

---

**Subject:** Approval of the 2020-2021 Public Health and Emergency Services Program Audits

**Report to:** Public Health and Social Services Committee

**Report date:** Tuesday, July 13, 2021

---

## Recommendations

1. That the draft audited schedules of revenue and expenses for the following programs for the fiscal year ended March 31, 2021, **BE APPROVED**:
  - 1.1 Ambulance Communication Services (Appendix 1 to Report PHD 7-2021)
  - 1.2 Community Mental Health Program (Appendix 2 to Report PHD 7-2021)
  - 1.3 Infant and Child Development Services ("ICDS") (Appendix 4 to Report PHD 7-2021)
  - 1.4 Healthy Babies, Healthy Children ("HBHC") (Appendix 5 to Report PHD 7-2021);
2. That the annual reconciliation return for the Community Mental Health Program for the fiscal year ended March 31, 2021 (Appendix 3 to Report PHD 7-2021), **BE APPROVED**;
3. That staff **BE DIRECTED** to co-ordinate with the auditor to finalize the statements as presented; and
4. That Report PHD 7-2021 **BE FORWARDED** to the Region's Audit Committee for information.

## Key Facts

- The purpose of this report is to obtain approval of the audited schedules of revenues and expenses and annual reconciliation return in accordance with the provincial requirements.
- The Ministry submission deadline for the ICDS and HBHC programs are July 30, 2021. Arrangements have been made with the Ministry of Health and Ontario Health – West Region for the final audited statement submissions for the Ambulance Communication Services and Community Mental Health to be filed after the initial due date of June 30, 2021, upon final Council approval.
- As per Financial Reporting and Forecasting Policy (C-F-020), other financial statements or schedules performed for Ministry funding purposes, will be recommended for approval to Council by the standing Committee with oversight of the program. Upon approval by Council, the department Commissioner, or delegated authority, and the Treasurer will be authorized to sign the auditor's representation

letter to obtain the auditor's signed report. The approved statements will then be forwarded to Audit Committee for information.

## **Financial Considerations**

The schedules of revenue and expenses ("financial schedules") and annual reconciliation return have been prepared in compliance with legislation and in accordance with the requirements and policies stipulated by the corresponding Ministry.

Draft copies of the financial schedules and annual reconciliation return for the period ended March 31, 2021, are attached as Appendices 1 to 5 to Report PHD 7-2021.

The financial schedules are prepared specifically for the purposes of meeting the requirements as outlined in the service agreements with the respective funding Ministries. The financial schedules have been prepared in compliance with legislation and in accordance with the requirements and policies stipulated by the corresponding Ministry.

In previous years, the ICDS and HBHC programs' financial results had been reported to the Ministry using a December 31 year-end (for each year). In 2019, the Ministry provided direction that the financial schedules and the annual reconciliation return are to be reported as of March 31, to align with the reporting date of the Ministry. As a result of the reporting date change, the financial schedules for these programs contain 15 months of financial data for the comparative period of January 1, 2019 to March 31, 2020, with the current year reporting on 12 months of data with the fiscal year running April 1, 2020 to March 31, 2021.

The questionnaire for the HBHC program was included in the previous year's report and was approved by Council. The Ministry of Health has not provided this document to the Niagara Region at the time of this report and is not requesting it at this time; therefore, only the audited financial schedule is included in the report for this program. The completion of the questionnaire does not affect the audited financial schedule or results reported for the program.

The financial schedules for Public Health and Emergency Services Programs are a Ministry requirement as noted in the audit reports for each of the respective programs as follows:

Ambulance Communication Services:

“The accompanying schedule of the Program for the year ended March 31, 2021, is prepared, in all material respects, in accordance with the financial reporting provisions of the agreement between Her Majesty the Queen in Right on Ontario, as represented by the Minister of Health (formerly the Minister the Health and Long-Term Care) and the Regional Municipality of Niagara signed May 28, 2010 (the “guidelines”).”

“The schedule is prepared to assist the Region in complying with the guidelines. As a result, the schedule may not be suitable for another purpose.”

Community Mental Health Program:

“The accompanying schedule of the Program for the year ended March 31, 2021, is prepared, in all material respects, in accordance with the final reporting provision so the Multi-sector Service Accountability Agreement effective April 1, 2019, between Ontario Health – West Region (formerly the Hamilton Niagara Haldimand Brant Local Health Integration Network) and the Regional Municipality of Niagara – Mental Health and most recently amended March 31, 2020 (collectively, the “guidelines”).”

“The schedule is prepared to assist the Region in complying with the guidelines. As a result, the schedule may not be suitable for another purpose.”

Infant and Child Development Services:

“The accompanying schedule of the Program for the year ended March 31, 2021, is prepared, in all material respects, in accordance with the financial reporting provisions of the Ontario Transfer Payment Agreement effective April 1, 2020, between the Her Majesty the Queen in right of Ontario as represented by the Minister of Children, Community and Social Services and the Regional Municipality of Niagara (the “Guidelines”).”

“The schedule is prepared to assist the Program to comply with the financial reporting provisions of the Guidelines. As a result, the schedule may not be suitable for another purpose.”

Healthy Babies, Healthy Children:

“The accompanying schedule of the Program for the year ended March 31, 2021, is prepared, in all material respects, in accordance with the financial reporting provisions of the Ontario Transfer Payment Agreement effective April 1, 2020, between the Her

Majesty the Queen in right of Ontario as represented by the Minister of Children, Community and Social Services and the Regional Municipality of Niagara (the “Guidelines”).”

“The schedule is prepared to assist the Program to comply with the financial reporting provisions of the Guidelines. As a result, the schedule may not be suitable for another purpose.”

## **Analysis**

The audits of these Public Health and Emergency Services Programs were completed by the Region’s external auditors, Deloitte. The auditors have indicated that, based on their review, nothing has come to their attention that causes them to believe that this information is not, in all material respects, in accordance with the respective Ministry requirements identified.

The recommendation for approval of audited schedules performed for Ministry funding purposes rest with the Committee to which the department responsible for the funding reports. Upon approval by the Committee, these schedules are referred to Audit Committee for information. Then the department’s Commissioner and Treasurer will be authorized to sign the auditor’s representation letter to obtain the auditor’s signed report.

Below is a summary of the results of the audited financial schedules:

- Ambulance Communication Services – This program has no funds returnable for the reporting period ending March 31, 2021, as the Region has expended \$182,392 in excess of the provincial grant for the period.
- Community Mental Health Program – This program has no funds returnable for the reporting period ending March 31, 2021, as the Region has expended \$165,349 in excess of the provincial grant for the period.
- Infant and Child Development Services – This program has no funds returnable for the reporting period ending March 31, 2021, as the Region has expended all allocated funding.
- Healthy Babies, Healthy Children – This program has no funds returnable for the reporting period ending March 31, 2021, as the Region has expended all allocated funding.

These financial schedules are subject to minor wording changes once schedules are finalized.

## **Alternatives Reviewed**

The audited financial schedules and annual reconciliation report are a Ministry requirement and therefore no alternatives are available.

## **Relationship to Council Strategic Priorities**

Providing formal financial reporting to Council and the public supports the Council Strategic Priority of Sustainable and Engaging Government.

## **Other Pertinent Reports**

None.

---

### **Prepared by:**

Beth Brens, CPA, CA  
Acting Associate Director, Reporting &  
Analysis  
Corporate Services

---

### **Recommended by:**

M. Mustafa Hirji, MD MPH FRCPC  
Medical Officer of Health &  
Commissioner (Acting)  
Public Health and Emergency Services

---

### **Submitted by:**

Ron Tripp, P.Eng.  
Acting Chief Administrative Officer

This report was prepared in consultation with Michael Leckey, Program Financial Specialist, and Amanda Fyfe, Program Financial Specialist.

## **Appendices**

Appendix 1 Ambulance Communication Services – Schedule of Revenue and Expenses

Appendix 2 Community Mental Health Program – Schedule of Revenue and Expenses

Appendix 3 Community Mental Health Program – Annual Reconciliation Return

Appendix 4 Infant and Child Development Services – Schedule of Revenue and Expenses

Appendix 5 Healthy Babies, Healthy Children – Schedule of Revenue and Expenses

---

Schedule of revenues and  
expenditures

The Regional Municipality of Niagara  
Public Health Department  
Ambulance Communications Service

March 31, 2021

---

---

Independent Auditor's Report	1-2
Schedule of revenues and expenditures	3
Notes to the schedule of revenues and expenditures	4-5

---



# Independent Auditor's Report

To the Regional Municipality of Niagara and the Ontario Ministry of Health

## Opinion

We have audited the accompanying schedule of revenues and expenditures of the Regional Municipality of Niagara (the "Region") Public Health Department – Ambulance Communications Service (the "Program"), for the year ended March 31, 2021 and notes to the schedule (collectively referred to as the "schedule").

In our opinion, the accompanying schedule of the Program for the year ended March 31, 2021 is prepared, in all material respects, in accordance with the financial reporting provisions of the agreement between the Her Majesty the Queen in Right of Ontario, as represented by the Minister of Health (formerly the Minister of Health and Long-Term Care) and the Regional Municipality of Niagara signed May 28, 2010 (the "guidelines").

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Region in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Region in complying with the guidelines. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the schedule in accordance with the guidelines, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule is 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 GAAS 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 this schedule.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, 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 Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We 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  
June 25, 2021

Draft

**The Regional Municipality of Niagara Public Health Department**  
**Ambulance Communications Service**  
**Schedule of revenues and expenditures**  
Year ended March 31, 2021

	Notes	Budget \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>				
Provincial grant		6,828,370	6,981,919	6,196,294
Other income		10,000	8,295	8,505
		<b>6,838,370</b>	<b>6,990,214</b>	6,204,799
<b>Expenditures</b>				
Salaries and benefits				
Salaries and wages		4,498,250	4,624,013	4,209,239
Employee benefits		1,564,849	1,622,863	1,459,471
Transportation and communications		154,012	132,357	154,846
Services and rentals		222,620	279,496	244,415
Supplies and equipment		148,591	256,825	34,025
Administrative costs	2	250,048	268,105	287,310
Total expenditures		<b>6,838,370</b>	<b>7,183,659</b>	6,389,306
Ineligible administration costs	2	—	(11,053)	(15,252)
Total eligible expenditures		<b>6,838,370</b>	<b>7,172,606</b>	6,374,054
<b>Excess of expenditures over revenues</b>		<b>—</b>	<b>(182,392)</b>	(169,255)

The accompanying notes are an integral part of the Schedule.

## **1. Significant accounting policies**

### *Basis for presentation*

The schedule of revenues and expenditures is prepared in accordance with the agreement dated May 28, 2010 between the Ontario Ministry of Health and the Regional Municipality of Niagara.

The agreement requires the Schedule to be prepared in a manner consistent with generally accepted accounting principles ("GAAP"). Management of the Regional Municipality of Niagara Public Health Department has interpreted GAAP to be the recognition and measurement principles of the Canadian public sector accounting standards related specifically to revenues and expenditures, except that it does not provide for employee future benefits and does not capitalize and amortize tangible capital assets. Management has further interpreted that GAAP does not include the presentation principles or the presentation of all financial statements and note disclosures required by GAAP for a complete set of financial statements.

### *Revenues and expenditures*

Revenues are reported on the accrual basis of accounting.

Expenditures are recorded if they are eligible for the program and incurred in the year.

### *Capital assets*

Tangible capital assets acquired are reported as an expenditure, amortization is not recorded.

### *Employee future benefits*

Employee future benefits are provided which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees. These benefits are recorded on a cash basis.

### *Use of estimates*

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of a periodic schedule involves the use of estimates and approximations. These have been made using careful judgements.

## **2. Administration costs**

The program records direct operating expenditures to their respective activity. In addition, in 2013, the Region established its first consolidated allocation policy with a guiding principle of more closely aligning indirect costs with the support programs and services as defined by the Province of Ontario in the Financial Information Return (FIR). The new methodology allocates these indirect costs to end programs/services based on usage drivers.

Under this methodology, all departments providing program/service support functions will allocate their costs using drivers specific to each type of expense.

**The Regional Municipality of Niagara Public Health Department**  
**Ambulance Communications Service**  
**Notes to the schedule of revenues and expenditures**  
March 31, 2021

**2. Administration costs (continued)**

Administration costs, which have been allocated, are:

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
Accounting services	<b>6,049</b>	6,492
Asset management services	<b>1</b>	—
Capital levy	<b>5,921</b>	10,252
Debt costs	<b>5,132</b>	4,999
Financial management	<b>30,956</b>	25,922
Human resources services	<b>39,642</b>	39,024
IT program support services and project costs	<b>74,729</b>	74,879
Land ambulance shared services	<b>74,630</b>	71,223
Legal services	<b>2,348</b>	1,404
Payroll services	<b>26,583</b>	49,525
Printing costs	<b>36</b>	192
Procurement services	<b>2,120</b>	3,317
Property management	<b>(42)</b>	81
	<b>268,105</b>	287,310

As per this program's funding agreement the following administration costs are considered ineligible and have been shown as a reduction of expense on the schedule of revenues and expenditures:

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
Capital levy	<b>5,921</b>	10,253
Debt costs	<b>5,132</b>	4,999
	<b>11,053</b>	15,252

**3. Budget data**

The budget data presented in the Schedule is based on the budget data submitted to the Ontario Ministry of Health.

---

Schedule of revenue and expenses  
The Regional Municipality of Niagara  
Public Health Department  
Community Mental Health Program

March 31, 2021

---

---

Independent Auditor's Report	1-2
Schedule of revenue and expenses	3
Notes to the schedule of revenue and expenses	4-5

---

## Independent Auditor's Report

To the Members of Council of the Regional Municipality of  
Niagara and Ontario Health – West Region

### Opinion

We have audited the accompanying schedule of revenue and expenses of the Regional Municipality of Niagara Public Health Department – Community Mental Health Program (the "Program"), for the year ended March 31, 2021 and notes to the schedule (collectively referred to as the "schedule").

In our opinion, the accompanying schedule of the Program for the year ended March 31, 2021 is prepared, in all material respects, in accordance with the financial reporting provisions of the Multi-sector Service Accountability Agreement effective April 1, 2019 between Ontario Health – West Region (formerly the Hamilton Niagara Haldimand Brant Local Health Integration Network) and the Regional Municipality of Niagara – Mental Health and most recently amended March 31, 2020 (collectively, the "guidelines").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Region in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Region in complying with the guidelines. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the schedule in accordance with the guidelines, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule is 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 GAAS 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 this schedule.



As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, 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 Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We 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  
June 25, 2021

Draft

**The Regional Municipality of Niagara Public Health Department**  
**Community Mental Health Program**  
**Schedule of revenue and expenses**  
Year ended March 31, 2021

	Notes	Budget \$	2021 Actual \$	2020 Actual \$
<b>Revenue</b>				
Province of Ontario Grants		6,540,441	6,560,037	6,461,065
Miscellaneous		1,000	12,196	4,637
		<b>6,541,441</b>	<b>6,572,233</b>	6,465,702
<b>Expenses</b>				
Compensation				
Salaries		4,987,437	5,040,681	4,704,113
Employee benefits		989,833	978,427	913,073
		<b>5,977,270</b>	<b>6,019,108</b>	5,617,186
Service costs				
Administration costs	3	39,500	380,442	501,707
Audit and other professional fees		2,901	3,078	7,143
Computer maintenance and supplies		4,850	5,724	27,152
Other expenses		45,119	94,248	154,200
Printing, postage, stationery and office supplies		11,100	18,235	16,809
Rent and property taxes		239,696	346,108	308,360
Staff education		16,800	76,796	82,531
Telephone		17,000	16,612	17,342
Travel		187,205	118,173	205,083
		<b>564,171</b>	<b>1,059,416</b>	1,320,327
Total expenses		<b>6,541,441</b>	<b>7,078,524</b>	6,937,513
Ineligible administration costs	3	—	340,942	462,207
Total eligible expenses		<b>6,541,441</b>	<b>6,737,582</b>	6,475,306
<b>(Deficiency) excess expenses over revenue</b>		—	<b>(165,349)</b>	(9,604)

The accompanying notes are an integral part of the Schedule.

**The Regional Municipality of Niagara Public Health Department**  
**Community Mental Health Program**  
**Notes to the schedule of revenue and expenses**  
March 31, 2021

---

**1. Significant accounting policies**

The schedule of revenue and expenses has been prepared for Ontario Health – West Region. The agreement requires the Schedule to be prepared in a manner consistent with generally accepted accounting principles ("GAAP"). Management of the Regional Municipality of Niagara has interpreted GAAP to be recognition and measurement principles in accordance with Canadian Public Sector Accounting Standards, except that it does not capitalize and amortize tangible capital assets. Management has further interpreted that GAAP does not include the presentation principles or the presentation of all financial statements and note disclosures required by GAAP for a complete set of financial statements.

*Revenue and expense recognition*

Revenue and expenses are reported on the accrual basis of accounting, with the exception of employee future benefits.

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

*Capital assets*

Tangible capital assets acquired are reported as an expense, and amortization is not recorded.

*Employee future benefits*

Employee future benefits are provided which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees. These benefits are recorded on a cash basis.

*Use of estimates*

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of a periodic schedule involves the use of estimates and approximations. These have been made using careful judgements.

**2. Grant funding repayable**

The grant repayable to the Province of Ontario is subject to audit verification by the Hamilton Niagara Haldimand Brant Local Health Integration Network. The grant repayable is non-interest bearing and is normally repaid in the subsequent year. The grant repayable balance at the end of the year is comprised of the unpaid grant repayable balance from prior years plus any current year excess of revenue over eligible expenditures excluding net book value associated with capital one-time funding.

	<b>2021</b>	2020
	<b>\$</b>	\$
Grant repayable, beginning of year	<b>491,872</b>	491,872
Amounts repaid during the year	<b>(373,084)</b>	—
Excess of revenue over eligible expenditures	<b>—</b>	—
Grant repayable, end of year	<b>118,788</b>	491,872

### 3. Administration costs

The program records direct operating expenses to their respective activity. In addition, since 2013, the Region established a consolidated cost allocation policy with a guiding principle of more closely aligning indirect costs with the support programs and services as defined by the Province of Ontario in the Financial Information Return (FIR). This methodology allocates these indirect costs to end programs/services based on usage drivers.

Under this methodology, all departments providing program/service support functions will allocate their costs using drivers specific to each type of expense.

Administration costs are comprised of the following charges:

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
Financial services	<b>54,421</b>	57,975
Human resource services	<b>67,238</b>	163,874
IT services	<b>229,344</b>	240,512
Debt charges	<b>29,439</b>	39,346
Total administration costs	<b>380,442</b>	501,707

As per direction from the funding body, administration costs are limited to \$39,500 (\$39,500 in 2020) and therefore administration costs in excess of the limit are considered ineligible and have been shown as a reduction of expense on the schedule of revenue and expenses.

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
Total administration costs	<b>380,442</b>	501,707
Less: administration cost limit	<b>39,500</b>	39,500
Total ineligible administration costs	<b>340,942</b>	462,207

---

Annual Reconciliation Report  
The Regional Municipality of Niagara  
Public Health Department  
Community Mental Health Program

March 31, 2021

---

---

Independent Auditor’s Report	1–2
Annual Reconciliation Report	3–8
Note to the Annual Reconciliation Report	9

---

## Independent Auditor's Report

To the Members of Council of the Regional Municipality of  
Niagara, Ontario Health – West Region and the Ontario Ministry of Health

### Opinion

We have audited the accompanying schedules (ARRFin1 and ARRFin2) and the Proxy Pay Equity Reconciliation Report (excluding statistics and FTEs) of the Annual Reconciliation Report of the Regional Municipality of Niagara Public Health Department Community Mental Health Program (the "Program") for the year ended March 31, 2021 and note to the schedules (collectively referred to as the "schedules").

In our opinion, the accompanying schedules of the Program for the year ended March 31, 2021 have been prepared, in all material respects, in accordance with the financial reporting provisions in the guidelines in Chapters 3 and 4 of the Ontario Healthcare Reporting Standards and the Community Financial Policy (2016) issued by the Ontario Ministry of Health (the "guidelines").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedules* section of our report. We are independent of the Region in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedules are prepared to assist the Program in complying with the guidelines. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Schedules

Management is responsible for the preparation of the schedules in accordance with the guidelines, and for such internal control as management determines is necessary to enable the preparation of the schedules that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules 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 GAAS 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 schedules.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedules, 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 Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We 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  
June 25, 2021



IFIS / Recipient #	100238
SRI Organization Code	473
Report Name	<b>2020-21 Account Reconciliation Report</b>
LHIN Name	Hamilton Niagara Haldimand Brant (Hnhb)
Service Provider Name	Community Mental Health Program
Service Provider Legal Name	Community Mental Health Program

Service Provider Address

Address 1	1815 Sir Isaac Brock Way
Address 2	0
City	Thorold
Postal Code	L2V 4T7

HSP Contact Name	Michael Leckey
HSP Contact Position	Program Financial Specialist
HSP Contact Phone Number	905-685-4225 x 7439
HSP Contact E-mail Address	michael.leckey@niagararegion.ca

# TOTAL AGENCY

Form ARRFfin 1- Total LHIN & Ministry Managed- Financial  
Community Mental Health Program

		TOTAL HSP
<b>TABLE G: Total Agency Reporting Summary by Fund Type (Total Agency Financials)</b>	<b>Line #</b>	
Total Revenue Fund Type 1	115	-
Total Expenses Fund Type 1	116	-
<b>Net Surplus/Deficit Fund Type 1 (Hospital)</b>	<b>117</b>	<b>-</b>
Total Revenue Fund Type 2 (Above)	118	<b>6,572,233</b>
Total Expenses Fund Type 2 (Above)	119	<b>6,737,582</b>
<b>Net Surplus/Deficit Fund Type 2 (Community Programs)</b>	<b>120</b>	<b>- 165,349</b>
Total Revenue Fund Type 3	121	-
Total Expenses Fund Type 3	122	-
<b>Net Surplus/Deficit Fund Type 3 (Other)</b>	<b>123</b>	<b>-</b>
<b>Total Revenue for the Provider</b>	<b>124</b>	<b>6,572,233</b>
<b>Total Expenses for the Provider</b>	<b>125</b>	<b>6,737,582</b>
<b>Net Surplus/Deficit</b>	<b>126</b>	<b>- 165,349</b>

Form ARRFin2 - LHIN Managed Programs  
Community Mental Health Program

		LHIN - CMHP1	
Table B	Line #	2020-21 Final	Comments (Max 255 Characters)
Funding Initiative		Select Funding Initiative (where applicable)	
LHIN Cash Flow:			
Funding - Local Health Integration Network (LHIN)	1	6,540,441	
Funding - Provincial MOHLTC	2	-	
Funding - LHIN One-Time	3	19,596	
Funding - Provincial MOHLTC One-Time	4	-	
Sessional fee funding - LHIN	5	-	
Sessional fee funding - MOHLTC	6	-	
Total LHIN/MOHLTC funding as per cash flow	7	6,560,037	
Service Recipient Revenue	8	-	
Recoveries from External/Internal Sources	9	-	
Donations	10	-	
Other Funding Sources and Other Revenue	11	12,196	
Other revenue adjustments (detailed comments required)	12	-	
Total revenue adjustments	13	12,196	
Total FUND TYPE 2 funding for settlement purposes	14	6,572,233	
Deferred LHIN/MMP funding used to purchase capitalized items in the current year (Enter as Negative Amount)	15	-	
Amortization of donation revenue and LHIN funding in the current fiscal year	16	-	
Other Adjustments including LHIN/MOHLTC recovery (detailed comments required)	18	-	
Total Revenue FUND TYPE 2	19	6,572,233	
EXPENSES- Fund Type 2			
Compensation			
Salaries and Wages (Worked + Benefit + Purchased)	20	4,263,226	
Benefit Contributions	21	961,875	
Employee Future Benefit Compensation	22	-	
Nurse Practitioner Remuneration	23	118,288	
Medical Staff Remuneration	24	715,219	
Sessional Fees	25	-	
Service Costs			
Med/Surgical Supplies and Drugs	26	-	
Supplies and Sundry Expenses (excl. Med/Surg Supplies & Drugs)	27	284,023	
Community One Time Expense	28	-	
Equipment Expenses	29	48,904	
Amortization on Major Equip and Software License and Fees	30	-	
Contracted Out Expense	31	18,833	
Buildings and Grounds Expenses	32	327,214	
Building Amortization	33	-	
TOTAL EXPENSES Fund Type 2	34	6,737,582	
Depreciation/Amortization of Capital Assets for the Program and Admin & Support	35	-	
Total Capitalized Purchases and Services in current year	36	-	
(CHC & Home Care purposes only) Inadmissible salary expenses	37	-	
(CHC & Home Care purposes only) Less: Other adjustments	38	-	
Total Expenses for Settlement Purposes	39	6,737,582	
Less sessional fee expenses (Enter as Negative Amount)	40	-	
Less one time expenses as per listing below (Negative sum of lin	42	- 19,596	
Total operating expenses for settlement purposes	43	6,717,986	
Operating Recovery	44	-	
Sessional Fee Recovery	45	-	
One Time Recovery	46	-	
Total Settlement Recovery	47	-	
TABLE C: One-Time Expenses		Comments (Max 255 Characters)	
Capitalized purchases from One Time funding Section C-1			
	48	-	
	49	-	
	50	-	
	51	-	
	52	-	
	53	-	
	54	-	
	55	-	
	56	-	
	57	-	
	58	-	
59	-		

Form ARRfin2 - LHIN Managed Programs  
Community Mental Health Program

		LHIN - CMHP1	
	61		
	62	-	
Total One-time capitalized purchases from One-time funding	63	-	
Operating expenses from One Time Funding Section C-2			
	64	19,596	
	65	-	
	66	-	
	67	-	
	68	-	
	69	-	
	70	-	
	71	-	
	72	-	
	73	-	
	74	-	
	75	-	
	76	-	
77	-		
78	-		
Total One-time operating expenses from One-time funding	79	19,596	
TABLE D: Operating Expenses	Line #	2020-21 Final	Comments (Max 255 Characters)
Capitalized expenses Sourced from Operating Funding (Section D-1) ( All capitalized items regardless of amount)			
	80	-	
	81	-	
	82	-	
	83	-	
	84	-	
	85	-	
	86	-	
	87	-	
	88	-	
	89	-	
	90	-	
	91	-	
	92	-	
93	-		
94	-		
Total Capitalized expenses from Operating Funding	95	-	
Non- capitalized one-time expenses > \$5,000 Sourced from Operating Funding (Section D-2)			
	96	-	
	97	-	
	98	-	
	99	-	
	100	-	
	101	-	
	102	-	
	103	-	
	104	-	
	105	-	
	106	-	
	107	-	
	108	-	
109	-		
110	-		
Total Non-Capitalized One-time expenses >\$5,000 from Operating Funding	111	-	
Total One Time Expenses	112	19,596	
TABLE F: Sessional Fees Summary (Enter the # of Sessions Delivered)			
# of Sessions Delivered (From Sessional Fees)	113	0	
Calculated Cost Per Session	114	0.00	

# PROXY PAY EQUITY ANNUAL REPORT

***This form is to be completed by transfer payment organizations who receive proxy pay equity funding from the Ministry of Health and Long-Term Care, pursuant to the April 23, 2003 Memorandum of Settlement. It must be completed on an annual basis until an organization no longer has a pay equity obligation.***

## SECTION 1: BASIC PROGRAM INFORMATION

Name of Agency: **Community Mental Health Program**

Vendor #: Reporting Period: from to

Contact Person:		Phone:	
-----------------	--	--------	--

## SECTION 2: EXPENDITURE REPORT

### Sources of Proxy Pay Equity Funds

Ministry of Health and Long-Term Care	\$	A
---------------------------------------	----	---

Other (Specify)

<b>TOTAL</b>	<b>0.00</b>
--------------	-------------

### Expenditures

Actual Proxy Pay Equity Expenses		<b>B</b>
----------------------------------	--	----------

Surplus(Deficit)	0.00	A-B
------------------	------	-----

### Current Outstanding Liabilities

Total Number of Individuals Receiving Proxy Pay Equity	
2019	1
2020	1
2021	1
2022	1
2023	1
2024	1
2025	1
2026	1
2027	1
2028	1
2029	1
2030	1
2031	1
2032	1
2033	1
2034	1
2035	1
2036	1
2037	1
2038	1
2039	1
2040	1
2041	1
2042	1
2043	1
2044	1
2045	1
2046	1
2047	1
2048	1
2049	1
2050	1
2051	1
2052	1
2053	1
2054	1
2055	1
2056	1
2057	1
2058	1
2059	1
2060	1
2061	1
2062	1
2063	1
2064	1
2065	1
2066	1
2067	1
2068	1
2069	1
2070	1
2071	1
2072	1
2073	1
2074	1
2075	1
2076	1
2077	1
2078	1
2079	1
2080	1
2081	1
2082	1
2083	1
2084	1
2085	1
2086	1
2087	1
2088	1
2089	1
2090	1
2091	1
2092	1
2093	1
2094	1
2095	1
2096	1
2097	1
2098	1
2099	1
2100	1
2101	1
2102	1
2103	1
2104	1
2105	1
2106	1
2107	1
2108	1
2109	1
2110	1
2111	1
2112	1
2113	1
2114	1
2115	1
2116	1
2117	1
2118	1
2119	1
2120	1
2121	1
2122	1
2123	1
2124	1
2125	1
2126	1
2127	1
2128	1
2129	1
2130	1
2131	1
2132	1
2133	1
2134	1
2135	1
2136	1
2137	1
2138	1
2139	1
2140	1
2141	1
2142	1
2143	1
2144	1
2145	1
2146	1
2147	1
2148	1
2149	1
2150	1
2151	1
2152	1
2153	1
2154	1
2155	1
2156	1
2157	1
2158	1
2159	1
2160	1
2161	1
2162	1
2163	1
2164	1
2165	1
2166	1
2167	1
2168	1
2169	1
2170	1
2171	1
2172	1
2173	1
2174	1
2175	1
2176	1
2177	1
2178	1
2179	1
2180	1
2181	1
2182	1
2183	1
2184	1
2185	1
2186	1
2187	1

### SECTION 3: CERTIFICATION

I, \_\_\_\_\_ hereby certify that to the best of my knowledge the financial data is correct and it is reflected in the year-end settlement.

\_\_\_\_\_  
(Signature of Health Service Provider Authority)

Title: \_\_\_\_\_

## Certification by Provider Fiscal 2020-21

Having the authority to bind the Health Service Provider, we certify that the information provided in ARRFIn1, ARRFIn2 and ARRFIn3 are complete and accurate

**Community Mental Health Program**

N/A

**Name of Signing Officer**

**Date**

**Signing Officer\*\*\***

N/A

**Title**

N/A

**Name of Signing Officer**

**Date**

**Signing Officer\*\*\***

N/A

**Title**

**\*\*\*I have the authority to bind the Health Service Provider**

## **1. Significant accounting policies**

### *Basis of accounting*

These Schedules have been prepared for the Ontario Ministry of Health and the Ontario Health – West Region. They are prepared in accordance with Canadian public sector accounting standards, except that it does not provide for employee future benefits and does not capitalize and amortize tangible capital assets. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial information necessarily involves the use of estimates and approximations. These have been made using careful judgments.

### *Revenues and expenses*

Revenues and expenses are reported on the accrual basis of accounting, with the exception of employee future benefits below.

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

### *Capital assets*

Tangible capital assets acquired are reported as an expenditure, and amortization is not recorded.

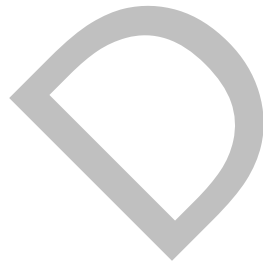
### *Employee future benefits*

Employee future benefits are provided which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees. These benefits are recorded on a cash basis.

Schedule of revenue and expenses

**The Regional Municipality of  
Niagara Public Health Department**  
Infant and Child Development Services

March 31, 2021





# **The Regional Municipality of Niagara Public Health Department**

Infant and Child Development Services

March 31, 2021

## Table of contents

Independent Auditor's Report .....	1-2
Schedule of revenue and expenses .....	3
Notes to the schedule of revenue and expenses .....	4-5



## Independent Auditor's Report

To the Members of Council of the Regional Municipality of Niagara and the Ministry Children, Community and Social Services

### Opinion

We have audited the accompanying schedule of revenue and expenses of the Regional Municipality of Niagara Public Health Department – Infant and Child Development Services (the "Program") for the year ended March 31, 2021 and notes to the schedule (collectively referred to as the "schedule").

In our opinion, the accompanying schedule of the Program for the year ended March 31, 2021 is prepared, in all material respects, in accordance with the financial reporting provisions of the Ontario Transfer Payment Agreement effective April 1, 2020, between the Her Majesty the Queen in right of Ontario as represented by the Minister of Children, Community and Social Services and the Regional Municipality of Niagara (the "Guidelines").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Program in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Program to comply with the financial reporting provisions of the Guidelines. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the schedule in accordance with the Guidelines, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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 GAAS 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 this schedule.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, 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 Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We 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  
\_\_\_\_\_, 2021



# The Regional Municipality of Niagara

## Public Health Department

Infant and Child Development Services

Schedule of revenue and expenses

Year ended March 31, 2021

	2020-21 Budget (12 months)	2020-21 Actual (12 months)	2019-20 Actual (15 months)
	\$	\$	\$
<b>Revenue</b>			
Province of Ontario - Service Contract	568,428	<b>568,428</b>	710,530
	568,428	<b>568,428</b>	710,530
<b>Expenses</b>			
Salaries	426,499	<b>441,983</b>	546,345
Benefits	106,625	<b>114,030</b>	133,264
	533,124	<b>556,013</b>	679,609
Other service costs			
Administration costs (Note 3)	33,636	<b>19,589</b>	36,180
Staff travel	22,000	<b>2,151</b>	20,910
Audit Services	1,378	<b>2,761</b>	3,333
Utilities and taxes	2,000	<b>1,572</b>	1,998
Supplies	3,500	<b>162</b>	1,845
IT licences and support	2,300	-	1,668
Staff training	2,500	<b>5,634</b>	726
Purchased services	1,320	<b>135</b>	225
Fees and dues	300	-	221
	68,934	<b>32,004</b>	67,106
Total expenses	602,058	<b>588,017</b>	746,715
<b>Deficiency of revenue over expenses</b>	(33,630)	<b>(19,589)</b>	(36,185)

The accompanying notes to the financial statements are an integral part of this financial statement.

# The Regional Municipality of Niagara

## Public Health Department

Infant and Child Development Services

Notes to the schedule of revenues and expenses

March 31, 2021

---

### 1. Significant accounting policies

This schedule has been prepared for the Ontario Ministry of Children, Community and Social Services. The agreement requires the schedule to be prepared in a manner consistent with generally accepted accounting principles ("GAAP"). Management of the Regional Municipality of Niagara has interpreted GAAP to be recognition and measurement principles in accordance with Canadian Public Sector Accounting Standards, except that it does not provide for employee future benefits and does not capitalize and amortize tangible capital assets. Management has further interpreted that GAAP does not include the presentation principles or the presentation of all financial statements and note disclosures required by GAAP for a complete set of financial statements.

Significant accounting policies are as follows

#### *Revenue and expenses*

Revenue and expenses are reported on the accrual basis of accounting, with the exception of employee future benefits below.

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

#### *Capital assets*

The historical cost and accumulated depreciation of capital assets are not recorded. Capital assets acquired are reported as an expenditure and amortization is not recorded on the statement of revenue and expenditure and surplus.

#### *Employee future benefits*

Employee future benefits are provided which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees. These benefits are recorded on a cash basis.

### 2. Grant repayable

	2020-21	2019-20
	\$	\$
Grant repayable beginning of period	-	-
Excess of expenditures over revenue	19,589	36,185
Expenditures in excess of the budget	(19,589)	(36,185)
Grant repayable, end of period	-	-

# The Regional Municipality of Niagara

## Public Health Department

Infant and Child Development Services

Notes to the schedule of revenues and expenses

March 31, 2021

---

### 3. Administration costs

Administration costs are allocated under the indirect allocation methodology included in the cost allocation policy.

Under this methodology, all departments providing program/service support functions, as identified during the budget process, will allocate their costs using a basis that best match actual costs with the most appropriate beneficial recipient of the cost.

Administration costs are comprised of the following charges:

	2020-21 Budget (12 months)	2020-21 Actual (12 months)	2019-20 Actual (15 months)
	\$	\$	\$
Accounting services	1,321	835	1,213
Payroll services	10,409	3,372	9,404
Human resources services	6,597	4,705	7,271
IT program support services	12,241	8,642	13,277
Insurance costs	297	363	270
Printing costs	1,067	200	1,081
Capital financing	1,704	1,472	3,664
	33,636	19,589	36,180

### 4. Budget data

The budget data presented in the schedule is based on the budget data submitted to the Ontario Ministry of Children, Community and Social Services.

Schedule of revenue and expenses

**The Regional Municipality of Niagara  
Public Health Department**  
Healthy Babies, Healthy Children Program

March 31, 2021

**The Regional Municipality of Niagara**  
**Public Health Department**  
Healthy Babies, Healthy Children Program

March 31, 2021

Table of contents

Independent Auditor's Report.....	1-2
Schedule of revenue and expenses .....	3
Notes to the schedule of revenue and expenses.....	4-5

Draft



## Independent Auditor's Report

To the Members of Council of the Regional Municipality of Niagara and Ontario Ministry of Children, Community and Social Services

### Opinion

We have audited the accompanying schedule of revenue and expenses of the Regional Municipality of Niagara Public Health Department – Healthy Babies, Healthy Children Program (the “Program”) for the year ended March 31, 2021, and notes to the schedule (collectively referred to as the “schedule”).

In our opinion, the accompanying schedule of the Program for the year ended March 31, 2021 is prepared, in all material respects, in accordance with the financial reporting provisions of the Ontario Transfer Payment Agreement effective April 1, 2020, between the Her Majesty the Queen in right of Ontario as represented by the Minister of Children, Community and Social Services and the Regional Municipality of Niagara (the “Guidelines”).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Region in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Program in complying with the financial reporting provisions of the Guidelines. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the schedule in accordance with the Guidelines, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Region’s financial reporting process.

### Auditor’s Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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 GAAS 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 this schedule.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, 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 Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We 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  
\_\_\_\_\_, 2021

# The Regional Municipality of Niagara

## Public Health Department

Healthy Babies, Healthy Children Program

Schedule of revenue and expenses

year ended March 31, 2021

	2020-21 Budget (12 months)	2020-21 Actual (12 months)	2019-20 Actual (15 months)
	\$	\$	\$
<b>Revenue</b>			
Ministry of Children, Community and Social Services Funding	2,362,755	2,362,755	3,084,194
Province of Ontario one-time grants	-	1,159	-
Other revenue	-	157	2,296
	2,362,755	2,364,071	3,086,490
<b>Expenses</b>			
Salaries and wages: unionized			
Public health nurses	1,115,928	1,125,821	1,454,834
Employee benefits	350,721	336,179	463,795
Lay home visitors	327,797	361,695	402,972
Clerical	105,602	101,011	129,588
WSIB	-	-	56
Salaries and wages: non-unionized			
Management	239,923	239,286	284,428
Administration ISCIS	71,788	63,965	85,348
Employee benefits	80,266	77,634	83,059
	2,292,025	2,305,591	2,904,080
<b>Operating costs</b>			
Administration costs (Note 3)	124,392	88,604	141,693
Travel - mileage	51,000	26,688	66,222
Professional development	4,000	6,392	100,213
Program supplies/resources	1,500	8,213	8,738
Telephone and communications	7,000	8,015	10,132
Office supplies	1,156	2,995	5,982
Audit fees	5,574	5,829	7,149
Cleaning allowance	500	350	760
	195,122	147,086	340,889
<b>Total expenses</b>	2,487,147	2,452,677	3,244,969
<b>Deficiency of revenue over expenses</b>	(124,392)	(88,606)	(158,479)

The accompanying notes to the financial statements are an integral part of this financial statement.

# The Regional Municipality of Niagara

## Public Health Department

Healthy Babies, Healthy Children Program

Notes to the schedule of revenue and expenses

March 31, 2021

---

### 1. Summary of significant accounting policies

#### *Basis of accounting*

This schedule has been prepared for the Ontario Ministry of Children, Community and Social Services. The agreement requires the schedule to be prepared in a manner consistent with generally accepted accounting principles ("GAAP"). Management of the Regional Municipality of Niagara has interpreted GAAP to be recognition and measurement principles in accordance with Canadian Public Sector Accounting Standards, except that it does not provide for employee future benefits and does not capitalize and amortize tangible capital assets. Management has further interpreted that GAAP does not include the presentation principles or the presentation of all financial statements and note disclosures required by GAAP for a complete set of financial statements.

#### *Revenue and expenses*

Revenue is reported on the accrual basis of accounting.

Expenses are recorded if they are eligible for the program and incurred in the period except for employee future benefits.

#### *Capital assets*

Tangible capital assets acquired are reported as expenses and amortization is not recorded.

#### *Employee future benefits*

Employee future benefits are provided which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees. These benefits are recorded on a cash basis.

#### *Use of estimates*

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of a periodic schedule involves the use of estimates and approximations. These have been made using careful judgments.

Certain administrative expenses are allocated to the program based on usage drivers specific to each type of expenditure.

### 2. Grant receivable/repayable

The grant receivable/repayable to the Province of Ontario is subject to audit verification by the Ontario Ministry of Children, Community and Social Services. The grant receivable/repayable is non-interest bearing and is normally recovered/repaid in the subsequent year. The surplus repayable to the Province of Ontario for the year ended March 31, 2021 is \$nil (2019-20 - \$nil).

	2020-21	2019-20
	\$	\$
Grant receivable (repayable), beginning of period	-	-
Excess of expenditures over revenue	(88,606)	(158,479)
Expenditures in excess of the budget	88,606	158,479
Grant receivable (repayable), end of period	-	-

# The Regional Municipality of Niagara

## Public Health Department

Healthy Babies, Healthy Children Program

Notes to the schedule of revenue and expenses

March 31, 2021

---

### 3. Administration costs

	2020-21 Budget (12 months) \$	2020-21 Actual (12 months) \$	2019-20 Actual (15 months) \$
Accounting services	3,230	<b>2,140</b>	2,506
Payroll services	38,132	<b>14,740</b>	36,908
Human resources services	23,729	<b>21,169</b>	30,290
IT program support services	46,807	<b>37,704</b>	55,696
Insurance costs	1,156	<b>1,400</b>	933
Printing costs	4,662	<b>3,118</b>	1,808
Capital financing allocation	6,676	<b>8,333</b>	13,552
	<b>124,392</b>	<b>88,604</b>	<b>141,693</b>

### 4. Budget data

The budget data presented in the schedule is based on the budget data submitted to the Ontario Ministry of Children, Community and Social Services.