24,232,686</u>
Other:		
Interest	231,270	102,622
Miscellaneous	145,840	47,118
Ontario Seniors Dental Care Program user fees	7,522	7,045
Ontario Seniors Dental Care Building Occupancy	255,679	129,624
Other grants (schedule 4)	188,936	224,634
Seasonal housing inspection fees	111,858	94,845
Septic	10,353	10,866
Urgent Care Public Health Needs Site	-	379,243
Vaccine reimbursement	106,966	116,234
	<u>1,058,424</u>	<u>1,112,231</u>
Total revenue	29,955,584	31,287,686
Expenses		
General programs (schedule 3)	24,321,817	27,001,925
Ontario Seniors Dental Care Program (schedule 1)	2,686,820	2,607,688
One-time funding (schedule 2)	1,405,417	1,613,676
Other grants (schedule 4)	188,936	224,634
Loss on disposal (Note 13)	445,114	2,234,365
Septic	1,225	1,062
Total expenses	<u>29,049,329</u>	<u>33,683,350</u>
Annual surplus (deficit)	906,255	(2,395,664)
Accumulated deficit, beginning of year	(562,221)	1,833,443
One-time funding repayable (Note 4)	(557,073)	-
Accumulated deficit, end of year	<u>\$ (213,039)</u>	<u>\$ (562,221)</u>

See accompanying notes to financial statements.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Statement of Changes in Net Debt

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

	2024	2023
Annual surplus (deficit)	\$ 906,255	\$ (2,395,664)
Acquisition of tangible capital assets	(395,814)	(92,407)
Amortization of tangible capital assets	284,198	316,001
Loss on disposal	445,114	2,234,365
One-Time payable to Ministry	(557,073)	-
Use of prepaid and other expenses	344,872	134,531
Acquisition of prepaid and other expenses	(642,581)	(344,872)
Change in net debt	384,971	(148,046)
Net debt, beginning of year	(2,448,588)	(2,300,543)
Net debt, end of year	\$ (2,063,617)	\$ (2,448,588)

See accompanying notes to financial statements.

WINDSOR-ESSEX COUNTY HEALTH UNIT

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 (deficit)	\$ 906,255	\$ (2,395,664)
Items not involving cash:		
Amortization	284,198	316,001
Change in employee future benefit liabilities	(46,524)	(49,685)
Loss on disposal	445,114	2,234,365
One-time payment due to ministry	(557,073)	
Change in non-cash assets and liabilities:		
Accounts receivable	1,374,162	(102,511)
Prepaid and other expenses	(297,709)	(210,341)
Due to Municipalities	(821,410)	99,308
Due to Province of Ontario	591,927	218,120
Due to community programs	(242,270)	(570,182)
Amounts held in trust	(27,256)	(53,643)
Trade accounts payable	1,007,033	571,875
Accrued payroll and deductions	420,431	1,187,904
Deferred revenue	(360,353)	213,132
Net change in cash from operating activities	2,676,524	1,458,679
Capital activities:		
Cash used to acquire tangible capital assets	(395,814)	(92,407)
Net change in cash	2,280,710	1,366,272
Cash and short-term investments, beginning of year	3,872,384	2,506,112
Cash and short-term investments, end of year	\$ 6,153,094	\$ 3,872,384

See accompanying notes to financial statements.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements

Year ended December 31, 2024

The Windsor-Essex County Health Unit ("Health Unit") was established under the Health Protection and Promotion Act, R.S.O. 1990. The Health Unit is funded through grants from the Province of Ontario and required contributions from the municipalities of the Corporation of the City of Windsor ("City"), the Corporation of the County of Essex ("County") and the Corporation of the Township of Pelee ("Pelee"). The Health Unit provides public health programs to keep the communities of Windsor-Essex County and Pelee healthy by promoting improved health, preventing disease and injury, controlling threats to human life and function and facilitating social conditions to ensure equal opportunity in attaining health for all.

1. Significant accounting policies:

The financial statements of the Windsor-Essex County Health Unit are prepared by management in accordance with the Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Health Unit are as follows:

(a) Basis of presentation:

The financial statements reflect the assets, liabilities, revenue and expenses of the Health Unit. The Health Unit is comprised of all programs funded by the Province of Ontario, through the Ministry of Health, the City, County and Pelee. It also includes other programs that the Health Unit may offer from time to time with special grants and other sources of funding.

(b) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting and reflected in the statement of operations and accumulated deficit.

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

The Health Unit is funded by government transfers (grants and required contributions) from the Province of Ontario, the City, County and Pelee. Government 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, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Government transfers not received at year end are recorded as accounts receivable due from the related funding organization in the statement of financial position.

Funding amounts in excess of actual expenditures incurred during the year are repayable and are reflected as liabilities due to the related funding organization in the statement of financial position.

(c) Cash and short-term investments:

Cash comprises cash on hand and balances with the financial institution with maturity of three months or less. Short-term investments are highly liquid, subject to the insignificant risk of changes in value and have a short maturity term of less than 90 days.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(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.

Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset. Amortization is calculated on a straight-line basis over an asset's expected useful life for all classes. Residual values are assumed to be zero. Amortization will be taken at half rates in the year of acquisition.

Asset classification	Useful life (years)
Computer hardware	3
Furniture and fixtures	5
Telephone and security	5
Medical equipment	5
Vehicle	10
Leasehold improvements	term of lease

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

(e) Employee future benefits:

(i) Pension plan:

The Health Unit sponsors a pension plan for all employees who retire through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer, contributory, defined benefit pension plan established in 1962 by the Province of Ontario for employees of municipalities, local boards and school boards in Ontario. Both participating employers and employees are required to make contributions based on participating employees' contributory earnings.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension assets and liabilities information by individual employer, there is not sufficient information to enable the Health Unit to account for the plan as a defined benefit plan. As such, OMERS is accounted for as a defined contribution pension plan. Obligations for contributions to this defined contribution pension plans are recorded as benefits expense in the statement of operations and accumulated deficit.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(e) Employee future benefits (continued):

(ii) Employee future benefits, other than pension:

The Health Unit sponsors a defined benefit plan for certain health, dental and life insurance benefits on behalf of all employees who retire from active service with unreduced OMERS pension. The Health Unit accrues its obligations under the defined benefit plans as employees render their services necessary to earn these benefits. The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and incorporates management's best estimates with respect to mortality, termination rates, retirement age and expected inflation rate with respect to employee benefit costs.

Actuarial gains (losses) on the accrued benefit obligation arise from the differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess actuarial gains (losses) are amortized over the average remaining service period of active employees, which is 13.2 years.

Gains and losses determined upon a plan settlement or curtailment are accounted for in the period of the settlement or curtailment in the statement of operations and accumulated deficit.

Expenses associated with the defined benefits plan have been recognized as part of benefits expense on the statement of operations and accumulated deficit and the associated liability has been recognized as part of employee future benefit liabilities on the statement of financial position.

(iii) Accrued sick leave:

The Health Unit accrues its liability for unused sick leave which is payable to employees in accordance with their collective bargaining agreements. The cost of accrued sick leave is actuarially determined using the projected benefit method similar to employee future benefits, other than pension. Costs associated with unused sick leave are recognized as part of salaries on the statement of operations and accumulated deficit and the associated liability is recognized as part of employee future benefit liabilities on the statement of financial position.

(iv) Accrued vacation entitlements:

The Health Unit accrues its liability for accrued vacation entitlements as employees render their services necessary to earn these benefits.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the year. Significant assumptions include the valuation of accounts receivable, the valuation of employee future benefit obligations and certain other payroll related accruals. Actual results could differ from those estimates.

2. Cash and short-term investments:

Cash and short-term investments recognized on the statement of financial position are comprised of the following:

	2024	2023
Non-restricted funds	\$ 5,886,489	\$ 3,586,387
Restricted funds:		
Employee benefits	202,017	194,153
Held in trust – prepaid leave program	64,588	91,844
	\$ 6,153,094	\$ 3,872,384

3. Accounts receivable:

Accounts receivable recognized on the statement of financial position are comprised of the following:

	2024	2023
Province of Ontario	\$ 1,259,364	\$ 2,575,382
Commodity taxes receivable	268,257	177,009
Other	456,442	605,834
	1,984,063	3,358,225
Less allowance for doubtful accounts	–	–
	\$ 1,984,063	\$ 3,358,225

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

4. Due to the Province of Ontario:

The amount due to the Province of Ontario recognized on the statement of financial position resulting from the annual settlement process is comprised of the following:

	2024	2023
Current year settlement	\$ 698,222	\$ 1,100,359
Prior year settlements	2,237,313	1,243,249
	<u>\$ 2,935,535</u>	<u>\$ 2,343,608</u>

During the period January 1, 2025, to March 31, 2025, cash flows of \$172,733 were clawed back, reducing the settlement for 2024 to \$525,489. Details of the amounts clawed back are as follows:

- Ontario Senior Dental Care funding \$172,733

The Health Unit has adjusted the current year's settlement by \$557,073 to reflect the one-time funding received. This is to reflect the one-time funding received in 2022 and payable to the Ministry. This amount was received from the University of Windsor in July 22, 2024, as the relocation to the campus did not move forward.

5. Due to municipalities:

The amount due to the participating municipalities, namely the City, County and Pelee, recognized on the statement of financial position, is comprised of the following:

	2024	2023
City of Windsor:		
Current year settlement	\$ 196,545	\$ 644,181
Prior year settlements	644,181	591,373
Repayment of prior year's settlements	(644,181)	(591,373)
	<u>196,545</u>	<u>644,181</u>
County of Essex:		
Current year settlement	165,146	538,420
Prior year settlements	538,420	800,190
Repayment of prior year's settlements	(538,420)	(800,190)
	<u>165,146</u>	<u>538,420</u>
Township of Pelee:		
Current year settlement	197	697
Prior year settlements	697	640
Receipt against prior year's settlements	(697)	(640)
	<u>197</u>	<u>697</u>
	<u>\$ 361,888</u>	<u>\$ 1,183,298</u>

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Amounts held in trust:

Certain employees of the Health Unit participate in a prepaid leave program. These programs are funded by the participating employees, allowing the employee to spread four years' salary over a five-year period. This enables employees to take one year leave of absence following the four years of salary deferral. Amounts held in trust at December 31, 2024, of \$64,588 (2023 - \$91,844) are recognized as a liability on the statement of financial position.

7. Deferred revenue:

The Health Unit receives funding from external parties to administer programs. The Health Unit also receives funding from the Province of Ontario for specified purposes. The excess of funding over expenses is recognized as deferred revenue on the statement of financial position until such time as those funds and related expenses are settled.

Deferred revenue is comprised of the following:

	2024	2023
Programs funded by external parties	\$ 81,600	\$ 414,978
Funding for specified purposes	270	27,245
Deferred revenue, end of year	\$ 81,870	\$ 442,223

A summary of the year's activity relating to those programs is as follows:

	2024	2023
Deferred revenue, beginning of year	\$ 442,223	\$ 229,091
Funds received during the year	311,057	2,014,348
Expenses incurred in the year	(671,410)	(1,801,216)
Deferred revenue, end of year	\$ 81,870	\$ 442,223

8. Employee future benefits:

(a) Pension agreements:

The Health Unit makes contributions to OMERS on behalf of members of its staff. The plan is a multi-employer defined-benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The multi-employer plan is valued on a current market basis for all plan assets. The amount contributed to OMERS for current service for 2024 was \$1,671,077.24 (2023 - \$1,823,313) and is included in benefits expense on the statement of operations and accumulated deficit.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Employee future benefits (continued):

(b) Employee future benefits liabilities:

Employee future benefit liabilities recognized on the statement of financial position, are future liabilities of the Health Unit to its employees and retirees for benefits earned but not taken as at December 31, 2024. The employee future benefits liabilities consist of the following:

	2024	2023
Accrued vacation entitlements	\$ 408,835	\$ 374,402
Post-retirement benefits	1,113,866	1,112,610
Sick leave entitlements	956,461	1,038,674
	<u>\$ 2,479,162</u>	<u>\$ 2,525,686</u>

(i) Accrued vacation entitlements:

Accrued vacation entitlements consist of vacation entitlements that accumulate, and employees would be entitled to cash payments equal to the value of their unused entitlement if they were to terminate their employment with the Health Unit. Carryforward of vacation entitlements from prior years is limited to 10 days and is consistent with the terms of the collective bargaining agreements. Total accrued vacation entitlements at December 31, 2024, are \$408,835 (2023 - \$374,402) and are included in employee future benefits liabilities on the statement of financial position.

(ii) Post-retirement benefits:

The post-retirement benefit liability is based on an actuarial valuation performed by the Health Unit's actuaries. The date of the most recent actuarial valuation for the other post-retirement benefit plan is December 31, 2023, with results to December 31, 2024. The significant actuarial assumptions adopted in estimating the Health Unit's liability are as follows:

Discount Rate	4.70% (2023 – 4.65%)
Health Care Trend Rate	5.5% (2023 – 5.5%) in 2025; decreasing over 15 years to an ultimate rate 4.0%
Dental Care Trend Rate	4.0% (2023 - 4.0%)

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Employee future benefits (continued)

(b) Employee future benefits liabilities (continued):

(ii) Post-retirement benefits (continued):

Information about the Health Unit's future obligations with respect to these costs is as follows:

	2024	2023
Accrued benefit liability, beginning of year	\$ 1,112,610	\$ 1,092,328
Current service costs	64,999	55,103
Interest cost	54,130	49,575
Benefits paid	(124,013)	(77,655)
Amortization of actuarial (gains) losses	6,140	(6,741)
Accrued benefit liability, end of year	1,113,866	1,112,610
Unamortized net actuarial losses	67,484	80,982
Accrued benefit obligations, end of year	\$ 1,181,350	\$ 1,193,592

Benefit expense recorded in the statement of operations and accumulated deficit is as follows:

	2024	2023
Current service costs	\$ 64,999	\$ 55,103
Interest cost	54,130	49,575
Amortization of actuarial (gains) losses	6,140	(6,741)
Benefit expense	\$ 125,269	\$ 97,937

The approximate effect on the accrued benefit obligation if the health care and dental trend rate assumption was increased or decreased by 1% is as follows:

	2024	2023
1% increase in trend rate	\$ 133,000	\$ 134,000
1% decrease in trend rate	(223,000)	(225,000)

The approximate effect on the accrued benefit obligation if the discount rate assumption was increased or decreased by 1% is as follows:

	2024	2023
1% increase in trend rate	\$ (126,500)	\$ (127,800)
1% decrease in trend rate	152,100	153,700

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Employee future benefits (continued)

(b) Employee future benefits liabilities (continued):

(iii) Sick leave entitlements:

Included in employee future benefits liability on the statement of financial position is the liability for sick leave entitlements of \$956,461 (2023 - \$1,038,674). The Health Unit is bound by two collective bargaining agreements. The Canadian Union of Public Employees, Local 543.3 ("CUPE"), representing certain non-management employees and the Ontario Nurses Association ("ONA"), representing non-management nurses.

As it relates to the ONA sick leave plan, effective January 1, 2013, full-time employees are credited 12 sick days. These sick days do not accumulate from year-to-year. Upon separation from the Health Unit, ONA members will be entitled to be paid in cash one-half of the accumulated sick leave credit at their current wage rate up to a maximum of six months' salary. ONA member sick leave banks were frozen prior to January 1, 2013.

On January 1st annually, CUPE members are credited 15 sick leave days. Unused days can be carried forward from year-to-year. In the latter part of 2015, the Health Unit negotiated changes to the sick leave plan for CUPE employees. Under the terms of the new collective bargaining agreement, the sick leave bank is capped at 150 days. One half of the banks were frozen at September 30, 2015, wage rates. The remaining one-half has no commuted cash value and will remain in the members' sick bank for future use, if required. Of that frozen portion, one-half or \$382,214 was paid out in November of 2015 with the remainder to be paid out upon separation of those members from the Health Unit.

The sick leave liability is based on an actuarial valuation performed by the Health Unit's actuaries. The date of the most recent actuarial valuation for the sick leave liability is December 31, 2021, with results to December 31, 2024. The significant actuarial assumptions adopted in estimating the Health Unit's liability are as follows:

Discount Rate 4.40% (2023 – 4.6%)

Information about the Health Unit's future obligations with respect to these costs is as follows:

	2024	2023
Accrued benefit liability, beginning of year	\$ 1,038,674	\$ 1,077,404
Current service cost	44,839	41,488
Interest cost	22,644	24,712
Benefits paid	(105,590)	(55,258)
Amortization of actuarial gains	(44,106)	(49,672)
Accrued benefit liability, end of year	956,461	1,038,674
Unamortized net actuarial gains	(609,131)	(516,041)
Accrued benefit obligations, end of year	\$ 347,330	\$ 522,633

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Employee future benefits (continued):

(b) Employee future benefits liabilities (continued):

(iii) Sick leave entitlements (continued):

Benefit expense recorded in the statement of operations and accumulated deficit is as follows:

	2024	2023
Current service cost	\$ 44,839	\$ 41,488
Interest cost	22,644	24,712
Amortization of actuarial gains	(44,106)	(49,672)
Benefit expense	\$ 23,377	\$ 16,258

The approximate effect on the accrued benefit obligation if the discount rate assumption was increased or decreased by 1% is as follows:

	2024	2022
1% increase in discount rate	\$ (21,600)	\$ (33,300)
1% decrease in discount rate	24,100	37,300

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Tangible capital assets:

Cost	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024
Computer hardware	\$ 1,396,489	\$ 257,835	\$ 255,543	\$ 1,398,781
Furniture and fixtures	681,468	19,316	25,754	675,030
Telephone and security	297,867	3,318	51,196	249,989
Medical equipment	955,582	292,729	57,088	1,191,223
Leasehold improvements	1,971,608	11,972	649,409	1,334,171
Vehicle	20,351	52,360	20,351	52,360
Assets in progress		23,336	–	23,336
Total	\$ 5,323,365	\$ 660,866	\$ 1,059,341	\$ 4,924,890

Accumulated amortization	Balance at December 31, 2023	Disposals	Amortization expense	Balance at December 31, 2024
Computer hardware	\$ 1,068,550	\$ 231,580	\$ 141,540	\$ 978,510
Furniture and fixtures	595,851	13,558	25,483	607,776
Telephone and security	251,940	16,563	4,595	239,972
Medical equipment	779,876	49,544	87,547	817,879
Leasehold improvements	1,069,371	21,647	22,415	1,070,139
Vehicle	16,281	16,281	2,618	2,618
Total	\$ 3,781,869	\$ 349,173	\$ 284,198	\$ 3,716,894

Net book value	Balance at December 31, 2023	Balance at December 31, 2024
Computer hardware	\$ 327,939	\$ 420,272
Furniture and fixtures	85,617	67,254
Telephone and security	45,927	10,017
Medical equipment	175,706	373,344
Leasehold improvements	902,237	264,032
Vehicle	4,070	49,742
Assets in progress	–	23,336
Total	\$ 1,541,496	\$ 1,207,997

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Tangible capital assets (continued):

Cost	Balance at December 31, 2022	Additions	Disposals	Balance at December 31, 2023
Computer hardware	\$ 1,148,297	\$ 324,066	\$ 75,874	\$ 1,396,489
Furniture and fixtures	687,757	31,640	37,929	681,468
Telephone and security	274,519	39,452	16,104	297,867
Medical equipment	875,133	105,611	25,162	955,582
Leasehold improvements	1,314,154	657,454	—	1,971,608
Vehicle	20,351	—	—	20,351
Assets in progress	3,299,116	—	3,299,116	—
Total	\$ 7,619,327	\$ 1,158,223	\$ 3,454,185	\$ 5,323,365

Accumulated amortization	Balance at December 31, 2022	Disposals	Amortization expense	Balance at December 31, 2023
Computer hardware	\$ 976,541	\$ 75,874	\$ 167,883	\$ 1,068,550
Furniture and fixtures	605,520	36,864	27,195	595,851
Telephone and security	259,391	16,104	8,653	251,940
Medical equipment	738,054	25,162	66,984	779,876
Leasehold improvements	1,206,119	—	43,252	1,069,371
Vehicle	14,247	—	2,034	16,281
Total	\$ 3,619,872	\$ 154,004	\$ 316,001	\$ 3,781,869

Net book value	Balance at December 31, 2022		Balance at December 31, 2023
Computer hardware	\$ 171,756		\$ 327,939
Furniture and fixtures	82,237		85,617
Telephone and security	15,128		45,927
Medical equipment	137,079		175,706
Leasehold improvements	288,035		902,237
Vehicle	6,104		4,070
Assets in progress	3,299,116		—
Total	\$ 3,999,455		\$ 1,541,496

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Tangible capital assets (continued):

Amortization expense for 2024 was \$284,198 (2023 - \$316,001) is presented as amortization expense on the statement of operations and accumulated deficit as part of general program expenses. Total additions by funding source are as follows:

	2024	2023
Mandatory program	\$ 423,681	\$ 364,478
Healthy Smiles Ontario	30,277	21,756
Ontario Seniors Dental Care Program	206,908	30,591
Safe Point	–	741,398
	<u>\$ 660,866</u>	<u>\$ 1,158,223</u>

10. Accumulated deficit:

Accumulated deficit consists of individual fund balances and reserves as follows:

	2024	2023
Surplus (deficit):		
Invested in tangible capital assets	\$ 1,207,997	\$ 1,541,496
Other	808,017	182,213
Amounts to be recovered in future years:		
Employee future benefit liabilities	(2,479,162)	(2,525,686)
Total surplus (deficit)	<u>(463,148)</u>	<u>(801,977)</u>
Reserves:		
Employee benefits	184,687	184,687
Septic	65,422	55,069
Total reserves	<u>250,109</u>	<u>239,756</u>
	<u>\$ (213,039)</u>	<u>\$ (562,221)</u>

11. Operating line of credit:

The Health Unit has available an operating line of credit of \$750,000 with TD Canada Trust. The line of credit bears interest at the bank's prime rate and is unsecured. No amount is outstanding at December 31, 2024 (2023 - \$nil).

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

12. Commitments:

The future minimum lease payments for operating leases on equipment over the next six years are as follows:

Years	Annual payments
2025	\$ 12,145
2026	8,400
2027	8,400
2028	8,400
2029	8,400
2030	7,700

The Health Unit entered into a lease agreement for its building located at 1005 Ouellette Avenue, Windsor, Ontario, over a period of twenty-six years commencing January 1, 1993. During 2024, the Health Unit entered a lease extension for an additional three-year period commencing January 1, 2025 to December 31, 2027 with an option to exercise an extension for a five-year renewal term ending December 31, 2026 and a second five-year renewal term exercised anytime on or before December 31, 2031. The annual lease payments over the remaining term of the lease, including the first five-year renewal extension, on a calendar year basis are as follows:

Years	Annual payment
2025	\$ 576,777
2026	594,080
2027	611,902
2028	630,259
2029	649,167
2030 to 2032	2,715,873

Total lease payments for the remaining term amount to \$5,128,891. In addition, the Health Unit is responsible for insurance premiums, routine maintenance, property taxes and utilities in connection with the leased premises.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

12. Commitments (continued):

In November of 2015, the Health Unit entered an operating lease for space at 33 Princess Street, Leamington, Ontario. The commencement date of this lease is April 1, 2016. The term of the lease is for a twenty-year period and will mature on March 31, 2036, or earlier, in the event certain early termination clauses are exercised. Lease payments over the life of the lease on a calendar year basis are as follows:

Years	Annual payment	Total payment
2025 to 2026	\$ 97,390	\$ 194,780
2027 to 2031	108,211	541,055
2032 to 2036	119,032	595,160
		\$ 1,330,995

The Health Unit leases parking space near the main office on a renewable annual term with annual lease payments as follows:

Years	Annual payment
2025	\$ 78,935
2026	40,557
2027	41,773
2028	43,026
2029	44,317
2030 to 2032	141,090

The Health Unit leased parking space near the 101 Wyandotte Street East on a renewable annual term with annual lease payments as follows: This lease was also terminated with the Surrender of Lease for this location on October 31, 2024.

13. Loss on disposal:

In 2022, the Health Unit entered into an agreement to relocate its main offices. The terms of the agreement indicate that it could be terminated should the projected construction costs exceed a specified amount. The anticipated budget construction costs were exceeded, and the agreement was terminated. The total loss reported in 2023 was \$2,234,365. At the time of agreement termination, an amount of \$254,368 was held back to be used by the WECHU for a new generator. In 2024, these funds were used to reduce the loss originally recorded in 2023.

In November of 2022, the Health Unit entered an operating lease for space at 101 Wyandotte Street East, Windsor Ontario. The commencement date of this lease is May 1, 2022. The term of the lease is for a three-year period and will mature on April 30, 2025, or earlier, in the event certain early termination clauses are exercised. At the last audit, this site was on pause waiting for funding.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2024

13. Loss on disposal (continued):

The WECHU executed a Minutes of Settlement and Surrender of Lease for the lease at 101 Wyandotte St. East, Windsor, ON, N9A 3H3 (Safepoint Facility) effectively surrendering the lease as at October 31, 2024. This was a result of the denial of the application by the Province of Ontario to operate a supervised safe consumption site.

The loss on disposal consists of:

Safepoint facility - loss incurred on lease surrender	\$	706,097
Gain from relocation project		(254,368)
Gain on sale of asset (Dodge Caravan)		(6,615)
Total loss on disposal	\$	445,114

14. Contingencies:

The Health Unit is periodically subject to claims or grievances. In the opinion of management, the ultimate resolution of any current claims or grievances would not have a material effect on the financial position or results of operations of the Health Unit.

15. Health Unit expenses:

The statement of operations and accumulated surplus (deficit) presents expenses for the Health Unit by function. The following is a summary of expenses by object.

	2024	2023
Salaries and benefits	\$ 22,164,650	\$ 25,508,687
Amortization	284,198	316,001
Financial expenses	8,543	6,653
Purchased services	1,094,314	1,549,656
Equipment Rental	69,971	75,359
Supplies and other	3,017,967	1,942,010
Occupancy costs	1,964,572	2,049,554
Loss on disposal	445,114	2,234,365
	\$ 29,049,329	\$ 33,683,350

WINDSOR-ESSEX COUNTY HEALTH UNIT

Schedule of Ontario Seniors Dental Care Program Expenses

Schedule 1

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

	2024	2023
Salaries	\$ 1,249,393	\$ 1,231,003
Benefits	388,281	351,076
Mileage	17,207	17,014
Professional development	8,202	3,084
Memberships	1,997	839
Office supplies	1,608	495
Program supplies	276,479	152,652
Purchased services	594,551	712,026
Bank charges	440	440
Security	14,550	9,435
Building occupancy costs	134,112	129,624
	<u>\$ 2,686,820</u>	<u>\$ 2,607,688</u>

WINDSOR-ESSEX COUNTY HEALTH UNIT

Schedule of One-time funding

Schedule 2

Year ended December 31, 2024

2024	\$	COVID-19: Vaccine Program*	IPAC Hub Funding	Respiratory Syncytial Virus	Mandatory Program: Public Health Inspector Practicum	Nuclear Preparedness	2024 Total
Revenue	\$	224,051	\$ 596,616	\$ 213,173	\$ 30,000	\$ 341,577	\$ 1,405,417
Expenses							
Salaries and benefits		48,354	572,676	196,748	30,000	-	847,778
Mileage		1,455	5,063	-	-	-	6,518
Program supplies		170,373	4,552	16,425	-	341,577	532,927
Purchased services		3,869	14,325	-	-	-	18,194
	\$	224,051	\$ 596,616	\$ 213,173	\$ 30,000	\$ 341,577	\$ 1,405,417

*Expenses for this program are included on Schedule 3.

WINDSOR-ESSEX COUNTY HEALTH UNIT

Schedule of One-time funding

Schedule 2

Year ended December 31, 2024

2023	Mitigation	COVID-19:		COVID-19:		COVID-19:		COVID-19:		Mandatory		New Windsor Office Location Leasehold Improvements	2023 Total
		Vaccine Program*	Management Capacity	Case and Contact Capacity	School- Focused Nurses Initiative	IPAC Hub Funding	Needle Exchange	Respiratory Synchronal Virus	Vaccine Fridge	Public Health Inspector Practicum	Program: Public Health Inspector Practicum		
Revenue	\$ 1,260,800	\$ 1,647,774	\$ 788,378	\$ 950,000	\$ 363,233	\$ 19,000	\$ 32,468	\$ 35,728	\$ 40,000	\$ 173,247	\$ 5,310,628		
Expenses													
Salaries and benefits	-	-	-	950,000	358,733	-	32,181	-	40,000	-	1,380,914		
Mileage	-	-	-	-	4,500	-	-	-	-	-	4,500		
Program supplies	-	-	-	-	-	-	-	-	-	-	36,015		
Purchased services	-	-	-	-	-	19,000	287	35,728	-	-	173,247		
	\$ -	\$ -	\$ -	\$ 950,000	\$ 363,233	\$ 19,000	\$ 32,468	\$ 35,728	\$ 40,000	\$ 173,247	\$ 1,613,676		

*Expenses for this program are included on Schedule 3

WINDSOR-ESSEX COUNTY HEALTH UNIT

Schedule of Mandatory and Related

Schedule 3

Year ended December 31, 2024

2024	Mandatory Program	Healthy Smiles Ontario	Smoke-Free Ontario Strategy	Enhanced Food Safety - Haines Initiative	Enhanced Safe Water Initiative	Needle Exchange Program Initiative	AMOH/MOH Compensation Initiative	Urgent Care Public Health Needs Site	2024 Total
	Advertising, publications and subscriptions	\$ 706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	706
	Amortization (note 9)	284,198	-	-	-	-	-	-	284,198
	Bank charges	8,103	-	-	-	-	-	-	8,103
	Benefits	4,393,373	-	-	-	-	-	-	4,393,373
	Directors' fees	3,134	-	-	-	-	-	-	3,134
	Legal, audit and consulting	244,928	9,280	-	-	-	-	-	254,208
	Maintenance	336,787	-	-	-	-	-	10,864	347,651
	Memberships	23,618	-	-	-	-	-	-	23,935
	Mileage	200,074	19,492	-	-	-	-	-	236,697
	Office equipment rentals	69,971	-	-	-	-	-	-	69,971
	Office supplies	38,628	-	-	-	-	-	-	38,628
	Parking	78,666	-	-	-	-	-	-	78,666
	Postage and freight	50,731	-	-	-	-	-	-	50,731
	Professional development	177,753	2,113	-	-	-	-	-	179,889
	Program supplies	1,382,002	43,888	56,754	30,143	57,750	-	1,698	1,596,288
	Purchased services	181,327	22,728	-	-	-	-	-	212,148
	Rent	711,832	8,093	-	-	-	-	89,193	801,025
	Salaries	13,850,107	342,621	-	-	-	28,200	-	15,098,282
	Security	27,103	-	-	-	-	-	-	41,092
	Taxes and insurance	275,312	-	-	-	-	-	54,838	330,150
	Telephone	97,614	-	-	-	-	-	-	97,614
	Travel	38,910	806	-	-	-	-	-	39,773
	Utilities	125,979	-	-	-	-	-	8,283	134,262
	Vehicle expenses	1,313	-	-	-	-	-	-	1,313
		\$ 22,602,168	\$ 975,487	\$ 56,754	\$ 30,143	\$ 57,750	\$ 28,200	\$ 164,876	\$ 24,321,817

WINDSOR-ESSEX COUNTY HEALTH UNIT

Schedule of Mandatory and Related

Schedule 3

Year ended December 31, 2024

2023	Mandatory Program	COVID-19 Vaccine Costs	COVID-19 Extraordinary Costs	Smiles Ontario	Healthy Ontario	Smoke-Free Ontario Strategy	Enhanced Food Safety - Haines Initiative	Enhanced Safe Water Initiative	Needle Exchange Program Initiative	AMOH/MOH Compensation Initiative	Urgent Care Public Health Needs Site	2023 Total
	Advertising, publications and subscriptions	\$ 608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	608
	Amortization	316,001	-	-	-	-	-	-	-	-	-	316,001
	Loss on sale of asset	1,065	-	-	-	-	-	-	-	-	-	1,065
	Bank charges	6,213	-	-	-	-	-	-	-	-	-	6,213
	Benefits	3,915,633	289,548	-	-	-	-	-	-	-	96,000	4,624,760
	Directors' fees	7,745	-	-	-	-	-	-	-	-	-	7,745
	Legal, audit and consulting	371,911	49,409	-	-	15,415	-	-	-	-	-	436,735
	Maintenance	173,337	-	-	-	-	-	-	-	-	35,226	208,563
	Memberships	35,036	-	-	985	-	-	-	-	-	-	36,021
	Mileage	201,433	4,860	8,237	8,237	24,096	-	-	-	-	-	252,009
	Office equipment/rentals	74,946	-	413	413	-	-	-	-	-	-	75,359
	Office supplies	30,103	-	-	-	-	-	-	-	-	-	30,103
	Parking	64,971	-	-	-	-	-	-	-	-	-	64,971
	Postage and freight	28,065	-	-	-	-	-	-	-	-	-	28,065
	Professional development	38,748	-	-	-	-	-	-	-	-	-	38,748
	Program supplies	932,958	47,376	908	454	440	-	-	-	-	-	1,284,181
	Purchased services	122,613	55,543	7,596	65,586	78,499	54,501	29,415	68,250	-	-	1,284,181
	Rent	684,899	10,227	3,813	9,014	7,729	-	-	-	-	-	198,712
	Salaries	14,142,217	1,087,524	-	622,472	393,597	-	-	-	-	62,048	17,715,957
	Security	8,904	1,062,270	-	9,435	-	-	-	-	28,200	279,677	17,715,957
	Taxes and insurance	615,930	20,505	-	-	-	-	-	-	-	-	38,844
	Telephone	98,707	2,621	-	-	-	-	-	-	-	7,711	623,641
	Travel	26,820	-	1,304	-	-	-	-	-	-	-	102,632
	Utilities	122,395	-	-	-	-	-	-	-	-	-	26,820
	Vehicle expenses	1,091	-	-	-	-	-	-	-	-	1,710	124,105
		\$ 22,022,349	\$ 1,635,504	\$ 1,444,962	\$ 716,596	\$ 519,776	\$ 54,501	\$ 29,415	\$ 68,250	\$ 28,200	\$ 482,372	\$ 27,001,925

WINDSOR-ESSEX COUNTY HEALTH UNIT

Schedule of Other grants

Schedule 4

Year ended December 31, 2024

2024	Community Safety and Police Granting Program	Windsor-Essex Community Opioid and Substance Strategy Grant	2024 Total
Revenue	\$ 111,877	\$ 77,059	\$ 188,936
Expenses			
Salaries and benefits	109,923	77,059	186,982
Mileage	1,954	-	1,954
Program supplies	-	-	-
Purchased services	-	-	-
	\$ 111,877	\$ 77,059	\$ 188,936

WINDSOR-ESSEX COUNTY HEALTH UNIT

Schedule of Other grants

Schedule 4

Year ended December 31, 2024

2023		IPAC Hub Funding		Ontario Active Transportation Grant		Community Safety and Police Granting Program		2023 Total
Revenue	\$	102,701	\$	17,136	\$	104,797	\$	224,634
Expenses								
Salaries and benefits		101,398		-		103,018		204,416
Mileage		1,303		-		1,779		3,082
Program supplies		-		17,136		-		17,136
Purchased services		-		-		-		-
	\$	102,701	\$	17,136	\$	104,797	\$	224,634