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INDEPENDENT AUDITORS' REPORT

To the Ministry of Health and Long-Term Care and
the Regional Municipality of York

Opinion

We have audited the financial information contained in the accompanying schedules (worksheets 4.4, 4.5 and 4.6) of the 2018 Annual Report of the Regional Municipality of York - Public Health Unit (the Entity) for the year ended December 31, 2018 and note to the schedules, including a summary of significant accounting policies (Hereinafter referred to as the "schedules").

In our opinion, the accompanying financial information in the schedules for the year ended December 31, 2018 of the Entity is prepared, in all material respects, in accordance with the financial reporting provisions in the 2017 User Guide for Program Based Grants for Mandatory and Related Health Programs and Services and 2017 Program-Based Grants Terms and Conditions issued by the Ministry of Health and Long-Term Care.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Schedules***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the schedules 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 - Financial Reporting Framework

We draw attention to the note to the schedules, which describes the applicable financial reporting framework and the purpose of the schedules.

As a result, the schedules may not be suitable for another purpose.

Our opinion is not modified in respect to this matter.



Responsibilities of Management for the Schedules

Management is responsible for the preparation of the financial information in the schedules in accordance with the financial reporting provisions in the 2017 User Guide for Program Based Grants for Mandatory and Related Health Programs and Services and 2017 Program-Based Grants Terms and Conditions issued by the Ministry of Health and Long-Term Care, and for such internal control as management determines is necessary to enable the preparation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 the schedules.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the schedules, 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

August 16, 2019

Board of Health for York Region Public Health

2018 Annual Reconciliation
As of December 31, 2018

Actual Expenditures by Account
January 1, 2018 to December 31, 2018

| Account | Budget (at 100%) | Actual (at 100%) | Variance Under / (Over) | |
|--|---------------------|---------------------|----------------------------|-------------|
| | | | D = B - C | E = D / B |
| A | B | C | | |
| Salaries and Wages | 41,918,818 | 43,290,361 | (1,371,543) | -3.3% |
| Benefits | 11,252,091 | 10,312,281 | 939,809 | 8.4% |
| Travel | 701,628 | 694,936 | 6,692 | 1.0% |
| Professional Services | 916,328 | 895,481 | 20,847 | 2.3% |
| Expenditure Recoveries & Offset Revenues | (534,474) | (890,562) | 356,088 | -66.6% |
| Other Program Expenditures | 14,136,500 | 12,497,869 | 1,638,631 | 11.6% |
| Total Expenditures | 68,390,891 | 66,800,366 | 1,590,525 | 2.3% |
| Adjustments | - | - | - | 0.0% |
| Total Adjusted Expenditures | 68,390,891 | 66,800,366 | 1,590,525 | 2.3% |

Board of Health for York Region Public Health

2018 Annual Reconciliation
As of December 31, 2018

Expenditure Recoveries & Offset Revenues Reconciliation
January 1, 2018 to December 31, 2018

| Mandatory Programs | Actual (at 100%) |
|--|---------------------|
| Interest Income | |
| Universal Influenza Immunization Program clinic reimbursement | (850) |
| Meningococcal C Program clinic reimbursement | (107,389) |
| Human Papilloma Virus Program reimbursement | (179,350) |
| Fees and Charges | (291,724) |
| OHIP | (89,774) |
| Contribution From Sick Leave | (43,772) |
| Third Party Revenue | (105,203) |
| Sub-total Mandatory Programs Expenditure Recoveries & Offset Revenues (A) | (818,062) |
| Reported in Base Funding and One-Time Funding Worksheets | (818,062) |
| Difference | |
| Other Sources of Funding | |
| Interest Income | |
| Fees and Charges | (60,340) |
| Third Party Revenue | (12,160) |
| Sub-total Other Programs Offset Revenues (B) | (72,500) |
| Reported in Base Funding and One-Time Funding Worksheets | (72,500) |
| Difference | |
| Total Expenditure Recoveries & Offset Revenues (C = A+B) | (890,562) |
| Difference | |

Board of Health for York Region Public Health

2018 Annual Reconciliation
As of December 31, 2018

Funding Received from the Ministry

| Programs/Sources of Funding A | Cashflow Received in 2018 B | Prior Year Adjustments Processed in 2018 C | 2018 Adjustments Processed in 2019 D | Other | | Funding Received from the Ministry G = SUM (B-F) |
|---|--------------------------------------|--|--|----------------|---------------------------|--|
| | | | | \$ E | Please Specify F | |
| 2017-18 One-Time Funding (April 1, 2017 to March 31, 2018) | | | | | | |
| Operating Funding | | | | | | |
| Smoke-Free Ontario Expanded Smoking Cessation Programming for Priority Populations (100%) | 21,600 | | | | | 21,600 |
| Needle Exchange Program Initiative (100%) | 23,633 | | | | | 23,633 |
| Healthy Menu Choices Act, 2015 - Enforcement (100%) | 69,300 | | | | | 69,300 |
| Immunization of School Pupils Act - Regulatory Amendments Implementation (100%) | 50,000 | | | | | 50,000 |
| Panorama - Immunization Solution (100%) | 220,700 | | | | | 220,700 |
| Healthy Smiles Ontario Program - Extraordinary Staffing (100%) | 181,700 | | | | | 181,700 |
| New Purpose Built Vaccine Refrigerators (100%) | 51,100 | | | | | 51,100 |
| 2017-18 One-Time Funding Total (A) | 618,033 | | | | | 618,033 |
| Base Funding (January 1, 2018 to December 31, 2018) | | | | | | |
| Mandatory Programs (Cost Shared) | 38,862,300 | | | | | 38,862,300 |
| Chief Nursing Officer Initiative (100%) | 121,500 | | | | | 121,500 |
| Electronic Cigarettes Act - Protection and Enforcement (100%) | 107,300 | | | | | 107,300 |
| Enhanced Food Safety - Haines Initiative (100%) | 208,500 | | | | | 208,500 |
| Enhanced Safe Water Initiative (100%) | 79,400 | | | | | 79,400 |
| Harm Reduction Program Enhancement (100%) | 250,000 | | | | | 250,000 |
| Healthy Smiles Ontario Program (100%) | 2,652,000 | | | | | 2,652,000 |
| Infection Prevention and Control Nurses Initiative (100%) | 90,100 | | | | | 90,100 |
| Infectious Diseases Control Initiative (100%) | 777,900 | | | | | 777,900 |
| MDH / AMOH Compensation Initiative (100%) | 133,377 | | 31,218 | | | 144,595 |
| Needle Exchange Program Initiative (100%) | 29,900 | (10,500) | (9,268) | | | 10,192 |
| Small Drinking Water Systems Program (Cost Shared) | 58,700 | | | | | 58,700 |
| Smoke-Free Ontario Strategy - Prosecution (100%) | 16,500 | | | | | 16,500 |
| Smoke-Free Ontario Strategy - Protection and Enforcement (100%) | 827,800 | | | | | 827,800 |
| Smoke-Free Ontario Strategy - Tobacco Control Coordination (100%) | 100,000 | | | | | 100,000 |
| Smoke-Free Ontario Strategy - Youth Tobacco Use Prevention (100%) | 80,000 | | | | | 80,000 |
| Social Determinants of Health Nurses Initiative (100%) | 180,500 | | | | | 180,500 |
| Vector-Borne Diseases Program (Cost Shared) | 416,200 | (4,200) | | | | 412,000 |
| Base Funding Total (B) | 44,971,977 | (14,700) | 22,010 | | | 44,979,287 |
| 2018-19 One-Time Funding (April 1, 2018 to March 31, 2019) | | | | | | |
| Operating Funding | | | | | | |
| Healthy Growth/School Health - Trauma Informed Practice (100%) | 93,000 | | | 31,000 | cash flow in Jan-Mar 2019 | 124,000 |
| Immunization/Infectious Diseases - Enhancements to the Vaccine Inventory Program (100%) | 83,700 | | (102,300) | 27,900 | cash flow in Jan-Mar 2019 | 9,300 |
| Mandatory Programs - Unpasteurized Milk Legal Support (100%) | 168,750 | | (153,662) | 56,250 | cash flow in Jan-Mar 2019 | 71,338 |
| New Purpose-Built Vaccine Refrigerators (100%) | 18,000 | | | 6,000 | cash flow in Jan-Mar 2019 | 24,000 |
| Vector Borne Diseases Program - Cost of Living and Inflation Increases (100%) | 54,000 | | | 18,000 | cash flow in Jan-Mar 2019 | 72,000 |
| Smoke-Free Ontario Strategy - Cannabis Enforcement (100%) | 17,800 | | | 17,800 | cash flow in June 2019 | 17,800 |
| 2018-19 One-Time Funding Total (C) | 417,450 | | (255,962) | 156,950 | | 318,438 |

Board of Health for York Region Public Health

2018 Annual Reconciliation
As of December 31, 2018

Annual Reconciliation by Sources of Funding

| Programs/Sources of Funding | O4 Expenditures (at 100%) | Actual Expenditures (at 100%) | Variance Under / (Over) | | Actual Expenditures (at provincial share) | Approved Allocation | Eligible Expenditures | Funding Received from the Ministry | Due to / (From) Province |
|---|---------------------------|-------------------------------|-------------------------|--------------|---|---------------------|-----------------------|------------------------------------|--------------------------|
| | | | \$ | (%) | | | | | |
| | | | D = B - C | E = D / B | | | | | |
| A | B | C | D = B - C | E = D / B | F = C * Prov Share | G | H = MIN(F,G) | I | J = I - H |
| 2017-18 One-Time Funding (April 1, 2017 to March 31, 2018) | | | | | | | | | |
| Operating Funding | | | | | | | | | |
| Smoke-Free Ontario Expanded Smoking Cessation Programming for Priority Populations (100%) | | 25,752 | | | 25,752 | 21,600 | 21,600 | 21,600 | - |
| Needle Exchange Program Initiative (100%) | | 22,912 | | | 22,912 | 23,633 | 22,912 | 23,633 | 721 |
| Healthy Menu Choices Act, 2015 - Enforcement (100%) | | 71,008 | | | 71,008 | 69,300 | 69,300 | 69,300 | - |
| Immunization of School Pupils Act - Regulatory Amendments Implementation (100%) | | 59,993 | | | 59,993 | 50,000 | 50,000 | 50,000 | - |
| Panorama - Immunization Solution (100%) | | 224,327 | | | 224,327 | 220,700 | 220,700 | 220,700 | - |
| Healthy Smiles Ontario Program - Extraordinary Staffing (100%) | | 185,190 | | | 185,190 | 181,700 | 181,700 | 181,700 | - |
| New Purpose-Built Vaccine Refrigerators (100%) | | 47,252 | | | 47,252 | 51,100 | 47,252 | 51,100 | 3,848 |
| 2017-18 One-Time Funding Total (A) | | 636,434 | | | 636,434 | 618,033 | 618,033 | 618,033 | 4,569 |
| Base Funding (January 1, 2018 to December 31, 2018) | | | | | | | | | |
| Mandatory Programs (Cost-Shared) | 58,775,548 | 58,819,633 | (44,085) | -0.1% | 44,114,725 | 38,862,300 | 38,862,300 | 38,862,300 | - |
| Chief Nursing Officer Initiative (100%) | 166,889 | 166,889 | - | 0.0% | 166,889 | 121,500 | 121,500 | 121,500 | - |
| Electronic Cigarettes Act: Protection and Enforcement (100%) | 117,526 | 117,526 | - | 0.0% | 117,526 | 107,300 | 107,300 | 107,300 | - |
| Enhanced Food Safety - Haines Initiative (100%) | 255,591 | 255,591 | - | 0.0% | 255,591 | 208,500 | 208,500 | 208,500 | - |
| Enhanced Safe Water Initiative (100%) | 83,595 | 83,595 | - | 0.0% | 83,595 | 79,400 | 79,400 | 79,400 | - |
| Harm Reduction Program Enhancement (100%) | 348,191 | 348,191 | - | 0.0% | 348,191 | 250,000 | 250,000 | 250,000 | - |
| Healthy Smiles Ontario Program (100%) | 2,838,490 | 2,772,704 | 65,786 | 2.3% | 2,772,704 | 2,652,000 | 2,652,000 | 2,652,000 | - |
| Infection Prevention and Control Nurses Initiative (100%) | 117,831 | 117,831 | - | 0.0% | 117,831 | 90,100 | 90,100 | 90,100 | - |
| Infectious Diseases Control Initiative (100%) | 922,061 | 922,061 | - | 0.0% | 922,061 | 777,900 | 777,900 | 777,900 | - |
| MOH / AMOH Compensation Initiative (100%) | | 144,595 | | | 144,595 | 144,595 | 144,595 | 144,595 | - |
| Needle Exchange Program Initiative (100%) | 10,192 | 10,192 | - | 0.0% | 10,192 | 19,400 | 10,192 | 10,192 | - |
| Small Drinking Water Systems Program (Cost-Shared) | 120,678 | 120,678 | - | 0.0% | 90,509 | 58,700 | 58,700 | 58,700 | - |
| Smoke-Free Ontario Strategy - Prosecution (100%) | 16,500 | 16,500 | - | 0.0% | 16,500 | 16,500 | 16,500 | 16,500 | - |
| Smoke-Free Ontario Strategy - Protection and Enforcement (100%) | 898,209 | 898,209 | - | 0.0% | 898,209 | 827,800 | 827,800 | 827,800 | - |
| Smoke-Free Ontario Strategy - Tobacco Control Coordination (100%) | 182,011 | 182,011 | - | 0.0% | 182,011 | 100,000 | 100,000 | 100,000 | - |
| Smoke-Free Ontario Strategy - Youth Tobacco Use Prevention (100%) | 172,259 | 172,259 | - | 0.0% | 172,259 | 80,000 | 80,000 | 80,000 | - |
| Social Determinants of Health Nurses Initiative (100%) | 229,357 | 229,357 | - | 0.0% | 229,357 | 180,500 | 180,500 | 180,500 | - |
| Vector-Borne Diseases Program (Cost-Shared) | 629,613 | 629,613 | - | 0.0% | 472,210 | 412,000 | 412,000 | 412,000 | - |
| Base Funding Total (B) | 65,884,541 | 66,007,435 | (122,894) | -0.2% | 51,114,955 | 44,988,495 | 44,979,287 | 44,979,287 | - |
| Total 2018 Annual Reconciliation (A+B) | | 66,643,069 | | | 51,751,389 | 45,606,528 | 45,592,751 | 45,597,320 | 4,569 |
| 2018-19 One-Time Funding (April 1, 2018 to March 31, 2019) | | | | | | | | | |
| Surpluses to be Carried Forward to March 31, 2019 | | | | | | | | | |
| Operating Funding | | | | | | | | | |
| Healthy Growth/School Health - Trauma-Informed Practice (100%) | 124,000 | 26,415 | 97,585 | 78.7% | 26,415 | 124,000 | 26,415 | 124,000 | 97,585 |
| Immunization/Infectious Diseases - Enhancements to the Vaccine Inventory Program (100%) | 9,300 | - | 9,300 | 100.0% | - | 111,600 | - | 9,300 | 9,300 |
| Mandatory Programs - Unpasteurized Milk Legal Support (100%) | 71,338 | 56,338 | 15,000 | 21.0% | 56,338 | 225,000 | 56,338 | 71,338 | 15,000 |
| New Purpose-Built Vaccine Refrigerators (100%) | 24,000 | 6,789 | 17,211 | 71.7% | 6,789 | 24,000 | 6,789 | 24,000 | 17,211 |
| Vector-Borne Diseases Program - Cost of Living and Inflation Increases (100%) | 72,000 | 72,000 | - | 0.0% | 72,000 | 72,000 | 72,000 | 72,000 | - |
| Smoke-Free Ontario Strategy - Cannabis Enforcement (100%) | | | | | | | | 17,800 | 17,800 |
| 2018-19 One-Time Funding Total | 300,638 | 161,542 | 139,096 | 46.3% | 161,542 | 556,600 | 161,542 | 318,438 | 156,896 |

REGIONAL MUNICIPALITY OF YORK - PUBLIC HEALTH UNIT

Note to the Schedules

Year ended December 31, 2018

The financial information contained in the accompanying schedules (worksheets 4.4, 4.5 and 4.6) is prepared in accordance with the financial reporting provisions in the 2017 User Guide for Program Based Grants for Mandatory and Related Health Programs and Services and 2017 Program-Based Grants Terms and Conditions issued by the Ministry of Health and Long-Term Care.

The purpose of the schedules is for the Regional Municipality of York - Public Health Unit to meet its obligation to report to the Ministry of Health and Long-Term Care.

As a result, these schedules may not be suitable for another purpose.



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REPORT ON RESULTS OF SPECIFIED AUDITING PROCEDURES

To the Ministry of Health and Long-Term Care
and the Regional Municipality of York

As specifically agreed, we have performed the specified auditing procedures described in Appendix A, in relation to the Regional Municipality of York's Public Health Unit (the "Program") for the year ended December 31, 2018. This engagement to apply agreed-upon auditing procedures was performed in accordance with standards established by the Chartered Professional Accountants of Canada. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A either for the purpose for which this report has been requested or for any other purpose.

The results of our procedures are documented in Appendix A. The procedures in Appendix A do not constitute an audit and, therefore, we express no opinion on the information in Appendix A for the year ended December 31, 2018. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for use in connection with the reporting requirements of the Ministry of Health and Long-Term Care and is not intended to be and should not be used, circulated, quoted or otherwise referred to by anyone else or for any other purpose without our express written consent.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

August 16, 2019

REGIONAL MUNICIPALITY OF YORK - PUBLIC HEALTH UNIT

Results of Specified Auditing Procedures

Year ended December 31, 2018

APPENDIX A

| SPECIFIED AUDITING PROCEDURES | RESULTS OF SPECIFIED AUDITING PROCEDURES |
|--|--|
| 1. Verify that the audited financial statements and settlement forms agree with the books of the York Health Services Department ("Board of Health"). | We verified that the audited financial statements and settlement forms agree with the general ledger of the Board of Health and found no exceptions. |
| 2. Reconcile the differences between the expenses and revenues as reported on the settlement forms with those as shown in the audited financial statements for the year ended December 31, 2018. | We reconciled the expenses and revenues as reported on the settlement forms to the general ledger for the year ended December 31, 2018 and found no exceptions. The general ledger was agreed to the audited financial statements of the Regional Municipality of York (the "Region") for the year ended December 31, 2018. |
| 3. Obtain knowledge of the applicable provincial legislation, insofar as it pertains to financial and accounting matters, and insofar as it relates to the Board of Health on whose financial statements are being reported. | We have familiarized ourselves with the applicable provincial legislation, insofar as it pertains to financial and accounting matters, and insofar as it relates to the Region on whose financial statements we have reported. |
| 4. Review the "2018 Settlement Form Guidelines" for the settlement year ended December 31, 2018 for the preparation of the annual settlement, as required by the Ministry of Health and Long-Term Care (the "Ministry"). | We have reviewed the "2018 Settlement Form Guidelines" for the settlement year ended December 31, 2018 for the preparation of the annual settlement, as required by the Ministry. |
| 5. Review all minutes of the following bodies up to December 31, 2018: (a) Community and Health Committee (b) Finance and Administration Committee (c) Audit Committee (d) Other | We have reviewed all minutes of the following bodies up to December 31, 2018 in connection with our overall audit of the Region: (a) Community and Health Committee (b) Finance and Administration Committee (c) Audit Committee (d) Regional Council and have satisfied ourselves that proper recognition has been given to all items recorded therein which affect the financial position of the Board of Health. |
| 6. Review the correspondence during the year between the Ministry and the health unit which has been provided to us by the health unit and is likely to have a direct bearing on its financial statements. | We have reviewed the correspondence during the year between the Ministry and the health unit which has been provided to us by the health unit and is likely to have a direct bearing on its financial statements. |

| | |
|---|---|
| <p>7. Verify that the funds flowed by the Ministry in excess of current requirements were invested to earn additional revenue.</p> | <p>We are unable to provide positive assurance that the funds flowed by the Ministry in excess of current requirements were invested to earn additional revenue as it was beyond the scope of our audit procedures.</p> |
| <p>8. Report in writing to the Audit Committee (or equivalent) or to the Board of Health, any weaknesses in internal controls which came to our attention during the course of the audit which, in our opinion, might expose the health unit to a material loss of funds or other assets.</p> | <p>We have not reported in writing to the Audit Committee any weaknesses in internal controls which came to our attention during the course of the overall audit of the Region which, in our opinion, might expose the health unit to a material loss of funds or other assets.</p> |
| <p>9. Review the health unit's fidelity insurance coverage and, where applicable, forward any comments to the Audit Committee (or equivalent) or to the Board of Health after taking into consideration the existing level of internal control. Also review other insurance coverage.</p> | <p>We are unable to provide positive assurance on the health unit's fidelity insurance coverage with respect to the existing level of internal control as it was beyond the scope of our audit procedures.</p> |
| <p>10. Ensure that the health unit has complied with the previous audit recommendations in all material respects.</p> | <p>We verified that the health unit has complied with the previous audit recommendations in all material respects as performed in connection with our overall audit of the Region.</p> |
| <p>11. Verify that specific program funds (CINOT Expansion, Infectious Diseases Control, Small Drinking Water Systems, and all other related programs listed on the settlement forms) were used solely for their intended purposes and expenses were incurred in compliance with related program specific policies.</p> | <p>We have inquired of the health unit and ensured that there were no instances of inappropriate use of funds or a lack of compliance with related program specific policies.</p> |
| <p>12. As circumstances dictate, ensure that the basis used by the Region of allocating costs to the health unit is reasonable; the method used is appropriate and accurate.</p> | <p>We have inquired of the health unit and have determined that the basis used by the Region of allocating costs to the health unit is reasonable; the method used is appropriate and accurate.</p> |