

Schedule of revenue, expenses and grant receivable/repayable

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

December 31, 2018

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The Regional Municipality of Niagara Public Health Department

General programs
December 31, 2018

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Independent Auditor's Report

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

Opinion

We have audited the accompanying schedule of revenue, expenses and grant receivable/payable of The Regional Municipality of Niagara Public Health Department – General Programs (the “Program” or “Region”) 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 Public Health Accountability Agreement effective January 1, 2018 between the Ontario Ministry of Health and Long Term Care and The Regional Municipality of Niagara and the 2017 Program-Based Grants User Guide for Health Programs and Services (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 and fair presentation of the schedule in accordance with the basis of accounting as described in Note 1, 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
[date of report]

The Regional Municipality of Niagara Public Health Department

General Programs

Schedule of revenue, expenses and grant receivable/repayable
year ended December 31, 2018

	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%)	19,932,700	19,932,858	29,320,016	28,749,412	(8,816,554)	1,173,680	7,643,032	158
Chief Nursing Officer Support	121,500	121,500	121,578	125,710	(4,210)	4,210	-	-
Food Safety - Farm to Fork	78,400	78,400	78,478	78,400	-	(1,645)	1,645	-
Harm Reduction Program	250,000	250,000	250,000	257,683	(7,683)	7,683	-	-
Healthy Smiles Ontario (HSO)	1,250,900	1,250,900	1,253,008	1,325,288	(74,388)	74,388	-	-
Infection Control Program	90,100	90,100	89,557	94,866	(4,766)	4,766	-	-
Infectious Disease Control	611,200	611,200	620,268	643,772	(32,572)	25,637	6,935	-
Needle Exchange Program Initiative	192,000	192,000	191,974	195,003	(3,003)	3,003	-	-
Physician Services Agreement (Medical Officer of Health)	340,000	286,522	340,000	219,636	66,886	900	-	67,786
Safe Water Program	35,300	35,300	35,296	36,200	(900)	900	-	-
Small Drinking Water Systems (75%)	40,400	40,400	53,945	56,551	(16,151)	-	16,151	-
Smoke Free Ontario Strategy Program	668,600	668,600	670,382	758,805	(90,205)	87,810	2,395	-
Social Determinants of Health Nurses	180,500	180,500	179,505	191,545	(11,045)	4,766	6,279	-
Vector-Borne Diseases Program (75%)	500,100	500,100	669,060	667,209	(167,109)	-	167,109	-
Youth Tobacco Use Prevention	80,000	80,000	80,170	85,243	(5,243)	5,243	-	-
One-time								
Business Intelligence Framework (2018-19)	167,100	125,325	-	7,947	117,378	-	(117,378)	-
Vision Screening Tools (2018-19)	42,600	-	-	42,600	(42,600)	-	-	(42,600)
Cannabis Enforcement (2018-19)	52,600	-	-	52,600	(52,600)	-	-	(52,600)
HSO: Dental Operatory (2017-18)	-	28,000	-	28,000	-	-	-	-
Needle Exchange Program Initiative: Supplies (2017-18)	-	84,403	-	81,968	2,435	-	-	2,435
Outbreak of Diseases: Infection Prevention (2017-18)	-	3,953	-	3,953	-	-	-	-
Panorama Project (2017-18)	-	94,825	-	96,061	(1,236)	1,236	-	-
Smoking Cessation Programming (2017-18)	-	26,185	-	26,609	(423)	423	-	-
Universal Influenza (UIPP)	-	-	-	45,247	(45,247)	-	35,577	(9,670)
Meningococcal C	-	5,551	-	100,579	(95,028)	-	64,037	(30,991)
Human Papillomavirus	-	26,316	-	154,716	(128,400)	-	98,506	(29,895)
	24,634,000	24,712,937	33,953,236	34,125,603	(9,412,664)	1,393,001	7,924,288	(95,377)
Region grant and other income								
The Regional Municipality of Niagara levy	9,079,296	8,973,504	-	-	8,973,504	-	-	-
Other income	322,000	343,783	-	-	343,783	-	-	-
	9,401,296	9,317,287	-	-	9,317,287	-	-	-
Total	34,035,296	34,030,224	33,953,236	34,125,603	(95,377)	1,393,001	7,924,288	(95,377)

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

Schedule of revenue, expenses and grant receivable/repayable
year ended December 31, 2017

	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%)	19,352,100	19,352,100	30,705,724	28,133,903	(8,781,803)	1,602,207	7,179,596	-
CNO Support	121,500	121,500	125,458	127,607	(6,107)	3,954	2,153	-
Food Safety - Farm to Fork	78,400	78,400	80,868	116,765	(38,365)	38,365	-	-
Safe Water Program	35,300	35,300	36,435	36,435	(1,135)	1,135	-	-
Harm Reduction Program	250,000	250,000	250,000	251,063	(1,063)	-	1,063	-
Healthy Smiles Ontario	1,226,300	1,226,300	1,272,355	1,337,640	(111,340)	66,275	45,065	-
Infection Control Program	90,100	90,100	92,586	93,891	(3,791)	3,791	-	-
Infectious Disease Control	611,200	611,200	623,192	631,315	(20,115)	20,115	-	-
Physician Services Agreement (Medical Officer of Health)	340,000	289,444	340,680	283,337	6,107	832	-	6,939
Needle Exchange Program Initiative	187,500	174,000	176,525	190,672	(16,672)	3,172	-	(13,500)
Small Drinking Water Systems (75%)	40,400	40,400	56,335	57,060	(16,660)	-	16,660	-
Smoke Free Ontario Strategy Program	668,600	668,600	706,350	737,533	(68,933)	68,297	636	-
Youth Tobacco Use Prevention	80,000	80,000	84,567	85,019	(5,019)	5,019	-	-
Social Determinants of Health Nurses	180,500	180,500	185,437	189,295	(8,795)	8,795	-	-
Vector-Borne Diseases Program (75%)	500,100	499,900	666,700	679,311	(179,411)	-	179,411	-
Universal Influenza (UIPP)	-	-	-	31,638	(31,638)	-	25,268	(6,370)
Meningococcal C	-	21,165	-	152,576	(131,411)	-	100,352	(31,059)
Human Papillomavirus	-	36,601	-	193,103	(156,502)	-	127,007	(29,495)
One-time								
Healthy Menu Choices	108,800	-	-	108,800	(108,800)	-	-	(108,800)
HSO: Dental Operatory	28,000	-	-	-	-	-	-	-
Needle Exchange Program Initiative: Program Supplies	109,395	2,494	-	34,992	(32,498)	-	7,506	(24,992)
New Purpose-Built Vaccine Refrigerators	70,000	-	-	70,126	(70,126)	-	126	(70,000)
Outbreak of Diseases: Infection Prevention	14,300	-	-	10,347	(10,347)	-	-	(10,347)
Panorama Project	129,000	40,190	60,644	110,171	(69,981)	1,036	34,770	(34,175)
Public Health Inspector	10,000	-	-	10,000	(10,000)	-	-	(10,000)
Smoking Cessation Programming	30,000	30,000	-	34,123	(4,123)	308	-	(3,815)
Immunization of School Pupils Act	11,200	-	-	11,200	(11,200)	-	-	(11,200)
Investment income	-	-	-	-	-	-	-	-
	24,272,695	23,828,194	35,463,856	33,717,922	(9,889,728)	1,823,301	7,719,613	(346,814)
Region grant and other income								
The Regional Municipality of Niagara levy	10,759,162	9,051,783	-	-	9,051,783	-	-	-
Other income	432,000	491,131	-	-	491,131	-	-	-
	11,191,162	9,542,914	-	-	9,542,914	-	-	-
Total	35,463,857	33,371,108	35,463,856	33,717,922	(346,814)	1,823,301	7,719,613	(346,814)

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, 2018

1. Significant accounting policies

The schedule has been prepared for the Ontario Ministry of Health and Long Term Care in accordance with the Public Health Accountability Agreement effective January 1, 2018 between the Ontario Ministry of Health and Long Term Care and the Regional Municipality of Niagara and the 2017 Program-Based Grants User Guide (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 Healthy Communities Fund is not included in the schedule of revenue, expenses and grant receivable/repayable for the year ended December 31, 2018.

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

The grant receivable from the Province of Ontario is subject to audit verification by the Ontario Ministry of Health and Long Term Care. The grants receivable are non-interest bearing and are normally received in the subsequent year.

	2018	2017
	\$	\$
Grant receivable, beginning of year	346,814	4,720
Amounts recovered during the year	(347,053)	(64,970)
Amounts repaid during the year	158	38,626
Adjustment to prior year balances*	1,881	21,624
Grant receivable current year	93,577	346,814
Grant receivable, end of year	95,377	346,814

*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, 2018

3. Budget data

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

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