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

March 31, 2024

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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, 2024 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, 2024 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.

**THE REGIONAL MUNICIPALITY OF NIAGARA
HEALTH SERVICES DEPARTMENT
MENTAL HEALTH PROGRAM**

PHD 3-2024
Appendix 3

Schedule of Revenues and Expenditures

Year ended March 31, 2024, with comparative figures 2023

	2024 Budget	2024 Actual	2023 Actual
Revenue:			
Province of Ontario Grants	\$ 6,567,779	6,567,779	6,337,870
Interest	-	-	-
Miscellaneous	-	5,040	109,205
	<u>6,567,779</u>	<u>6,572,819</u>	<u>6,447,075</u>
Expenditure:			
Compensation			
Salaries	4,958,165	4,954,902	5,033,362
Employee benefits	983,320	1,025,484	1,020,624
	<u>5,941,485</u>	<u>5,980,386</u>	<u>6,053,986</u>
Service Costs			
Administration costs (note 1)	39,500	492,970	561,831
Amortization	-	-	-
Audit and other Professional fees	2,949	3,068	3,272
Computer maintenance and supplies	4,356	12,466	-
Printing, postage, stationery and office supplies	15,405	16,640	19,940
Other expenses	56,926	39,938	60,875
Rent and property taxes	304,988	372,587	220,558
Staff education	28,831	20,043	22,645
Telephone	15,519	17,880	17,795
Travel	157,820	190,766	195,187
	<u>626,294</u>	<u>1,166,357</u>	<u>1,102,103</u>
Total expenditures	6,567,779	7,146,743	7,156,090
Ineligible administration costs (note 1)	-	453,470	522,331
Total eligible expenditures	<u>6,567,779</u>	<u>6,693,274</u>	<u>6,633,758</u>
Excess (shortage) of revenue over eligible expenditures	(0)	(120,455)	(186,683)

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.

	2024	2023
	\$	\$
Grant repayable, beginning of year	—	(1)
Amounts repaid during the year	—	1
Excess of revenue over eligible expenditure	—	—
Grant repayable, end of year	—	—

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:

	2024	2023
	\$	\$
Financial services	47,031	47,721
Human resource services	122,762	120,738
IT services	258,913	249,654
Debt charges	64,264	143,718
Total administration charges	492,970	561,831

As per direction from the funding body, administration costs are limited to \$39,500 (\$39,500 in 2023) 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.

	2024	2023
	\$	\$
Total administration charges	492,970	561,831
Less: administration cost limit	39,500	39,500
Total ineligible administration c	453,470	522,331