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Schedule of revenue and expenses  
The Regional Municipality of Niagara  
Reaching Home – Canada's  
Homelessness Strategy Program

March 31, 2020

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## Independent Auditor's Report

To the Members of Council of the Regional Municipality of Niagara and the Ministry of Employment and Social Development Canada

### Opinion

We have audited the accompanying schedule of revenue and expenses of the Regional Municipality of Niagara Reaching Home – Canada's Homelessness Strategy Program (the "Program") for the year ended March 31, 2020 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, 2020 have been prepared, in all material respects, in accordance with the financial reporting provisions of the agreement between the Ministry of Employment and Social Development Canada and the Regional Municipality of Niagara (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 Program in complying with the financial reporting provisions of the agreement between the Ministry of Employment and Social Development Canada 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.

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.

Chartered Professional Accountants  
Licensed Public Accountants  
June 25, 2020

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**The Regional Municipality of Niagara**  
**Reaching Home - Canada's Homelessness Strategy**  
**Schedule of revenue and expenses**  
Year ended March 31, 2020

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|   | Note | \$             |
|---|------|----------------|
| <b>Revenue</b>                                  |      |                |
| Ministry funding                                | 2    | <b>958,596</b> |
| <b>Expenses</b>                                 |      |                |
| Sub-project costs                               |      | <b>868,690</b> |
| Program management & administrative             |      | <b>89,906</b>  |
| Total expenses                                  |      | <b>958,596</b> |
| <b>Excess of eligible expenses over revenue</b> |      | <b>—</b>       |

The accompanying notes to the Schedule are an integral part of this Schedule.

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**1. Significant accounting policies**

*Basis of accounting*

The Schedule has been prepared for the Ministry of Employment and Social Development Canada. The agreement between the Ministry of Employment and Social Development Canada and the Regional Municipality of Niagara 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*

Revenues are 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.

*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. Ministry funding**

This project commenced April 1, 2019 and will end March 31, 2024. Total maximum amount of Canada’s contribution is \$5,225,896.

The funding allocation under Reaching Home will be used to support priorities and recommendations of the Community Advisory Board (\$4,703,056). There is incremental funding to support initial investments towards the design and implementation of Coordinated Access (\$522,840).

The maximum amount payable by the Ministry in each fiscal year of the project is:

|      | Designated Community<br>\$ | Coordinated Access<br>\$ | Total Funding<br>\$ |
|------|----------------------------|--------------------------|---------------------|
| 2020 | 837,176                    | 121,420                  | 958,596             |
| 2021 | 837,176                    | 103,920                  | 941,096             |
| 2022 | 1,009,568                  | 103,920                  | 1,113,488           |
| 2023 | 1,009,568                  | 96,790                   | 1,106,358           |
| 2024 | 1,009,568                  | 96,790                   | 1,106,358           |
|      | <u>4,703,056</u>           | <u>522,840</u>           | <u>5,225,896</u>    |