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**Subject:** 2022 Draft Audited Financial Statements

**Report to:** Board of Directors of Niagara Regional Housing

**Report date:** Friday, April 21, 2023

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## Recommendations

1. That the draft audited financial statements of Niagara Regional Housing as attached in Appendix 1 to report 23-214-4.4, for the year ended December 31, 2022 **BE APPROVED**; and
2. That the audit findings report pertaining to the audited financial statements, attached as Appendix 2 to report 23-214-4.4, of Niagara Regional Housing for the year ended December 31, 2022 **BE RECEIVED** for information.
3. That staff **BE DIRECTED** to co-ordinate with the auditors to finalize the statements as presented.
4. That this report **BE FORWARDED** to the Region's Audit Committee for information.

## Key Facts

- The purpose of this report is to obtain approval for the 2022 draft audited financial statements of Niagara Regional Housing (Appendix 1 to report 23-214-4.4).
- The requirement for an annual audit is established in the Housing Services Act and the Corporations Act for non-profit corporations.
- Niagara Regional Housing received an unqualified audit opinion, which indicates that in Deloitte's opinion the financial information presented, in all material respects, is in accordance with Public Sector Accounting Standards (PSAS).
- No management letter points were received.
- Year-end funding surplus results were reported in report 23-213-4.3 in February 2023 and are consistent with the results reported in these audited financial statements adjusted for accrual accounting presentation required by PSAS.
- As per Financial Reporting and Forecasting Policy (C-F-020), financial statements and/or schedules prepared for Agencies, Boards or Commissions (ABC) will be approved by the governing board of the ABC. Upon NRH Board approval, the NRH CEO and Treasurer will be authorized to sign the auditors' representation letter to obtain the auditors' signed final report. The approved schedule will then be forwarded to Audit Committee for information.

## **Financial Considerations**

The draft financial statements have been prepared in compliance with legislation and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

This report is presenting historical financial information. Niagara Regional Housing's budget is prepared and reported on a quarterly basis, whereas the audited financial statements are prepared using PSAS. Appendix 3 to report 23-214-4.4 reconciles the surplus per the audited Statement of Operations to the funding surplus based on the budget approach.

## **Analysis**

The draft financial statements of Niagara Regional Housing for the year ended December 31, 2022, attached in Appendix 1 to report 23-214-4.4, have been audited in accordance with Canadian PSAS. The external auditor (Deloitte) has indicated that in their opinion, the financial statements present fairly, in all material respects, the statement of financial position of Niagara Regional Housing as at December 31, 2022 and the statement of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended. In addition, Deloitte audit findings report for the year ended December 31, 2022 is attached in Appendix 2 to report 23-214-4.4.

The financial statements are prepared using PSAS, making them comparable to other public sector organizations in Canada.

## **Alternatives Reviewed**

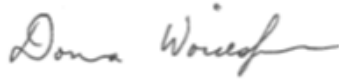
The requirement for an annual audit is established in the Housing Services Act and the Corporations Act for non-profit corporations and therefore no other alternatives are available.

## **Relationship to NRH and/or Council Strategic Priorities**

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

## Other Pertinent Reports

23-213-4.3            2022 Year-End Transfer Report  
CSD 20-2023        2022 Year-End Results and Transfer Report



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**Submitted by:**  
Donna Woiceshyn  
Chief Executive Officer



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**Approved by:**  
Gary Zalepa  
Chair

*This report was prepared by Sara Mota, Program Financial Specialist, in consultation with Donovan D'Amboise, Associate Director, Reporting and Analysis.*

## Appendices

Appendix 1            Draft 2022 Audited Financial Statements  
Appendix 2            2022 Deloitte Audit Findings Report  
Appendix 3            2022 Surplus Reconciliation