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**Subject:** Approval of Court Services 2023 Draft Audited Schedule of Revenues, Expenses and Funds Available for Distribution

**Report To:** Joint Board of Management

**Report date:** Thursday, April 18, 2024

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## Recommendations

1. That the draft audited Schedule of Revenues, Expenses and Funds Available for Distribution for the year ended December 31, 2023, for The Regional Municipality of Niagara Court Services (“Court Services”) (Appendix 1 to Report JBM-C 5-2024) **BE APPROVED**;
2. That staff **BE DIRECTED** to co-ordinate with the auditor to finalize the statements as presented; and
3. That this report **BE FORWARDED** to the Region’s Audit Committee and to the Ministry of the Attorney General as per the Memorandum of Understanding, for information as required.

## Key Facts

- The purpose of this report is to formally present and seek JBM approval of the 2023 draft audited Schedule of Revenues, Expenses and Funds Available for Distribution (the “schedule”) (attached as Appendix 1 to Report JBM-C 5-2024).
- Court Services received an unmodified audit opinion which indicates that in Deloitte’s opinion the financial information presented, in all material respects, is in accordance with the financial reporting provisions in the Niagara Region Courts Inter-Municipal Agreement dated April 26, 2000 and Amending Agreement dated October 13, 2022.
- As per Financial Reporting and Forecasting Policy (C-F-020), financial statements and/or schedules prepared for Agencies, Boards or Commissions (ABCs) are required to be approved by the governing board of the ABC and then referred to Audit Committee for information.
- As Court Services is an ABC of the Niagara Region, the Court Services operating results (included in the schedule) are incorporated into the Niagara Region’s consolidated financial statements. Niagara Region’s consolidated financial statements will be presented to Audit Committee on May 21, 2024 and recommended for approval at Council on May 23, 2024.

## Financial Considerations

The draft audited schedule has been prepared in compliance with legislation and in accordance with the financial reporting provisions in the Niagara Region Courts Inter-Municipal Agreement dated April 26, 2000, as amended.

A copy of the draft audited schedule for the year ended December 31, 2023 is attached as Appendix 1 to Report JBM-C 5-2024.

The schedule is prepared specifically for the purposes of meeting the requirements outlined in the Niagara Region Courts Inter-Municipal Agreement, as amended, and may not be suitable for other purposes.

## Analysis

The Region's external auditors, Deloitte, completed the audit of the financial information in the schedule. The auditors have indicated that, in their opinion, the financial information for the year ended December 31, 2023, is prepared, in all material respects, in accordance with the financial reporting provisions in the Niagara Region Courts Inter-Municipal Agreement dated April 26, 2000, as amended.

The schedule (as attached in Appendix 1 to Report JBM-C 5-2024) shows that Court Services had \$1,326,472 in funds available for distribution (\$663,236 to local area municipalities ("LAMs") and \$663,236 to the Niagara Region). The funds available for distribution relate solely to operations excluding automated enforcement (part of the Vision Zero Road Safety program), as the revenues/expenditures incurred in 2023 relating to automated enforcement had an overall nil impact to Court Services net revenue.

In 2022, the Niagara Region distributed an advance to the LAMs based on budgeted net revenues of \$159,759 for the first quarter of 2022 and made no further distributions as it was forecasted at that time that Court Services would finish the year in a recovery position. The actual audited operating results for 2022 was a net expenditure of \$276,130, with 50% or \$138,065 to be recovered from the LAMs. As a result, the total net recoverable amount at the end of 2022 from the LAMs was \$297,824.

The 2023 funds available for distribution will entirely offset the 2022 recoverable amount from the LAMs and Court Services will be in net distribution position of \$365,412. Details of the net distribution have been reconciled and are outlined in Appendix 2 to Report JBM-C 5-2024.

## **Alternatives Reviewed**

The draft audited schedule of revenues, expenses, and funds available for distribution is prepared in accordance with the Niagara Region Courts Inter-Municipal Agreement dated April 26, 2000, as amended, and Financial Reporting and Forecasting Policy (C-F-020); therefore, no alternative is available.

## **Relationship to Council Strategic Priorities**

This report supports the Effective Region Council Strategic Priority through the delivery of fiscally responsible services, in accordance with the Intermunicipal Agreement.

## **Other Pertinent Reports**

JBM-C 4-2024 - 2023 Year End Report for Provincial Offences Court

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### **Prepared by:**

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Corporate Services

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### **Recommended by:**

Todd Harrison, CPA, CMA  
Commissioner/Treasurer  
Corporate Services

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### **Submitted by:**

Ron Tripp, P.Eng.  
Chief Administrative Officer

This report was prepared in consultation with Andrea Wheaton, Program Financial Specialist and Miranda Vink, Manager, Court Services.

## **Appendices**

Appendix 1 2023 Schedule of Revenues, Expenditures and Funds Available for Distribution

Appendix 2 Reconciliation of Funds Available for Distribution to LAMs as of December 31, 2023