

AUDITOR'S REPORT

To the Chairman and Members,

THE CORPORATION OF THE LEEDS, GRENVILLE AND LANARK DISTRICT HEALTH UNIT

I have audited the Balance Sheet of **THE CORPORATION OF THE LEEDS, GRENVILLE AND LANARK DISTRICT HEALTH UNIT** as at December 31, 2003 and the Statements Of Operations - Public Health Programs, Operations - Land Control Programs, Operations - Healthy Babies Program, Operations - Early Child Development Programs, Operations - SARS Short Term Action Plan and Reserve Funds for the year then ended. These financial statements are the responsibility of the Health Unit's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Public Health, Land Control, Healthy Babies, Early Child Development Programs and SARS Short Term Action Plan of The Corporation Of The Leeds, Grenville And Lanark District Health Unit as at December 31, 2003 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Chartered Accountant

Gananoque, Canada
February 24, 2004

**THE CORPORATION OF THE LEEDS, GRENVILLE AND
LANARK DISTRICT HEALTH UNIT**
**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
BALANCE SHEET
AS AT DECEMBER 31, 2003

	2003	2002
ASSETS		
UNRESTRICTED		
Cash	\$ 879,774	\$ 1,227,932
Accounts receivable	115,462	97,929
Receivable from Ontario Works program - Lanark	3,904	1,590
Receivable from Ministry of Health - Healthy Babies - Operations	2,446	-
Receivable from Ministry of Health - Public Health Programs	26,949	-
Prepaid expenses	46,482	54,791
	<u>1,075,017</u>	<u>1,382,242</u>
RESTRICTED		
Guaranteed investment certificate	7,381	7,381
Money market investments (note 1)	396,283	372,170
	<u>403,664</u>	<u>379,551</u>
	<u>\$ 1,478,681</u>	<u>\$ 1,761,793</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 492,353	\$ 499,760
Payable to Ministry of Health - Healthy Babies - Operations	-	130,978
Payable to Ministry of Health - Healthy Communities (Heart Health) programs	19,735	29,085
Payable to Ministry of Health - Public Health Programs	-	57,145
Payable to Ministry of Health - Language Express	49,180	39,843
Payable to Ministry of Health - Early Child Development Programs	2,277	271
Payable to Ontario Works program - Leeds/Grenville	35,610	-
Payable to Ministry of Health - SARS Short Term Action Plan	24,547	-
Payable to the Language Express program	57,718	36,957
Payable to CGIS Project (HRDC)	500	5,731
Payable to Merx (tobacco grant)	64,302	50,000
Deferred revenue	43,506	55,114
	<u>789,728</u>	<u>904,884</u>
RESERVE FUNDS		
Payment of sick leave credits	7,101	8,682
General reserve	396,283	372,170
	<u>403,384</u>	<u>380,852</u>
MUNICIPAL SURPLUS (note 2)	<u>75,394</u>	<u>246,092</u>
SURPLUS - LAND CONTROL PROGRAM	<u>210,175</u>	<u>229,965</u>
	<u>\$ 1,478,681</u>	<u>\$ 1,761,793</u>

On behalf of the Board:

Member

On behalf of the Board:

Member

**THE CORPORATION OF THE LEEDS, GRENVILLE AND
LANARK DISTRICT HEALTH UNIT**
**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
STATEMENT OF OPERATIONS AND MUNICIPAL DEFICIT - PUBLIC HEALTH PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002
REVENUE		
Municipal		
United Counties	\$ 1,147,438	\$ 1,103,306
Lanark	916,034	880,802
Brockville	371,534	357,244
Smiths Falls	160,744	154,561
Gananoque	91,311	87,799
Prescott	70,381	67,674
	2,757,442	2,651,386
Ministry of Health	2,784,770	2,673,986
Ministry of Health - one time funding	217,005	71,330
Language Express - allocated costs	6,500	6,500
Land Control allocated costs	45,837	42,034
Healthy Babies management costs	42,950	37,054
Other revenue (schedule 1)	283,098	271,012
Municipal reserve revenue	175,985	63,331
	6,313,587	5,816,633
EXPENSE		
Salaries and wages	4,181,643	4,093,114
Benefits	646,035	526,492
Travel	187,018	188,287
Occupancy	187,407	189,213
Telephone	91,719	80,245
Materials and supplies	128,094	136,250
Office supplies/postage	40,937	52,519
Professional development	60,531	42,039
Office equipment maintenance and rental	17,925	19,093
Professional fees	21,599	22,995
Physicians/Dentists	129,852	89,248
Bank charges	5,449	5,098
Insurance	44,512	36,133
Honorariums	8,464	9,846
Computer/Internet services	85,999	99,035
Marketing/advertising	36,582	35,443
Other	78,957	58,716
Non-recurring expenses	369,356	151,323
	6,322,079	5,835,089
DEFICIT FOR THE YEAR	\$ (8,492)	\$ (18,456)

**THE CORPORATION OF THE LEEDS, GRENVILLE AND
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**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
STATEMENT OF OPERATIONS - LAND CONTROL PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002
REVENUE		
Sewage inspection fees	\$ 253,350	\$ 259,200
Severance fees and s-permits	73,129	60,675
Interest	4,831	3,537
Miscellaneous	133	122
File search fees	22,125	24,750
	<u>353,568</u>	<u>348,284</u>
EXPENSE		
Salaries and wages	213,328	180,823
Employee benefits	36,925	28,845
Fees for service	7,494	721
Travel	34,558	28,764
Materials and supplies	9,290	3,678
Rent	4,007	4,007
Administrative	15,400	13,548
Allocated costs from public health programs	45,837	42,034
Non-recurring expenses	6,519	12,542
	<u>373,358</u>	<u>314,962</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	(19,790)	33,322
SURPLUS, BEGINNING OF YEAR	<u>229,965</u>	<u>196,643</u>
SURPLUS, END OF YEAR	<u>\$ 210,175</u>	<u>\$ 229,965</u>

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**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
STATEMENT OF OPERATIONS - HEALTHY BABIES PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002
REVENUE		
Ministry of Health Grants	\$ 865,447	\$ 810,426
Miscellaneous revenue	9,200	2,904
	<u>874,647</u>	<u>813,330</u>
EXPENSE		
Salaries and wages	527,557	399,558
Employee benefits	74,285	51,160
Lay Home Visitors	183,867	150,028
Travel	17,290	17,109
Program supplies	31,563	41,172
Administrative	31,236	17,884
Staff development	7,429	5,441
Non-recurring	3,866	-
	<u>877,093</u>	<u>682,352</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ (2,446)</u>	<u>\$ 130,978</u>

**THE CORPORATION OF THE LEEDS, GRENVILLE AND
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**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
STATEMENT OF OPERATIONS - EARLY CHILD DEVELOPMENT PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2003

INJURY AND FAMILY ABUSE PREVENTION INITIATIVE

	2003	2002
REVENUE		
Grants	\$ 86,373	\$ 119,041
Interest	1,047	-
Miscellaneous	4,918	-
	<u>92,338</u>	<u>119,041</u>
EXPENSE		
Salaries and wages	50,038	49,280
Employee benefits	8,250	7,839
Travel	3,339	1,603
Program and office supplies	17,390	47,658
Audit	200	-
Staff and public education	12,353	12,774
	<u>91,570</u>	<u>119,154</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	768	(113)
DEFICIT, BEGINNING OF YEAR	<u>(113)</u>	<u>-</u>
SURPLUS (DEFICIT), END OF YEAR	<u>\$ 655</u>	<u>\$ (113)</u>

HEALTHY PREGNANCY AND CHILD DEVELOPMENT INITIATIVE

	2003	2002
REVENUE		
Grants	\$ 44,901	\$ 77,191
Interest	419	-
Miscellaneous	7	-
	<u>45,327</u>	<u>77,191</u>
EXPENSE		
Salaries and wages	14,923	31,607
Employee benefits	2,551	4,089
Travel	1,786	1,305
Program and office supplies	19,881	32,577
Audit	150	-
Staff and public education	5,269	7,835
	<u>44,560</u>	<u>77,413</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	767	(222)
DEFICIT, BEGINNING OF YEAR	<u>(222)</u>	<u>-</u>
SURPLUS (DEFICIT), END OF YEAR	<u>\$ 545</u>	<u>\$ (222)</u>

**THE CORPORATION OF THE LEEDS, GRENVILLE AND
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**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
 STATEMENT OF OPERATIONS - EARLY CHILD DEVELOPMENT PROGRAMS (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2003

PERINATAL AND CHILD HEALTH SURVEY STRATEGIES PROJECT	2003	2002
REVENUE		
Grants	\$ 50,952	\$ 45,238
Interest	945	-
	<u>51,897</u>	<u>45,238</u>
EXPENSE		
Consultant	50,350	44,632
Audit	75	-
Program materials and supplies	395	-
	<u>50,820</u>	<u>44,632</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	1,077	606
SURPLUS, BEGINNING OF YEAR (REPAID)	<u>-</u>	<u>-</u>
SURPLUS, END OF YEAR	<u>\$ 1,077</u>	<u>\$ 606</u>

**THE CORPORATION OF THE LEEDS, GRENVILLE AND
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**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
 STATEMENT OF OPERATIONS - SARS SHORT TERM ACTION PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002
REVENUE		
Grant - Hepatitis A	\$ 3,396	\$ -
Grant - SARS	<u>57,710</u>	<u>-</u>
	<u>61,106</u>	<u>-</u>
 EXPENSE	 8,847	 -
Salaries and wages	1,250	-
Employee benefits	21,978	-
Program and office supplies	3,195	-
Hepatitis A public education	<u>1,289</u>	<u>-</u>
Staff and public education	<u>36,559</u>	<u>-</u>
 DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	 24,547	 -
 SURPLUS, BEGINNING OF YEAR	 <u>-</u>	 <u>-</u>
 SURPLUS, END OF YEAR	 <u>\$ 24,547</u>	 <u>\$ -</u>

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**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
STATEMENT OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	RESERVE FUND PAYMENT OF SICK LEAVE CREDITS		GENERAL RESERVE		TOTAL		TOTAL	
					2003		2002	
REVENUE								
Interest	\$	75	\$	-	\$	75	\$	131
Income from investments		-		24,113		24,113		23,918
		<u>75</u>		<u>24,113</u>		<u>24,188</u>		<u>24,049</u>
EXPENSES								
Transfer to operating fund		<u>(1,656)</u>		-		<u>(1,656)</u>		<u>(7,871)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR								
		(1,581)		24,113		22,532		16,178
RESERVE FUNDS, BEGINNING OF YEAR								
		<u>8,682</u>		<u>372,170</u>		<u>380,852</u>		<u>364,674</u>
RESERVE FUND, END OF YEAR								
	\$	<u><u>7,101</u></u>	\$	<u><u>396,283</u></u>	\$	<u><u>403,384</u></u>	\$	<u><u>380,852</u></u>

THE CORPORATION OF THE LEEDS, GRENVILLE AND LANARK DISTRICT HEALTH UNIT

PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2003

NATURE OF BUSINESS

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 determining issues, and developing and providing quality preventative health programs and services.

BASIS OF PRESENTATION

The Corporation of Leeds, Grenville and Lanark District Health Unit operates the following programs:

Fiscal years ending December 31:

- Public Health Programs
- Land Control Program
- Healthy Babies Program
- Early Child Development Programs
- SARS Short Term Action Plan

Fiscal years ending March 31 (100% Ministry of Health funded):

- Healthy Communities (Heart Health) Program
- Language Express Program

These financial statements present the financial position and results of operations of the Public Health, Land Control, Healthy Babies, Early Child Development Programs and SARS Short Term Action Plan only.

MANAGEMENT RESPONSIBILITY

These financial statements are the representation of management prepared in accordance with accounting policies discussed below. Since precise determination of many assets and liabilities is dependent upon future events, the presentation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

CAPITAL ASSETS

Capital assets are reported as an expenditure on the Statement Of Operations.

ACCRUAL ACCOUNTING

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.

THE CORPORATION OF THE LEEDS, GRENVILLE AND LANARK DISTRICT HEALTH UNIT

PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

1. ASSETS OF THE RESERVE FOR EXPENDITURES

The money market investments and related accrued interest receivable are held in trust by the Brockville General Hospital for the use and benefit of the Health Unit as it shall direct. In 1992 the Brockville General Hospital satisfied its December 31, 1991 indebtedness to the Health Unit, approximately 1.1 acres of property located behind the property on which the Health Unit's building is situated.

The Health Unit entered into an agreement with the City of Brockville granting the city the right of first refusal on the 1.1 acres of property at its original cost. The right of first refusal expired in 1995 and has not been formally renewed.

2. MUNICIPAL SURPLUS

	2003	2002
Deficit for the year per statement of operations	\$ (8,492)	\$ (18,456)
Municipal share of surplus (deficit)	<u>-</u>	<u>(55,460)</u>
Total general program surplus (deficit) for the year	(8,492)	(73,916)
Municipal surplus, beginning of year	246,092	296,755
Interest allocated to municipal surplus	5,286	4,797
Transfer to operation fund	(175,985)	-
Ministry of Health entitlement	<u>(8,492)</u>	<u>18,456</u>
Surplus, end of year	<u>\$ 75,394</u>	<u>\$ 246,092</u>

Surplus amounts resulting from Ministry of Health funding are repayable to the Ministry at the end of the year.

3. COMMITMENT

The Health Unit rents office space under operating leases. The aggregate lease payments for rent over the next four years are estimated as follows:

2004	\$ 102,284
2005	94,492
2006	93,438
2007	82,044
	<u>\$ 372,258</u>

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DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2003

4. PENSION AGREEMENT

The Health Unit makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of the 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.

There were no amounts contributed to OMERS for 1999, 2000, 2001 or 2002. Due to a plan surplus in OMERS, there were no member or employer contributions required to the plan until January 1, 2003 when member and employer contributions commenced on a gradual basis (starting at 2.1%). This rate has increased to 6% in 2004.

5. COMPARATIVE AMOUNTS

In certain instances, 2002 amounts presented for comparative purposes have been restated to conform to the financial statements presentation adopted for the current year.

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**PUBLIC HEALTH, LAND CONTROL, HEALTHY BABIES, EARLY CHILD
 DEVELOPMENT AND SARS SHORT TERM ACTION PLAN PROGRAMS**
 SCHEDULE 1 - OTHER REVENUE
 DECEMBER 31, 2003

	2003	2002
Interest	\$ 6,395	\$ 6,964
Nursing and assessment fees	202	2,089
Expectant parents classes fees	11,105	9,400
Special treatment clinic	7,085	5,818
Contraceptives	35,629	36,295
Reimbursement for staff time	41,519	59,344
Rent	116,814	109,642
Sundry	<u>64,349</u>	<u>41,460</u>
	<u>\$ 283,098</u>	<u>\$ 271,012</u>

THE CORPORATION OF THE
LEEDS, GRENVILLE AND LANARK
DISTRICT HEALTH UNIT

FINANCIAL STATEMENTS

DECEMBER 31, 2003

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