

**FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**The Corporation of the  
Leeds, Grenville & Lanark  
District Health Unit  
Financial Statements  
December 31, 2018**



## Management's Responsibility for the Financial Statements

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The accompanying financial statements of the Corporation of the Leeds, Grenville & Lanark District Health Unit (the 'Unit') are the responsibility of the Unit's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Health Unit's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of financial statements. These systems are monitored and evaluated by management.

The Board of Directors meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to Board approval of the financial statements.

The financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Health Unit. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Health Unit's financial statements.

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Dr. Paula Stewart, Medical Officer of Health

*An Accredited Health Unit Since 1990*

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**MAIN OFFICE:**  
458 Laurier Blvd.  
Brockville, ON  
K6V 7A3  
(613) 345-5685  
FAX: (613) 345-2879

**SMITHS FALLS OFFICE**  
25 Johnston St.  
Smiths Falls, ON  
K7A 0A4  
(613) 283-2740  
FAX: (613) 283-1679

**KEMPTVILLE OFFICE**  
Box 343, 8 Asa St. Unit 2  
Kemptonville, ON  
K0G 1J0  
(613) 258-5941  
FAX: (613) 258-1407

**GANANOQUE OFFICE**  
375 William St. S., Suite 200  
Gananoque, ON  
K7G 1T2  
(613) 382-4231  
FAX: (613) 382-7599



## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of the Corporation  
of the Leeds, Grenville & Lanark District Health Unit:

### Opinion

We have audited the financial statements of the Corporation of the Leeds, Grenville & Lanark District Health Unit (the 'Entity'), which comprise:

- the statement of financial position as at December 31, 2018;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net debt for the year then ended;
- the statement of cash flows for the year then ended;
- and the notes to the financial statements, including a summary of significant accounting policies;

(Hereinafter referred to as the 'financial statements').

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### 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 Financial Statements**' section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 of 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.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario  
June 20, 2019.

**The Corporation of the Leeds, Grenville & Lanark District Health Unit  
Statement of Financial Position**

December 31	2018	2017
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	1,560,723	1,795,612
Accounts receivable	183,556	296,233
	<b>1,744,279</b>	2,091,845
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	1,001,539	872,910
Deferred revenues	124,133	225,285
Long term liabilities (note 4)	998,417	1,063,899
	<b>2,124,089</b>	2,162,094
<b>NET DEBT</b>	<b>(379,810)</b>	(70,249)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 7)	3,363,391	3,574,563
Prepaid expenses	150,642	153,339
	<b>3,514,033</b>	3,727,902
Commitments (note 5) Contingent Liabilities (note 10)		
<b>ACCUMULATED SURPLUS</b> (note 6)	<b>3,134,223</b>	3,657,653

The accompanying notes are an integral part of these financial statements.

**The Corporation of the Leeds, Grenville & Lanark District Health Unit  
Statement of Operations and Accumulated Surplus**

For the year ended December 31	(Note 11) Budget	Actual 2018	Actual 2017
	\$	\$	\$
<b>REVENUES</b>			
Municipal Grants	3,038,085	<b>3,038,085</b>	3,038,085
Provincial Grants			
Ministry of Health Base Funding	7,044,500	<b>7,044,500</b>	6,839,300
Ministry of Health Additional Base Funding	1,943,629	<b>1,940,215</b>	1,948,954
Ministry of Health Vaccine Revenue	42,250	<b>34,702</b>	64,326
Ministry of Health One Time Funding	269,647	<b>257,125</b>	254,119
Public Health Expenditures and Offset Revenue	57,500	<b>45,998</b>	58,979
Ministry of Children & Youth Services			
Preschool Speech Language	1,080,689	<b>1,140,191</b>	495,074
Ministry of Children & Youth Services			
Healthy Babies	1,060,739	<b>1,068,280</b>	1,061,259
Other Revenues and Grants			
Ontario Works	280,000	<b>190,531</b>	200,304
Healthy Kids Community Challenge	40,500	<b>134,804</b>	239,943
Other Related Grants	24,500	<b>94,661</b>	134,397
Land Control	481,827	<b>513,793</b>	493,586
Interest Earned	5,000	<b>77,039</b>	5,293
Program Recoveries	114,345	<b>165,927</b>	94,336
<b>TOTAL REVENUES</b>	15,483,211	<b>15,745,851</b>	14,927,955
<b>EXPENDITURES</b>			
Base Mandatory Public Health Programs	10,325,504	<b>10,240,163</b>	10,097,037
Additional Public Health Programs	1,943,629	<b>1,979,115</b>	1,986,317
Ministry of Health One Time Funding	269,647	<b>257,125</b>	254,119
Healthy Kids Community Challenge	40,500	<b>134,511</b>	247,171
Other Related Grants	24,500	<b>94,403</b>	134,398
Other Administrative Services	304,859	<b>149,973</b>	---
Land Control	481,827	<b>533,016</b>	445,119
Preschool Speech Language	1,080,689	<b>1,189,482</b>	504,032
Healthy Babies	1,060,739	<b>1,085,236</b>	1,062,319
Ontario Works	280,000	<b>190,531</b>	185,416
Amortization	---	<b>300,403</b>	387,002
<b>TOTAL EXPENDITURES</b>	15,811,894	<b>16,153,958</b>	15,302,930
<b>UNREALIZED (LOSS) GAIN ON INVESTMENTS</b>	---	<b>(115,323)</b>	15,570
<b>ANNUAL DEFICIT</b>	(328,683)	<b>(524,430)</b>	(359,405)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	3,657,653	<b>3,657,653</b>	4,017,058
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	3,328,970	<b>3,134,223</b>	3,657,653

The accompanying notes are an integral part of these financial statements.

**The Corporation of the Leeds, Grenville & Lanark District Health Unit  
Statement of Changes in Net Debt**

Year Ended December 31	2018	2017
	\$	\$
<b>ANNUAL DEFICIT</b>	<b>(523,430)</b>	<b>(359,405)</b>
Amortization of tangible capital assets	<b>300,403</b>	387,002
Acquisition of tangible capital assets	<b>(88,769)</b>	(52,446)
Acquisition of prepaid expense	<b>2,697</b>	(56,923)
Loss on disposal of assets	<b>(462)</b>	---
	<b>213,869</b>	277,633
<b>DECREASE IN NET DEBT</b>	<b>(309,561)</b>	<b>(81,772)</b>
<b>NET (DEBT) FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>(70,249)</b>	11,523
<b>NET DEBT, END OF YEAR</b>	<b>(379,810)</b>	<b>(70,249)</b>

The accompanying notes are an integral part of these financial statements.



**The Corporation of the Leeds, Grenville & Lanark District Health Unit  
Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows Provided From:</b>		
<b>OPERATING ACTIVITIES</b>		
Annual deficit for the year	(523,430)	(359,405)
Amortization	300,403	387,002
Loss on disposition of assets	(462)	---
	<b>(223,489)</b>	<b>27,597</b>
<b>Net Change in Non-Cash Working Capital Balances</b>		
Accounts receivable	112,677	(111,996)
Prepaid expenses	2,697	(56,923)
Accounts payable and accrued liabilities	128,629	(65,874)
Deferred revenues	(101,152)	7,590
	<b>142,851</b>	<b>(227,203)</b>
<b>Working Capital from Operations</b>	<b>(80,638)</b>	<b>(199,606)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of capital assets	(88,759)	(52,446)
Repayment of long term liabilities	(65,482)	(63,680)
<b>Net investment in tangible capital assets</b>	<b>(154,251)</b>	<b>(116,126)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(234,889)</b>	<b>(315,732)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,795,612</b>	<b>2,111,344</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b> (note 2)	<b>1,560,723</b>	<b>1,795,612</b>

The accompanying notes are an integral part of these financial statements.

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# The Corporation of the Leeds, Grenville & Lanark District Health Unit

## Notes to the Financial Statements

December 31, 2018

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### Purpose of Organization

These financial statements reflect the assets, liabilities and operations of the Corporation of the Leeds, Grenville & Lanark District Health Unit.

The Health Unit is incorporated under the laws of Ontario. Its mission is to work with the community to protect, promote and enhance health by developing and providing quality health programs and services.

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### 1. Significant Accounting Policies

The financial statements of the Corporation of the Leeds, Grenville & Lanark District Health Unit are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Policies.

#### Reporting Entity

- (i) The financial statements reflect the financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Health Unit. The Health Unit operates the following programs:

Fiscal years ending December 31:

- Public Health Programs
- Land Control Program
- Healthy Babies / Healthy Children Program

Fiscal years ending March 31

- Language Express Program
- Healthy Community Partnership

#### Basis of Accounting

- (i) The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

#### Cash and Cash Equivalents

The Health Unit considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

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# The Corporation of the Leeds, Grenville & Lanark District Health Unit

## Notes to the Financial Statements

December 31, 2018

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### 1. Significant Accounting Policies / continued

#### Investments

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on available current funds and reserve funds are reported as revenue in the period earned.

#### Tangible Capital Assets

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Building Improvements	15 years
Buildings	40 years
Vehicles	5 years
Furniture and Equipment	10 years
Computer Equipment	3 years
Multi-Media Equipment	5 years

One half of the annual amortization is charged in the year of acquisition and in the years of disposal. Land is not amortized.

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Health Unit's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the statement of operations.

#### Deferred Revenues

The Health Unit receives restricted contributions under the authority of Federal and Provincial legislation and Health Unit by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

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# The Corporation of the Leeds, Grenville & Lanark District Health Unit

## Notes to the Financial Statements

December 31, 2018

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### 1. Significant Accounting Policies / continued

#### Deferred Revenues / continued

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Health Unit has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

#### Employee Future Benefit Obligations

The Health Unit accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Health Unit's policy.

#### Revenues and Expenditures

Revenues and expenditures are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

#### Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

#### Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Health Unit has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net earnings.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Health Unit classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

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# The Corporation of the Leeds, Grenville & Lanark District Health Unit

## Notes to the Financial Statements

December 31, 2018

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### 1. Significant Accounting Policies / continued

#### Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

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### 2. Cash and Cash Equivalents

The Health Unit has an available line of credit of \$300,000, with its corporate bankers, of which \$Nil was drawn against at December 31, 2018 (2017 \$Nil). This line of credit is unsecured and bears interest at prime less 0.75%.

Cash and cash equivalents comprised of:

	2018	2017
	\$	\$
Cash	379,147	570,217
Investment (at cost)	1,107,369	1,035,865
	1,486,516	1,606,862
Unrealized gain on investments	74,207	189,530
	1,560,723	1,795,612

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### 3. Pension Contributions

The Health Unit makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Health Unit does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The amount contributed to OMERS was \$1,028,027 (2017 \$968,228) for current services and is included as an expenditure on the Statement of Operations and Accumulated Surplus classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

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**The Corporation of the Leeds, Grenville & Lanark District Health Unit  
Notes to the Financial Statements**

**December 31, 2018**

**4. Long Term Liabilities**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
RBC Bank mortgage (2.45%), repayable in blended monthly payments of \$7,561, amortized over 16 years, secured by Smiths Falls property.	<b>998,417</b>	1,063,899

Principal payments fall due as follows:

	<b>\$</b>
2019	<b>70,532</b>
2020	<b>72,279</b>
2021	<b>74,070</b>
2022	<b>75,905</b>
2023	<b>79,713</b>
2024 and thereafter	<b>625,918</b>
	<b>998,417</b>

**5. Commitments**

The Health Unit leases space for service sites in Gananoque, Almonte, Kemptonville and Perth, Ontario. The aggregate lease payments over the next three years are estimated as follows:

	<b>\$</b>
2019	<b>87,415</b>
2020	<b>64,563</b>
2021	<b>64,563</b>
2022	<b>47,463</b>
2023	<b>47,463</b>
	<b>311,467</b>



**The Corporation of the Leeds, Grenville & Lanark District Health Unit  
Notes to the Financial Statements**

**December 31, 2018**

**6. Accumulated Surplus**

Accumulated surplus consists of:

	2018	2017
	\$	\$
<b>Invested in Tangible Capital Assets</b>		
Tangible capital assets	3,363,391	3,574,563
Long term liabilities	(998,417)	(1,063,899)
<b>Total Invested in Tangible Capital Assets</b>	<b>2,364,974</b>	2,510,664
<b>Operating Surplus</b>		
Unrealized gain on investments	74,207	189,530
General	(44,364)	90,109
	<b>29,843</b>	279,639
Land Control Program	249,571	268,795
Reserves (Schedule 1)		
Payment of sick leave credits	2,871	2,871
General reserve	486,964	595,684
	<b>489,835</b>	598,555
<b>Total Operating Surplus</b>	<b>769,249</b>	1,146,989
<b>Total Accumulated Surplus</b>	<b>3,134,223</b>	3,657,653

**7. Tangible Capital Assets**

	2018	2017
	\$	\$
Land	250,000	250,000
Building Improvements	331,493	378,953
Buildings	2,100,699	2,197,475
Furniture and Equipment	403,812	462,209
Computer Equipment	245,713	261,237
Multi-Media Equipment	31,674	24,689
	<b>3,363,391</b>	3,574,563

For additional information, see Schedule 2 ▶ Tangible Capital Assets.

# The Corporation of the Leeds, Grenville & Lanark District Health Unit

## Notes to the Financial Statements

**December 31, 2018**

### 8. Segmented Information

The Health Unit provides a range of programs and services, that are reported in the statement of operations and accumulated surplus.

Programs have been separately disclosed in the segmented information, as set out in the schedule below.

For each reported segment, expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

2018	Salaries, & Benefits	Fees for Services	Travel	Materials & Supplies	Rents & Utilities	Admini- strative	Other Expenses	Total
	\$	\$	\$	\$	\$			\$
Mandatory Programs	8,848,031	152,598	302,599	629,147	307,788	---	---	10,240,163
MOH Top Up	128,246	---	---	---	---	---	---	128,246
Vector Borne	18,109	6,426	643	4,288	---	---	---	29,466
Small Drinking Water	118,654	---	7,000	479	---	---	---	126,133
Enhanced Food Safety	36,175	---	611	814	---	---	---	37,600
Enhanced Safe Water	9,481	---	315	5,703	---	---	---	15,499
Infection Control Program	408,355	---	4,124	8,321	---	---	---	420,800
Healthy Smiles	298,835	---	8,798	19,767	---	---	---	327,400
Smoke Free	376,389	12,874	20,071	2,635	---	---	---	411,969
Needle Exchange	---	---	---	30,000	---	---	---	30,000
Chief Nursing Officer	121,500	---	---	---	---	---	---	121,500
Social Determinants of Health	180,500	---	---	---	---	---	---	180,500
Harm Reduction	150,000	---	---	---	---	---	---	150,000
One Time MOH Funded Projects	111,376	22,946	8,053	98,837	---	---	15,913	257,125
Preschool Speech	390,934	701,560	5,611	10,622	16,074	20,180	44,501	1,189,482
Healthy Babies	1,021,693	1,500	45,195	16,848	---	---	---	1,085,236
Healthy Kids Community Challenge	51,267	7,075	3,382	72,788	---	---	---	134,512
Other Related Grants - Expenditures	18,475	33,125	1,379	41,424	---	---	---	94,404
Other admin services	79,446	29,910	---	24,605	16,012	---	---	149,973
Ontario Works	14,116	176,415	---	---	---	---	---	190,531
Land Control Programs	406,703	11,661	40,999	15,011	3,306	55,337	---	533,017
Amortization	---	---	---	---	---	---	300,403	300,403
<b>2018</b>	<b>12,791,285</b>	<b>1,156,090</b>	<b>448,780</b>	<b>981,289</b>	<b>343,180</b>	<b>75,517</b>	<b>360,817</b>	<b>16,156,958</b>

**The Corporation of the Leeds, Grenville & Lanark District Health Unit**  
**Notes to the Financial Statements**

**December 31, 2018**

**8. Segmented Information / continued**

<b>2017</b>	<b>Salaries, &amp; Benefits</b>	<b>Fees for Services</b>	<b>Travel</b>	<b>Materials &amp; Supplies</b>	<b>Rents &amp; Utilities</b>	<b>Admini- strative</b>	<b>Other Expenses</b>	<b>Total</b>
	\$	\$	\$	\$	\$			\$
Mandatory Programs	8,483,375	306,876	282,757	481,215	354,436	188,378	---	10,097,037
MOH Top Up	128,320	---	---	---	---	---	---	128,320
Vector Borne	20,126	4,462	436	4,443	---	---	---	29,467
Small Drinking Water	116,461	---	6,982	340	2,700	---	---	126,483
Enhanced Food Safety	34,430	555	1,790	835	---	---	---	37,610
Enhanced Safe Water	15,113	---	387	---	---	---	---	15,500
Infection Control Program	407,421	---	7,650	4,499	1,230	---	---	420,800
Healthy Smiles	294,510	64	13,465	12,845	6,516	---	---	327,400
Smoke Free	383,086	7,841	21,215	5,648	---	---	---	417,790
Needle Exchange	---	---	502	30,445	---	---	---	30,947
Chief Nursing Officer	121,500	---	---	---	---	---	---	121,500
Social Determinants of Health	174,797	---	4,707	996	---	---	---	180,500
Harm Reduction	142,508	---	7,309	183	---	---	---	150,000
One Time MOH Funded Projects	133,317	---	---	120,802	---	---	---	254,119
Preschool Speech	390,093	51,490	7,668	18,631	36,150	---	---	504,032
Healthy Babies	1,002,983	1,500	42,592	15,244	---	---	---	1,062,319
Healthy Kids Community Challenge	99,577	1,621	4,373	141,600	---	---	---	247,171
Other Related Grants - Expenditures	77,055	18,278	11,903	27,161	---	---	---	134,397
Ontario Works	---	185,416	---	---	---	---	---	185,416
Land Control Programs	336,549	11,193	34,466	4,269	58,643	---	---	445,120
Amortization	---	---	---	---	---	---	387,002	387,002
<b>2017</b>	<b>12,361,221</b>	<b>589,296</b>	<b>448,202</b>	<b>869,156</b>	<b>459,675</b>	<b>188,378</b>	<b>387,002</b>	<b>15,302,930</b>

**9. Risk Management**

In the normal course of operations, the Health Unit is exposed to a variety of financial risks which are actively managed by the Health Unit.

The Health Unit's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair values of cash, investments, accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Health Unit's exposure to and management of risk has not changed materially from December 31, 2017.

**Credit Risk**

Credit risk arises from the possibility that the entities to which the Health Unit provides services to may experience difficulty and be unable to fulfill their obligations. The Health Unit is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Health Unit does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

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# The Corporation of the Leeds, Grenville & Lanark District Health Unit

## Notes to the Financial Statements

December 31, 2018

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### 9. Risk Management / continued

#### Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Health Unit is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Health Unit's operating results.

#### Liquidity Risk

Liquidity risk is the risk that the Health Unit will not be able to meet its obligations as they fall due. The Health Unit requires working capital to meet day-to-day operating activities. Management expects that the Health Unit's cash flows from operating activities will be sufficient to meet these requirements.

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### 10. Contingent Liabilities

The nature of the Health Unit's activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at June 7, 2018, management believes that the Health Unit has valid defences and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Health Unit's financial position.

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### 11. Budget Figures

The operating budget approved by the Health Unit, for 2018 is reflected on the Statement of Operations and Accumulated Surplus. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Health Unit does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

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### 12. Comparative Figures

Some reclassification of prior year's figures was necessary in order to conform to this year's presentation.

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**The Corporation of the Leeds, Grenville & Lanark District Health Unit**  
**Schedule 1 ▶ Continuity of Reserves and Reserve Funds**

For the year ended December 31	2018	2017
	\$	\$
<b>Net Transfers From/(To) Other Funds</b>		
Transfers to operations	(109,020)	---
<b>Total Net Transfers</b>	(109,020)	---
<b>Reserves and Reserve Fund Balances, Change in Year</b>	(109,020)	---
<b>Reserves and Reserve Fund Balances, Beginning of Year</b>	598,855	598,855
<b>Reserves and Reserve Fund Balances, End of Year</b>	489,835	598,855

**Composition of Reserves and Reserve Funds**

For the year ended December 31	2018	2017
	\$	\$
<b>Reserves set aside for specific purposes:</b>		
▶ payment for sick leave credits	2,871	2,871
▶ general reserve	486,964	595,684
<b>Total Reserves and Reserve Funds</b>	489,835	598,555

The accompany notes are an integral part of these financial statements.

**The Corporation of the Leeds, Grenville & Lanark District Health Unit**  
**Schedule 2 ▶ 2018 Tangible Capital Assets**

Asset Class	Cost 01/01/18	Additions	Disposals	Cost 31/12/18
	\$	\$	\$	\$
Land	250,000	---	---	<b>250,000</b>
Building Improvements	834,930	15,914	---	<b>850,844</b>
Buildings	3,005,834	---	---	<b>3,005,834</b>
Vehicles	54,737	---	---	<b>54,737</b>
Furniture & Equipment	1,530,520	29,043	(16,905)	<b>1,542,658</b>
Computer Equipment	915,018	16,694	(35,501)	<b>896,211</b>
Multi Media Equipment	114,095	27,117	(15,950)	<b>125,262</b>
	<b>6,705,134</b>	<b>88,768</b>	<b>(68,356)</b>	<b>6,725,546</b>

Asset Class	Accumulated Amortization 01/01/18	Amortization	Disposals	Accumulated Amortization 31/12/18	Net Book Value 31/12/18
	\$	\$	\$	\$	\$
Land	---	---	---	---	<b>250,000</b>
Building Improvements	455,976	63,375	---	519,351	<b>331,493</b>
Buildings	808,359	96,776	---	905,135	<b>2,100,699</b>
Vehicles	54,737	---	---	54,737	---
Furniture & Equipment	1,068,311	87,903	(17,368)	1,138,846	<b>403,812</b>
Computer Equipment	653,782	32,217	(35,501)	650,498	<b>245,713</b>
Multi Media Equipment	89,406	20,132	(15,950)	93,588	<b>31,674</b>
	<b>3,130,571</b>	<b>300,403</b>	<b>(68,819)</b>	<b>3,362,155</b>	<b>3,363,391</b>

The accompany notes are an integral part of these financial statements.



**The Corporation of the Leeds, Grenville & Lanark District Health Unit**  
**Schedule 2 ▶ 2017 Tangible Capital Assets**

Asset Class	Cost 01/01/17	Additions	Disposals	Cost 31/12/17
	\$	\$	\$	\$
Land	250,000	---	---	<b>250,000</b>
Building Improvements	795,809	39,121	---	<b>834,930</b>
Buildings	3,005,834	---	---	<b>3,005,834</b>
Vehicles	54,737	---	---	<b>54,737</b>
Furniture & Equipment	1,581,386	6,796	(57,662)	<b>1,530,520</b>
Computer Equipment	965,832	4,103	(54,917)	<b>915,018</b>
Multi Media Equipment	111,669	2,426	---	<b>114,095</b>
	<b>6,765,267</b>	<b>52,446</b>	<b>(112,579)</b>	<b>6,705,134</b>

Asset Class	Accumulated Amortization 01/01/17	Amortization	Disposals	Accumulated Amortization 31/12/17	Net Book Value 31/12/17
	\$	\$	\$	\$	\$
Land	---	---	---	---	<b>250,000</b>
Building Improvements	390,813	65,163	---	455,976	<b>378,954</b>
Buildings	711,583	96,776	---	808,359	<b>2,197,475</b>
Vehicles	49,263	5,474	---	54,737	---
Furniture & Equipment	979,072	146,901	(57,662)	1,068,311	<b>462,209</b>
Computer Equipment	649,780	58,919	(54,917)	653,782	<b>261,236</b>
Multi Media Equipment	75,637	13,769	---	89,406	<b>24,689</b>
	<b>2,856,148</b>	<b>387,002</b>	<b>(112,579)</b>	<b>3,130,571</b>	<b>3,574,563</b>

The accompany notes are an integral part of these financial statements.

**The Corporation of the Leeds, Grenville & Lanark District Health Unit  
Land Control Program  
Schedule of Operations**

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Sewage inspection fees and extensions	413,412	411,520
Subdivisions and variances	5,902	6,620
Severance fees and s-permits	70,900	53,230
Interest	4,156	1,610
File search fees	19,423	20,606
	<b>513,793</b>	<b>493,586</b>
<b>Expenditures</b>		
Salaries and wages	326,380	268,114
Employee benefits	80,323	68,435
Fees for service	11,661	11,193
Travel	40,999	34,465
Materials and supplies	15,010	4,269
Rent	3,306	3,306
Administrative and allocated costs	55,337	55,338
	<b>533,016</b>	<b>445,120</b>
<b>Net Revenues (Expenditures) for the Year</b>	<b>(19,224)</b>	<b>48,466</b>

**Healthy Babies / Health Children Program  
Schedule of Operations**

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Provincial Grant ▶ MCYS	1,060,739	1,060,739
Other revenues	7,541	520
	<b>1,068,280</b>	<b>1,061,259</b>
<b>Expenditures</b>		
Salaries and wages	796,906	793,046
Employee benefits	224,788	209,937
Travel	16,848	42,592
Program supplies	45,194	15,244
Administrative	1,500	1,500
	<b>1,085,236</b>	<b>1,062,319</b>
<b>Net Expenditures for the Year</b>	<b>(16,956)</b>	<b>(1,060)</b>