

Schedule of revenue and expenses

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

December 31, 2018

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

Infant and Child Development Services
December 31, 2018

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Independent Auditor's Report

To the Members of Council of the Regional Municipality of Niagara and the Ministries of Children and Youth Services and 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 December 31, 2018 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, 2018 is prepared, in all material respects, in accordance with the financial reporting provisions of the agreement between the Ontario Ministries of Children and Youth Services and Community and Social Services and the Regional Municipality of Niagara.

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 agreement between the Ontario Ministries of Children and Youth Services and Community and Social Services and the Regional Municipality of Niagara. 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.

In preparing the schedule, management is responsible for assessing the Program’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Program’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 Program's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Program's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the schedule or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Program to cease to continue as a going concern.

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
May 16, 2019

The Regional Municipality of Niagara Public Health Department

Infant and Child Development Services

Schedule of revenue and expenses year ended December 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenue			
Province of Ontario - Service Contract	568,423	568,428	568,360
One-time Grant	-	3,749	-
	568,423	572,177	568,360
Expenses			
Salaries	422,355	416,223	431,855
Benefits	106,239	102,186	109,840
	528,594	518,409	541,695
Other service costs			
Administration costs (Note 3)	45,740	49,331	32,793
Supplies	6,300	22,059	2,100
Staff travel	22,000	16,237	15,212
Staff training	3,000	8,168	1,817
Audit services	2,646	2,690	2,544
IT licenses and support	2,300	2,035	2,286
Utilities and taxes	2,000	1,792	2,040
Purchased services	1,284	472	660
Fees and dues	300	315	68
	85,570	103,099	59,520
Total expenses	614,164	621,508	601,215
Deficiency of revenue over expenses	(45,741)	(49,331)	(32,855)

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

December 31, 2018

1. Significant accounting policies

This schedule has been prepared for the Ontario Ministries of Children and Youth Services and Community and Social Services ("the Ministry"). It is prepared in accordance with Canadian public sector accounting standards, except that it does not provide for employee future benefits and tangible capital assets are expensed as incurred. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

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 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

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

	2018	2017
	\$	\$
Grant repayable, beginning of year	-	68
Amounts recovered during the year	-	(68)
Deficiency of revenue over expenses	(49,331)	(32,855)
Expenses not recoverable	49,331	32,855
Grant repayable, end of year	-	-

The Regional Municipality of Niagara Public Health Department

Infant and Child Development Services

Notes to the schedule of revenues and expenses

December 31, 2018

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:

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Accounting services	1,647	1,443	1,065
Payroll services	10,365	12,280	7,897
Human resources services	6,453	13,704	5,398
IT program support services	19,123	14,830	15,827
Insurance costs	312	298	303
Printing costs	1,403	535	352
Capital financing	6,437	6,241	1,951
	45,740	49,331	32,793

4. Budget data

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

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