

Schedule of revenue and expenses

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

March 31, 2020

The Regional Municipality of Niagara Public Health Department

Infant and Child Development Services

March 31, 2020

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Draft

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 15 month period 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 15 month period ended March 31, 2020 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.

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
July 23, 2020

The Regional Municipality of Niagara

Public Health Department

Infant and Child Development Services

Schedule of revenue and expenses

15 month period ended March 31, 2020

	2019-20 Budget (15 months) \$	2019-20 Actual (15 months) \$	2018 Actual (12 months) \$
Revenue			
Province of Ontario - Service Contract	710,530	710,530	568,428
One-time grant	-	-	3,749
	710,530	710,530	572,177
Expenses			
Salaries	529,809	546,345	416,223
Benefits	130,134	133,264	102,186
	659,943	679,609	518,409
Other service costs			
Administration costs (Note 3)	43,240	36,180	49,331
Staff travel	27,000	20,910	16,237
Audit services	3,307	3,333	2,690
Utilities and taxes	2,500	1,998	1,792
Supplies	7,250	1,845	22,059
IT licenses and support	2,875	1,668	2,035
Staff training	3,625	726	8,168
Purchased services	1,970	225	472
Fees and dues	375	221	315
	92,142	67,106	103,099
Total expenses	752,085	746,715	621,508
Deficiency of revenue over expenses	(41,555)	(36,185)	(49,331)

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

March 31, 2020

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

	2019-20	2018
	\$	\$
Grant repayable beginning of period	-	-
Excess of expenditures over revenue	36,185	49,331
Expenditures in excess of the budget	(36,185)	(49,331)
Grant repayable, end of period	-	-

The Regional Municipality of Niagara

Public Health Department

Infant and Child Development Services

Notes to the schedule of revenues and expenses

March 31, 2020

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:

	2019-20 Budget (15 months)	2019-20 Actual (15 months)	2018 Actual (12 months)
	\$	\$	\$
Accounting services	1,693	1,213	1,443
Payroll services	13,702	9,404	12,280
Human resources services	7,842	7,271	13,704
IT program support services	14,630	13,277	14,830
Insurance costs	259	270	298
Printing costs	1,357	1,081	535
Capital financing	3,757	3,664	6,241
	43,240	36,180	49,331

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.