

Schedule of revenue, expenses and grant returnable

**The Regional Municipality of
Niagara Public Health Department**
General Programs

December 31, 2020

The Regional Municipality of Niagara Public Health Department

General Programs
December 31, 2020

Table of contents

Independent Auditor's Report	1-2
Schedule of revenue, expenses and grant receivable/repayable	3-4
Notes to the schedule	5-6

Draft

Independent Auditor's Report

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

Opinion

We have audited the accompanying schedule of revenue, expenses and grant returnable of the Regional Municipality of Niagara Public Health Department – General Programs (the "Program" or "Region") for the year ended December 31, 2020 and notes to the schedule (collectively referred to as the "schedule").

In our opinion, the accompanying schedule of the Program for the year ended December 31, 2020, is prepared, in all material respects, in accordance with the financial reporting provisions in the Public Health Funding and Accountability Agreement between Her Majesty the Queen in right of Ontario as represented by the Ministry of Health (formerly the Ministry of Health and Long-Term Care) (the "Ministry") and the Board of Health for the Niagara Region Public Health Department most recently amended effective January 1, 2020 (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 the fact that the schedule has been prepared in accordance with the Guidelines. The schedule is prepared to assist the Region 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
July 22, 2021

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

General Programs

Schedule of Revenue, Expenditures and Grant Returnable

Year ended December 31, 2020

	Revenue (Budget)	Revenue (Actual)	Expense (Budget)	Expense (Actual)	Surplus (deficit) Actual	Add back: Ineligible expenses	Add back: Eligible expenses (revenues) in excess of Ministry funding (deficit)	Grant Returnable (receivable)
Province of Ontario								
Mandatory Programs MOHLTC (70% Cost-shared)	23,576,200	23,576,200	36,044,651	35,627,359	(12,051,159)	1,771,486	10,279,673	-
Physician Services Agreement [Medical Officer of Health] (70%)	351,000	199,401	351,000	296,414	(97,013)			(97,013)
Ontario Seniors Dental Care Program [OSDCP] (100%)	2,137,000	2,070,108	2,137,000	1,986,358	83,750			83,750
	<u>26,064,200</u>	<u>25,845,709</u>	<u>38,532,651</u>	<u>37,910,131</u>	<u>(12,064,422)</u>	<u>1,771,486</u>	<u>10,279,673</u>	<u>(13,263)</u>
One-time								
Mitigation (100%)	455,500	455,500	455,500	455,500	-			-
Mandatory Programs: Public Health Inspector Practicum Program (100%)	10,000		10,000	-	-			-
Covid-19: Extraordinary Costs (100%)	3,631,000		3,631,000	1,682,094	(1,682,094)			(1,682,094)
Covid-19: Public Health Case and Contact Management Solution (100%)	31,700		31,700	-	-			-
Covid-19: School-Focused Nurses Initiative (100%)	1,340,000	837,500	1,340,000	678,059	159,441			159,441
MOH/AMOH Compensation Initiative (100%)	57,300		57,300	23,359	(23,359)			(23,359)
Ontario Seniors Dental Care Program [OSDCP] Dental Clinic Upgrades - Centre de sante	122,000		122,000	-	-			-
Ontario Seniors Dental Care Program [OSDCP] Dental Clinic Upgrades - Fort Erie (100%)	75,300		75,300	35,969	(35,969)			(35,969)
Ontario Seniors Dental Care Program [OSDCP] Dental Clinic Upgrades - Niagara Falls Community Health Centre (100%)	134,500		134,500	-	-			-
Temporary Pandemic Pay Initiative (100%)	267,700	267,700	267,700	31,002	236,698			236,698
	<u>6,125,000</u>	<u>1,560,700</u>	<u>6,125,000</u>	<u>2,905,983</u>	<u>(1,345,283)</u>	<u>-</u>	<u>-</u>	<u>(1,345,283)</u>
Universal Influenza (UIPP)				1,894	(1,894)		435	(1,459)
Meningococcal C	40,000	4,285		5,944	(1,659)		400	(1,260)
Human Papillomavirus	55,000	1,700		8,905	(7,205)		706	(6,499)
	-	-	-	-	-	-	-	-
Total before Region grant and other income	32,284,200	27,412,394	44,657,651	40,832,856	(13,420,463)	1,771,486	10,281,214	(1,367,764)
Region grant and other income								
The Regional Municipality of Niagara grant	12,256,951	11,806,589		-	11,806,589			
Other income	125,500	246,110	9,000	-	246,110			
Total Region and other income	12,382,451	12,052,698	9,000	-	12,052,698			
Total	\$ 44,666,651	\$ 39,465,092	\$ 44,666,651	\$ 40,832,856	\$ (1,367,765)			

The Regional Municipality of Niagara Public Health Department

General Programs

Schedule of revenue, expenses and grant receivable/repayable
year ended December 31, 2019

	Revenue Budget	Revenue Actual	Expense Budget	Expense Actual	Surplus (deficit) Actual	Add back: ineligible expenses	Add back: eligible expenses (revenues) in excess of Ministry funding (deficit)	Grant repayable (receivable)
	\$	\$	\$	\$	\$	\$	\$	\$
Province of Ontario								
Mandatory Programs MOHLTC (75%)	20,473,200	20,473,200	31,796,788	31,472,549	(10,999,349)	1,320,278	9,679,071	-
Chief Nursing Officer Support	121,500	121,500	121,500	121,500	-	-	-	-
Infection Control Program	90,100	90,100	90,100	90,100	-	-	-	-
Social Determinants of Health Nurses	180,500	180,500	180,500	180,500	-	-	-	-
Food Safety - Farm to Fork	78,400	78,400	78,400	78,400	-	-	-	-
Harm Reduction Program	250,000	250,000	250,000	250,000	-	-	-	-
Healthy Smiles Ontario (HSO)	1,250,900	1,250,900	1,250,900	1,250,900	-	-	-	-
Infectious Disease Control	611,200	611,200	611,200	611,200	-	-	-	-
Needle Exchange Program Initiative	192,000	192,000	192,000	192,000	-	-	-	-
Physician Services Agreement (Medical Officer of Health)	340,000	173,323	340,000	201,255	(27,932)	-	-	(27,932)
Safe Water Program	35,300	35,300	35,300	35,300	-	-	-	-
Smoke Free Ontario Strategy Program	668,600	668,600	673,599	669,190	(590)	-	590	-
Youth Tobacco Use Prevention	80,000	80,000	80,000	80,000	-	-	-	-
Ontario Seniors Dental Care Program (OSDCP)	1,602,750	805,010	1,602,750	993,050	(188,040)	-	-	(188,040)
One-time								
Business Intelligence Framework (2018-19)	-	159,153	-	159,153	-	-	-	-
New Purpose Built Vaccine Refrigerators (2019-20)	85,000	63,750	-	81,972	(18,222)	-	-	(18,222)
Needle Exchange Program Initiative One time (2019-20)	90,000	67,500	-	54,127	13,373	-	(13,373)	-
OSDCP Dental Clinic Upgrades (2019-20 Capital Funding)	331,800	-	-	-	-	-	-	-
Universal Influenza (UIPP)	-	-	-	56,416	(56,416)	-	44,166	(12,250)
Meningococcal C	-	-	-	102,158	(102,158)	-	62,743	(39,415)
Human Papillomavirus	-	-	-	153,041	(153,041)	-	94,102	(58,939)
	26,481,250	25,300,436	37,303,037	36,832,811	(11,532,375)	1,320,278	9,867,299	(344,798)
Region grant and other income								
The Regional Municipality of Niagara levy	10,411,773	10,776,311	-	-	10,776,311			
Other income	410,014	411,266	-	-	411,266			
	10,821,787	11,187,577	-	-	11,187,577			
Total	37,303,037	36,488,013	37,303,037	36,832,811	(344,798)			

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

The Regional Municipality of Niagara

Public Health Department

General Programs

Notes to the schedule

December 31, 2020

1. Significant accounting policies

The schedule has been prepared for the Ontario Ministry of Health in accordance with the Public Health Accountability Agreement effective January 1, 2020 between the Ontario Ministry of Health and Long Term Care and the Regional Municipality of Niagara (the "guidelines"). The agreement requires the schedule to be prepared in a manner consistent with the 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 and note disclosure required by GAAP for a complete set of financial statements. The financial results for the Community Mental Health Program is not included in the schedule of revenue, expenses and grant receivable/repayable for the year ended December 31, 2020.

Significant accounting policies are as follows:

- (i) Revenues are reported on the cash basis of accounting.
- (ii) Expenses are recorded if they are eligible for the program and incurred in the period, except for employee future benefits (iv).
- (iii) Tangible capital assets acquired are reported as an expenses and amortization is not recorded.
- (iv) Employee future benefits are provided which will require funding in future periods. These benefits included vacation pay, 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.
- (v) 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.
- (vi) Total expenses are reported on the schedule of revenue, expenses and grant receivable/repayable in order to understand the full cost of the program. Ineligible expenses as per the funding agreement have been removed for the purpose of determining the grant repayable/receivable.

2. Grant receivable (Repayable)

The grant receivable from the Province of Ontario is subject to audit verification by the Ontario Ministry of Health. The grants receivable are non-interest bearing and are normally received in the subsequent year. In the current year, there is a grant receivable of \$1.37M.

	2020	2019
	\$	\$
Grant receivable, beginning of year	344,798	95,377
Amounts recovered during the year	(349,360)	(164,216)
Amounts repaid during the year	-	136,223
Adjustment to prior year balances*	4,562	(67,382)
Grant receivable (repayable)	1,367,765	344,796
Net grant receivable (repayable), end of year	1,367,765	344,798

* Represents adjustments made to correct differences between amounts originally recorded and amounts settled related to repayable and receivable balances for prior years.

The Regional Municipality of Niagara Public Health Department

General Programs

Notes to the schedule

December 31, 2020

3. Budget data

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

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