

Schedule of revenue and expenses

**The Regional Municipality of
Niagara Public Health Department**
Healthy Babies, Healthy Children Program

December 31, 2018

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The Regional Municipality of Niagara
Public Health Department
Healthy Babies, Healthy Children Program

December 31, 2018

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Independent Auditor's Report

To the Members of Council of the Regional Municipality of Niagara and Ontario Ministry of Children and Youth Services

Opinion

We have audited the accompanying schedule of revenue and expenses of the Regional Municipality of Niagara Public Health Department – Healthy Babies, Healthy Children Program (the “Program”) for the year ended December 31, 2018 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 dated January 1, 2018 between the Ontario Ministry of Children and Youth 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 in complying with the financial reporting provisions of the agreement dated January 1, 2018 between the Ontario Ministry of Children and Youth 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

Healthy Babies, Healthy Children Program

Schedule of revenue and expenses
year ended December 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenue			
Ministry of Youth and Child Services funding	2,365,130	2,365,130	2,402,555
Other revenue	-	388	-
	2,365,130	2,365,518	2,402,555
Expenses			
Salaries and wages: unionized			
Public health nurses	1,189,394	1,118,187	1,117,703
Employee benefits	388,273	357,011	383,435
Lay home visitors	294,714	319,076	315,456
Clerical	96,785	99,946	104,839
WSIB	-	417	7,432
Health promoter	-	-	22,859
Salaries and wages: non-unionized			
Management	202,748	210,352	203,301
Administration ISCIS	57,637	60,764	53,499
Employee benefits	58,721	58,737	56,491
	2,288,272	2,224,490	2,265,015
Operating costs			
Administration costs (Note 3)	168,170	151,290	128,702
Travel - mileage	50,000	57,863	58,843
Professional development	6,985	39,835	18,010
Program supplies/resources	3,375	18,325	40,770
Telephone and communication	8,000	11,431	8,418
Office supplies	2,300	7,289	2,435
Audit fees	5,698	5,795	8,614
Cleaning allowance	500	490	450
	245,028	292,318	266,242
Total expenses	2,533,300	2,516,808	2,531,257
Deficiency of revenue over eligible expenses	(168,170)	(151,290)	(128,702)

The accompanying notes to the financial statements are an integral part of this financial statement.

The Regional Municipality of Niagara Public Health Department

Healthy Babies, Healthy Children Program

Notes to the schedule of revenue and expenses

December 31, 2018

1. Summary of significant accounting policies

Basis of accounting

This schedule has been prepared for the Ontario Ministry of Children and Youth Services. 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 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 or the presentation of all financial statements and note disclosures required by GAAP for a complete set of financial statements.

Revenue and expenses

Revenue is reported on the accrual basis of accounting.

Expenses are recorded if they are eligible for the program and incurred in the period except for employee future benefits.

Capital assets

Tangible capital assets acquired are reported as expenses 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 judgments.

Certain administrative expenses are allocated to the program based on usage drivers specific to each type of expenditure.

2. Grant receivable/repayable

The grant receivable/repayable to the Province of Ontario is subject to audit verification by the Ontario Ministry of Children and Youth Services. The grant receivable/repayable is non-interest bearing and is normally recovered in the subsequent year. The surplus repayable to the Province of Ontario for the year ended December 31, 2018 is \$nil (2017 - \$nil).

	2018	2017
	\$	\$
Grant receivable, beginning of year	-	-
Deficiency of revenue over eligible expenses	151,290	128,702
Expenses not recoverable	(151,290)	(128,702)
Grant receivable, end of year	-	-

The Regional Municipality of Niagara Public Health Department

Healthy Babies, Healthy Children Program
Notes to the schedule of revenue and expenses
December 31, 2018

3. Administration costs

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Accounting services	4,378	2,644	2,605
Payroll services	39,156	42,599	32,748
Human resources services	24,928	16,592	21,214
IT program support services	71,877	61,034	60,765
Legal services	-	-	256
Insurance costs	1,182	1,126	1,110
Printing costs	2,524	3,569	2,578
Capital financing allocation	24,125	23,726	7,426
	168,170	151,290	128,702

4. Budget data

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

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