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INDEPENDENT AUDITORS' REPORT

To the Ministry of Children, Community and Social Services and
the Regional Municipality of York

Opinion

We have audited the financial information contained in the accompanying Comparative Statement of Revenue and Expenditures of the Regional Municipality of York - Healthy Babies, Healthy Children Program (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 described in the agreement between Her Majesty the Queen in right of Ontario as represented by the Minister of Children and Youth Services and the Entity, dated April 1, 2018.

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 described in the agreement between Her Majesty the Queen in right of Ontario as represented by the Minister of Children and Youth Services and the Entity, dated April 1, 2018, 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.



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- 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 29, 2019

HEALTHY BABIES HEALTHY CHILDREN
 EARLY CHILD DEVELOPMENT BRANCH
 CHILDREN WITH SPECIAL NEEDS DIVISION
 MINISTRY OF CHILDREN COMMUNITY AND SOCIAL SERVICES
 2018 YEAR-END SETTLEMENT

BOARD OF HEALTH:
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDING December 31, 2018

York Region Community and Health Services Department

Report only revenue and expenditures specific to funding provided by the Ministry of Children, Community and Social Services for Healthy Babies Healthy Children.

REVENUE	Authorized Budget \$	Actual Revenue/Expenses \$	Variance UNDERSPENT (OVERSPENT)	Ministry Use
MCCSS Funding	4,401,635	4,401,635	-	
Interest Income (Non-Retainable)			-	
Other Income - Retainable (specify, from Page 3)		-	-	
Other Income - Non-Retainable (specify)			-	
TOTAL REVENUE	4,401,635	4,401,635	-	
EXPENSES				
Total Salaries & Wages (from Page 2)	3,195,955	3,983,290	(787,335)	
Employee Benefits (from Page 2)	929,842	1,058,844	(129,002)	
Total Salaries/Benefits	4,125,797	5,042,134	(916,337)	
Contract Services (from Page 2)	-	-	-	
Total Operating Costs (from Page 2)	275,838	404,757	(128,919)	
Total One-Time Expenses (from Page 4)	-	-	-	
TOTAL EXPENDITURES	4,401,635	5,446,891	(1,045,256)	
Surplus/(Deficit)	-	-		

RECONCILIATION OF CASH FLOW

	Actual \$	Ministry Use
Total cash received from MCCSS (January 1, 2018 to December 31, 2018).	4,401,635	
Add:		
Cash deducted from cash flow in Settlement of amount owed to		
Cash deducted from cash flow resulting from MCCSS Audit for prior year(s) 20__/__/__.		
Deduct:		
Additional cash received from MCCSS in settlement of amount owed to program for prior year(s) 20__/__/__, 20__/__/__.		
Additional cash received from MCCSS resulting from MCCSS Audit for prior year(s) 20__/__/__.		
Total Funding Applicable to 2018 Operations	4,401,635	-

Please Note: Any "Actual \$" entered must be positive, even if they represents funds recovered by the ministry.

HEALTHY BABIES HEALTHY CHILDREN
 EARLY CHILD DEVELOPMENT BRANCH
 CHILDREN WITH SPECIAL NEEDS DIVISION
 MINISTRY OF CHILDREN COMMUNITY AND SOCIAL SERVICES
 2018 YEAR-END SETTLEMENT
 FOR THE YEAR ENDING December 31, 2018

BOARD OF HEALTH:

York Region Community and Health Services Department

	Complement (FTE)		Approved Budget \$	Actual Expenses \$	Ministry Use
	Budget	Actual			
1a. Salaries & Wages - Unionized					
Management					
Public Health Nurses	27.0	27.0	1,889,401	2,294,301	
Lay Home Visitors	11.8	11.6	503,698	620,717	
Social Workers	2.0	2.1	134,636	188,115	
Administration: Program Support	1.5	1.5	64,029	83,495	
Administration: ISCIS Data Entry Support	5.2	5.0	232,452	286,663	
Administration: ISCIS Release Support					
Other Professional (specify)					
Other Non-Professional (specify)					
Total Salaries & Wages - Unionized	47.5	47.1	2,824,216.00	3,473,291	-
Employee Benefits - Unionized			836,191.00	906,115	
1b. Salaries & Wages - Non unionized					
Management	3.5	4.0	371,739	510,000	
Public Health Nurses					
Lay Home Visitors					
Social Workers					
Administration: Program Support					
Administration: ISCIS Data Entry Support					
Administration: ISCIS Release Support					
Other Professional (specify)					
Other Non-Professional (specify)					
Total Salaries & Wages - Non unionized	3.5	4.0	371,739.00	510,000	-
Employee Benefits - Non unionized			93,651.00	152,729	
2. Contract Services					
Other Professional (specify)					
Other Non-Professional (specify)					
Lay Home Visitors					
Administration: ISCIS Release Support					
Total Contract Services	-	-	-	-	-
3. Operating Costs					
Office Supplies			4,862	4,405	
Office Equipment			5,097	1,616	
Professional Development & Training			21,721	4,606	
Travel			70,181	110,609	
Public Awareness/Promotion			18,309	30,650	
Program Resources			77,152	101,901	
Computer costs for ISCIS			75,379	146,970	
Audit			3,137	4,000	
Other (specify)					
Other (specify)					
Total Operating Costs			275,838.00	404,757	-

HEALTHY BABIES HEALTHY CHILDREN
 EARLY CHILD DEVELOPMENT BRANCH
 CHILDREN WITH SPECIAL NEEDS DIVISION
 MINISTRY OF CHILDREN COMMUNITY AND SOCIAL SERVICES
 2018 YEAR-END SETTLEMENT
 RETAINABLE INCOME
 FOR THE YEAR ENDING December 31, 2018

BOARD OF HEALTH:

York Region Community and Health Services Department

Expenditures that offset Retainable Income. Expenditures must also be included in page 2.	FTE Actual	Actual Expenses \$	Ministry Use
1a. Salaries & Wages - Unionized			
Management			
Public Health Nurses			
Lay Home Visitors			
Social Workers			
Administration: Program Support			
Administration: ISCIS Data Entry Support			
Administration: ISCIS Release Support			
Other Professional (specify)			
Other Non-Professional (specify)			
Total Salaries & Wages - Unionized	-	-	-
Employee Benefits - Unionized			
1b. Salaries & Wages - Non unionized			
Management			
Public Health Nurses			
Lay Home Visitors			
Social Workers			
Administration: Program Support			
Administration: ISCIS Data Entry Support			
Administration: ISCIS Release Support			
Other Professional (specify)			
Other Non-Professional (specify)			
Total Salaries & Wages - Non unionized	-	-	-
Employee Benefits - Non unionized			
2. Contract Services			
Other Professional (specify)			
Other Non-Professional (specify)			
Lay Home Visitors			
Administration: ISCIS Release Support			
Total Contract Services	-	-	-
3. Operating Costs			
Office Supplies			
Office Equipment			
Professional Development & Training			
Travel			
Public Awareness/Promotion			
Program Resources			
Computer costs for ISCIS			
Audit			
Other (specify)			
Other (specify)			
Total Operating Costs		-	-
TOTAL EXPENDITURES (equals Retainable Income)	-	-	

- Retainable Income includes the following:
- general donations.
 - any monies received for capital purposes (e.g. specific donations, endowments, bequests).
 - fund raising where the revenue is generated through activities not involving the use of ministry resources.
 - interest revenue arising from the investment of retainable revenue.
 - other grants or subsidies received for activities not ordinarily funded by the ministry.

HEALTHY BABIES HEALTHY CHILDREN
 EARLY CHILD DEVELOPMENT BRANCH
 CHILDREN WITH SPECIAL NEEDS DIVISION
 MINISTRY OF CHILDREN COMMUNITY AND SOCIAL SERVICES
 2018 YEAR-END SETTLEMENT
 ONE-TIME GRANT EXPENSES - DETAIL
 FOR THE YEAR ENDING December 31, 2018

BOARD OF HEALTH: York Region Community and Health Services Department

One-Time Grant Expenses	Approved Budget \$	Actual Expenses \$	Ministry Use
1a. Salaries & Wages, and Benefits Unionized			
(specify)			
(specify)			
1b. Salaries & Wages, and Benefits Non unionized			
(specify)			
(specify)			
2. Contract Services			
(specify)			
(specify)			
3. Operating Costs			
(specify)			
(specify)			
(specify)			
Total One-Time Grant Expenses	-	-	-

VARIANCE EXPLANATIONS
 FOR THE YEAR ENDING December 31, 2018

Variance Explanations	
Salaries & Wages:	(787,335)
Salary variance is due to additional contribution York Region made to ensure service level requirements under the OPHS are met. Salary spending is inline with approved regional budget.	
Employee Benefits:	(129,002)
(Reflects the Salaries & Wages as well as changes in OMERS.)	
Benefit variance is due to additional contribution York Region made to ensure service level requirements under the OPHS are met. Benefit spending is inline with approved regional budget.	
Operating Costs:	(128,919)
Operating cost variance is due to additional contribution York Region made to ensure service level requirements under the OPHS are met. Operating cost spending is inline with approved regional budget.	
One-Time Expenses:	-

REGIONAL MUNICIPALITY OF YORK - HEALTHY BABIES, HEALTHY CHILDREN PROGRAM

Note to the Schedules

Year ended December 31, 2018

The financial information contained in the accompanying Comparative Statement of Revenue and Expenditures is prepared in accordance with the financial reporting provisions described in the agreement between Her Majesty the Queen in right of Ontario as represented by the Minister of Children and Youth Services and the Regional Municipality of York - Healthy Babies, Healthy Children Program, dated April 1, 2018.

The purpose of the schedules is for the Regional Municipality of York - Healthy Babies, Healthy Children Program to meet its obligation to report to the Ministry of Children, Community and Social Services.

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 Children, Community and Social Services 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 Healthy Babies, Healthy Children Program (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 Children and Youth Services 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 29, 2019

REGIONAL MUNICIPALITY OF YORK - HEALTHY BABIES, HEALTHY CHILDREN PROGRAM

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 Public Health Agency (the "Agency").	We verified that the audited financial statements and settlement forms agree with the general ledger of the Agency 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 they pertain to financial and accounting matters, and insofar as they relate to the Agency on whose financial statements are being reported.	We have familiarized ourselves with the applicable Provincial legislation, insofar as they pertain to financial and accounting matters, and insofar as they relate to the Region on whose financial statements we have reported.
4. Review the "Explanatory Notes" for the settlement year ended December 31, 2018 for the preparation of the annual settlement, as required by the Ministry of Children and Youth Services (the "Ministry").	We have read the "Explanatory Notes" 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) Board of Health (b) Audit Committee (c) Finance Committee (d) Other	We have reviewed all minutes of the following bodies up December 31, 2018 in connection with our overall audit of the Region: (a) Board of Health (b) Audit Committee (c) Finance Committee (d) Regional Council
6. Review the correspondence during the year between the Ministry and the Agency which has been provided to us by the Agency 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 Agency which has been provided to us by the Agency and is likely to have a direct bearing on its financial statements.
7. Verify that the funds flowed by the Ministry in excess of current requirements were invested to earn additional revenue.	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>8. Report in writing to the Audit Committee (or equivalent) or to the Board, any weaknesses in internal controls which came to our attention during the course of the audit which, in our opinion, might expose the Agency 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 Agency to a material loss of funds or other assets.</p>
<p>9. Review the Agency'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 Agency'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 Agency has complied with the previous audit recommendations in all material respects.</p>	<p>We enquired of management that the Agency has complied with the previous audit recommendations in all material respects as performed in connection with our overall audit of the Region and have been informed that they have done so.</p>