

Schedule of revenue and expenses

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

March 31, 2020

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

March 31, 2020

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Draft

Independent Auditor's Report

To the Members of Council of the Regional Municipality of Niagara and Ontario Ministry of Children, Community and Social 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 15-months 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-months ended March 31, 2020 is prepared, in all material respects, in accordance with the financial reporting provisions of the agreement dated January 1, 2018, and the amending agreement dated August 1, 2019, between the Ontario Ministry of Children, Community and Social Services 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 dated January 1, 2018, and the amending agreement dated August 1, 2019, between the Ontario Ministry of Children, 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

Healthy Babies, Healthy Children Program

Schedule of revenue and expenses

15-months ended March 31, 2020

	2019-20 Budget (15 months)	2019-20 Actual (15 months)	2018 Actual (12 months)
	\$	\$	\$
Revenue			
Ministry of Children, Community and Social Services Funding	3,084,194	3,084,194	2,365,130
Other revenue	-	2,296	388
	3,084,194	3,086,490	2,365,518
Expenses			
Salaries and wages: unionized			
Public health nurses	1,461,513	1,454,834	1,118,187
Employee benefits	502,251	463,795	357,011
Lay home visitors	371,976	402,972	319,076
Clerical	129,534	129,588	99,946
WSIB	-	56	417
Salaries and wages: non-unionized			
Management	272,887	284,428	210,352
Administration ISCIS	78,764	85,348	60,764
Employee benefits	76,874	83,059	58,737
	2,893,799	2,904,080	2,224,490
Operating costs			
Administration costs (Note 3)	150,787	141,693	151,290
Professional development	93,231	100,213	39,835
Travel - mileage	75,500	66,222	57,863
Telephone and communications	10,000	10,132	11,431
Program supplies/resources	1,250	8,738	18,325
Audit fees	7,126	7,149	5,795
Office supplies	2,663	5,982	7,289
Cleaning allowance	625	760	490
	341,182	340,889	292,318
Total expenses	3,234,981	3,244,969	2,516,808
Deficiency of revenue over eligible expenses	(150,787)	(158,479)	(151,290)

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

March 31, 2020

1. Summary of significant accounting policies

Basis of accounting

This schedule has been prepared for the Ontario Ministry of Children, Community and Social 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, Community and Social 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 15-months ended March 31, 2020 is \$nil (2018 - \$nil).

	2019-20	2018
	\$	\$
Grant receivable, beginning of period	-	-
Excess of expenditures over revenue	(158,479)	(151,290)
Expenditures in excess of the budget	158,479	151,290
Grant receivable, end of period	-	-

The Regional Municipality of Niagara

Public Health Department

Healthy Babies, Healthy Children Program

Notes to the schedule of revenue and expenses

March 31, 2020

3. Administration costs

	2019-20 Budget (15 months)	2019-20 Actual (15 months)	2018 Actual (12 months)
	\$	\$	\$
Accounting services	4,479	2,506	2,644
Payroll services	47,345	36,908	42,599
Human resources services	28,549	30,290	16,592
IT program support services	52,361	55,696	61,034
Insurance costs	894	933	1,126
Printing costs	3,848	1,808	3,569
Capital financing allocation	13,311	13,552	23,726
	150,787	141,693	151,290

4. Budget data

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