

**FINANCIAL STATEMENTS
MARCH 31, 2019**

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**The Corporation of the Leeds,
Grenville & Lanark District Health Unit
The Language Express Pre-School
Speech & Language Services System
Financial Statements
March 31, 2019**

Management's Responsibility for the Financial Statements

The accompanying financial statements of The Language Express Pre-School Speech & Language Services System are the responsibility of the Corporation'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 involved 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 Organization'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.

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

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

Dr. Paula Stewart, Medical Officer of Health



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Leeds, Grenville & Lanark District Health Unit The Language Express Pre-School Speech & Language Services System:

Opinion

We have audited the financial statements of the Corporation of the Leeds, Grenville & Lanark District Health Unit The Language Express Pre-School Speech & Language Services System (the 'Entity'), which comprise:

- the statement of financial position as at March 31, 2019;
- the statement of operations and accumulated deficit 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 March 31, 2019, and its results of operations, 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
July 22, 2019.

**The Corporation of the Leeds, Grenville & Lanark District Health Unit
The Language Express Pre-School Speech & Language Services System
Statement of Financial Position**

March 31	2019	2018
	\$	\$
ASSETS		
Financial Assets		
Cash and cash equivalents	100	100
Accounts receivable	3,878	12,980
Due from Public Health Program	18,990	---
Prepaid expenses	103	37,456
	23,071	78,782
LIABILITIES		
Financial Liabilities		
Accounts payable and accrued liabilities	25,733	27,875
Due to Public Health Program	---	28,246
	25,733	56,121
NET DEBT	(2,662)	(5,585)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	1,492	1,030
ACCUMULATED DEFICIT (note 3)	(1,170)	(4,555)

On Behalf of the Board:

_____, Chairperson

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

**The Corporation of the Leeds, Grenville & Lanark District Health Unit
The Language Express Pre-School Speech & Language Services System
Statement of Operations and Accumulated Deficit**

For the year ended March 31	(Note 6) Budget	2019	2018
	\$	\$	\$
REVENUES			
MCYS Grants	1,286,389	1,286,389	463,587
MCYS One-Time Grant	---	---	44,500
Miscellaneous revenues	---	17,875	12,000
TOTAL REVENUES	1,286,389	1,304,264	520,087
EXPENDITURES			
Amortization	---	725	3,470
Salaries	408,684	403,908	393,557
Professional fees	3,000	1,890	3,907
Travel and meetings	4,000	4,699	4,853
Rent	16,146	16,112	15,998
Telephone	---	1,674	1,698
Office and program	7,100	18,797	7,912
Allocated costs	20,180	20,180	20,180
Purchased services	824,279	829,966	25,347
Training and development	3,000	2,928	2,135
One time program supplies	---	---	44,500
TOTAL EXPENDITURES	1,286,389	1,300,879	523,557
ANNUAL SURPLUS (DEFICIT)	---	3,385	(3,470)
ACCUMULATED DEFICIT, BEGINNING OF YEAR	(4,555)	(4,555)	(1,085)
ACCUMULATED DEFICIT, END OF YEAR	(4,555)	(1,170)	(4,555)

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

**The Corporation of the Leeds, Grenville & Lanark District Health Unit
The Language Express Pre-School Speech & Language Services System
Statement of Cash Flows**

For the year ended March 31	2019	2018
	\$	\$
Cash Flows Provided From:		
OPERATING ACTIVITIES		
Annual surplus (deficit) for the year	3,385	(3,470)
Amortization	725	3,470
	4,110	---
Net Change in Non-Cash Working Capital Balances		
Accounts receivable	9,102	(12,980)
Due from Public Health program	(47,236)	39,379
Prepaid expenses	37,353	(34,867)
Accounts payable and accrued liabilities	(2,142)	8,468
	(2,923)	---
Working Capital from Operations	1,187	---
Investing Activities		
Acquisition of tangible capital assets	(1,187)	---
NET CHANGE IN CASH AND CASH EQUIVALENTS	---	---
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	100	100
CASH AND EQUIVALENTS, END OF YEAR	100	100

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

**The Corporation of the Leeds, Grenville & Lanark District Health Unit
The Language Express Pre-School Speech & Language Services System
Notes to the Financial Statements**

March 31, 2019

Purpose of Organization

These financial statements reflect the assets, liabilities and operations of the Corporation of the Leeds, Grenville & Lanark District Health Unit The Language Express Pre-School Speech & Language Services System.

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.

The Language Express Pre-School Speech & Language Services System is a system of service providers rendering early identification, direct assessment / treatment of speech and language services, transition to school support, and educational opportunities to families and community agencies of pre-school children (birth to beginning of senior kindergarten) in Lanark, Leeds and Grenville Counties. These services are provided through pre-existing and enhanced speech positions in partner agencies.

1. Significant Accounting Policies

The financial statements of the Corporation of the Leeds, Grenville & Lanark District Health Unit The Language Express Pre-School Speech & Language Services System are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards.

Reporting Entity

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 Program.

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

**The Corporation of the Leeds, Grenville & Lanark District Health Unit
The Language Express Pre-School Speech & Language Services System
Notes to the Financial Statements**

March 31, 2019

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.

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:

Furniture and Equipment	10 years
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One half of the annual amortization is charged in the year of acquisition and in the years of disposal.

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

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.

Deferred Revenues

The Corporation of the Leeds, Grenville & Lanark District Health Unit The Language Express Pre-School Speech & Language Services System receives certain amounts for which the related services have yet to be performed. These amounts are recognized as revenues in the fiscal year the related expenditures are incurred or services performed.

Employee Future Benefit Obligations

The Program 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 Program'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.

**The Corporation of the Leeds, Grenville & Lanark District Health Unit
The Language Express Pre-School Speech & Language Services System
Notes to the Financial Statements**

March 31, 2019

1. Significant Accounting Policies / continued

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 balance sheet. The Program 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 Program classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables and accounts payable as other financial liabilities.

Measurement Uncertainty

The preparation of financial statements required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Cash and Cash Equivalents

Cash and cash equivalents comprised of:

	2019	2018
	\$	\$
Cash	100	100

**The Corporation of the Leeds, Grenville & Lanark District Health Unit
The Language Express Pre-School Speech & Language Services System
Notes to the Financial Statements**

March 31, 2019

3. Accumulated Deficit

Accumulated surplus consists of:

	2019	2018
	\$	\$
Surplus		
Invested in tangible capital assets	1,492	1,030
Unrestricted Deficit		
Program	(2,662)	(5,585)
Total Accumulated Deficit	(1,170)	(4,555)

4. Tangible Capital Assets

Assets	Cost 01/04/19	Additions	Net	Amortization	Current	Total	Net Book Value 31/03/19
	\$	\$	\$	\$	\$	\$	\$
Furniture & Equipment	22,536	1,187	23,723	21,506	725	22,231	1,492

Assets	Cost 01/04/18	Additions	Net	Amortization	Current	Total	Net Book Value 31/03/18
	\$	\$	\$	\$	\$	\$	\$
Furniture & Equipment	22,536	---	22,536	18,036	3,470	21,506	1,030

**The Corporation of the Leeds, Grenville & Lanark District Health Unit
The Language Express Pre-School Speech & Language Services System
Notes to the Financial Statements**

March 31, 2019

5. Risk Management

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

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

The Program's exposure to and management of risk has not changed materially from March 31, 2018.

Credit Risk

Credit risk arises from the possibility that the entities to which the Program provides services to may experience difficulty and be unable to fulfill their obligations. The Program is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Program 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.

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 Program 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 Program's operating results.

Liquidity Risk

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

6. Budget Figures

The budget figures are unaudited.
