

**The Corporation of the United Counties of
Leeds and Grenville
Consolidated Financial Statements
For the year ended December 31, 2001**

Contents

The Corporation of The United Counties of Leeds And Grenville

Auditor's Report	<u>1</u>
Financial Statements	
Consolidated Statement of Financial Position	<u>2</u>
Consolidated Statement of Financial Activities	<u>3 - 4</u>
Consolidated Statement of Changes in Financial Position	<u>5</u>
Notes for Consolidated Financial Statements	<u>6 - 9</u>
Schedule of Current Fund Operations	<u>10</u>
Schedule of Capital Fund Operations	<u>11</u>
Schedule of Reserve and Reserve Funds	<u>12</u>

Leeds, Grenville and Lanark District Health Unit

Auditor's Report	<u>1</u>
Financial Statements	
Balance Sheet	<u>2</u>
Statement of Operations and Municipal Surplus-Public Health Programs	<u>3</u>
Statement of Operations-Land Control Program	<u>4</u>
Statement of Operations-Healthy Babies Program	<u>5</u>
Statement of Reserve Funds	<u>6</u>
Summary of Significant Accounting Policies	<u>7</u>
Notes to Financial Statements	<u>8-9</u>
Schedule 1-Other Revenue	<u>10</u>

St. Lawrence Lodge

Auditor's Report	<u>1</u>
Financial Statements	
Balance Sheet	<u>2</u>
Statement of Operations	<u>3</u>
Statement of Changes in Reserve for Donations Fund	<u>4</u>
Summary of Significant Accounting Policies	<u>5</u>
Notes to Financial Statements	<u>6-7</u>
Auditor's Comments on Supplementary Financial Information	<u>8</u>
Schedule of Expenditures	<u>9-11</u>

Auditor's Report

To the Inhabitants and Ratepayers of The Corporation of The United Counties of Leeds and Grenville

I have audited the Consolidated Statement of Financial Position of the Corporation of the United Counties of Leeds and Grenville as at December 31, 2001 and the Consolidated Statements of Financial Activities and Changes in Financial Position. These financial statements are the responsibility of the United Counties' 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 United Counties of Leeds and Grenville as at December 31, 2001 and the results of its operations for the year then ended in accordance with generally accepted accounting principles disclosed in Note 1 to the financial statements.

Brent J. Burns
Chartered Accountant

May 10, 2002

**The Corporation of The United Counties of
Leeds And Grenville
Consolidated Statement of Financial Position**

December 31	2001	2000
Financial Assets		
Cash and temporary investments	\$ 12,897,360	\$ 12,457,429
Accounts receivable	5,666,303	6,246,635
Other financial assets	588,496	958,693
Investment in government business enterprise	<u>10</u>	<u>-</u>
Total Assets	\$ 19,152,169	\$ 19,662,757
Liabilities		
Temporary loan	\$ 750,000	\$ -
Accounts payable and accrued liabilities	5,898,272	7,090,242
Deferred revenues (Note 3)	1,182,451	1,108,605
Post employment benefits (Note 5)	<u>108,009</u>	<u>129,786</u>
	<u>7,938,732</u>	<u>8,328,633</u>
Municipal Position		
Operating fund	2,079,487	1,917,406
Equity in government business enterprise	10	-
Capital fund	-	-
Reserves (Note 6)	8,499,981	8,683,299
Discretionary reserve funds (Note 6)	741,968	863,205
Amounts to be recovered	<u>(108,009)</u>	<u>(129,786)</u>
Municipal Position	<u>11,213,437</u>	<u>11,334,124</u>
Total Liabilities and Municipal Position	\$ 19,152,169	\$ 19,662,757

**The Corporation of The United Counties of
Leeds and Grenville
Consolidated Statement of Financial Activities**

For the year ended December 31	2001 Actual	2000 Actual
Revenues		
Net taxation and user charges		
Requisition on local municipalities	\$ 15,992,911	\$ 14,533,517
Provincial and federal grants	30,762,041	28,272,903
Revenues from other municipalities	9,328,178	8,930,773
User fees and service charges	4,422,190	4,646,421
Fines	1,771,847	755,031
Other	1,073,259	676,146
Total Revenues	\$ 63,350,426	\$ 57,814,791

**The Corporation of The United Counties of
Leeds and Grenville
Consolidated Statement of Financial Activities**

For the year ended December 31	2001 Actual	2000 Actual
Expenditures:		
Current operations		
General government	\$ 2,048,669	\$ 2,693,287
Protection to persons and property	713,712	873,397
Transportation services	4,405,702	4,120,479
Environmental services	53,061	53,393
Health services	10,509,735	6,962,266
Social and family services	36,100,995	38,054,939
Social housing	4,572,042	2,216,126
Recreation and cultural services	7,198	10,197
Planning and development	438,444	384,878
	<u>58,849,558</u>	<u>55,368,962</u>
Capital		
General government	38,741	70,094
Protection to persons and property	-	68,193
Transportation services	3,677,702	1,770,359
Environmental services	72,357	143,678
Health services	372,929	90,578
Social and family services	144,470	94,485
Planning and development	293,579	-
	<u>4,599,778</u>	<u>2,237,387</u>
Total Expenditures	<u>63,449,336</u>	<u>57,606,349</u>
Net Revenue (Expenditure)	(98,910)	208,442
Decrease in amounts to be recovered	<u>(21,777)</u>	<u>(19,763)</u>
Change in Fund Balances	\$ (120,687)	\$ 188,679

**The Corporation of The United Counties of
Leeds and Grenville
Consolidated Statements of Changes in Financial Position**

For the year ended December 31	2001	2000
Operations:		
Net Revenue (Expenditure)	\$ (98,910)	\$ 208,442
Sources:		
Decrease in accounts receivable	580,332	999,392
Increase in deferred revenues	73,846	1,108,605
Decrease in other financial assets	370,197	-
Increase in accounts payable	-	220,121
	<u>1,024,375</u>	<u>2,328,118</u>
Uses:		
Decrease in accounts payable	(1,400,739)	-
Increase in other financial assets	-	(223,400)
Investment in government business enterprise	(10)	-
	<u>(1,400,749)</u>	<u>(223,400)</u>
Net increase (decrease) in cash from operations	<u>(475,284)</u>	<u>2,313,160</u>
Financing		
Increase (decrease) in cash from financing	<u>165,215</u>	<u>451,902</u>
Net changes in cash and cash equivalents	(310,069)	2,765,062
Opening cash and equivalents	<u>12,457,429</u>	<u>9,692,367</u>
Closing cash and equivalents	<u>\$ 12,147,360</u>	<u>\$ 12,457,429</u>
Cash:		
Cash and temporary investments	\$ 12,897,360	\$ 12,457,429
Temporary loan	<u>(750,000)</u>	<u>-</u>
	\$ 12,147,360	\$ 12,457,429

**The Corporation of The United Counties of
Leeds and Grenville
Notes to Consolidated Financial Statements**

December 31, 2001

1. Summary of Significant Accounting Policies

The Consolidated Financial Statements of The United Counties of Leeds and Grenville are the representation of management prepared in accordance with accounting policies prescribed by the Public Sector Accounting and Auditory Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

(a) (i) Reporting Entity

These Consolidated Financial Statements reflect the assets, liabilities, sources of financing and applications of financing of the revenue fund, capital fund, reserve funds and reserves.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

(ii) Consolidated Entities

The following entities are consolidated:

- St. Lawrence Lodge
- Leeds, Grenville and Lanark District Health Unit

(b) (i) Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting.

- (ii) 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 the receipt of goods or services and the creation of a legal obligation to pay.

**The Corporation of The United Counties of
Leeds and Grenville
Notes to Consolidated Financial Statements**

December 31, 2001

2. Contributions to Consolidated Joint Boards

Contributions were made by the United Counties to the following joint boards:

	2001	2000
St. Lawrence Lodge	\$ 134,675	\$ 134,675
The Corporation of the Leeds, Grenville and Lanark District Health Unit	1,071,171	983,176
	\$ 1,205,846	\$ 1,117,851

The United Counties' share of the accumulated surplus of these joint boards is as follows:

	2001	2000
St. Lawrence Lodge	\$ 1,186,089	\$ 984,805
The Corporation of the Leeds, Grenville and Lanark District Health Unit	493,398	454,735
	\$ 1,679,487	\$ 1,439,540

3. Deferred Revenues

Included in deferred revenues are funds noted below the use of which, together with any earnings, is restricted by legislation and agreements with external parties. These amounts will be recognized as revenue in the period in which a related expenditure is made.

	2001	2000
Social services	\$ 944,035	\$ 572,724
Social housing	111,520	-
Stewardship	35,015	98,545
911	-	12,822
Mapleview Lodge	6,000	-
Tree planting	52,431	77,370
Groundwater study	-	64,975
P.O.A.	-	11,116
Planning	4,000	-
	\$ 1,153,001	\$ 837,552

**The Corporation of The United Counties of
Leeds and Grenville
Notes to Consolidated Financial Statements**

December 31, 2001

4. Pension Agreements

The United Counties makes contributions to the Ontario Municipal Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and the rate of pay.

No amount was contributed to OMERS in 2001 for current service.

Due to a plan surplus in OMERS, no member or employer contributions are required until December 31, 2001 as long as there is sufficient plan surplus. Member and employer contributions are expected to commence again in 2002.

The United Counties had no unfounded liability for past services.

5. Post Employment Benefits

Under the sick leave benefit plan, unused sick leave can be accumulated and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days to the extent that they have been vested and could be taken in cash by an employee on terminating, amounted to \$ 108,009 (2000 - \$ 115,647) at the end of the year. A reserve fund has been established to provide for this past service liability. The balance at the end of the year is \$ 113,843 (2000 - \$ 113,843).

Payments which could be made over the next four years to employees who are eligible to retire are:

2002 -	\$ 80,797
2003-	\$ 713
2004 -	\$ 2,565
2005 -	\$ 1,365

**The Corporation of The United Counties of
Leeds and Grenville
Notes to Consolidated Financial Statements**

December 31, 2001

6. Reserves and Discretionary Reserve Funds

The total balance of reserves and reserve funds of \$ 9,241,979 is made up of the following:

Reserves set aside for specific purposes by Council:

	2001	2000
Working capital	\$ 1,432,838	\$ 1,386,599
Capital expenditures	6,964,546	7,269,504
Insurance	1,310	4,657
Mapleview Lodge	22,539	22,539
EMS	50,000	-
Social services	28,748	-
	\$ 8,499,981	\$ 8,683,299

Discretionary Reserve Funds set aside for specific purposes:

Termination gratuities	\$ 130,265	\$ 129,786
National Child Care Benefit	29,450	208,767
General Reserve Fund	348,252	325,800
Donations Fund	234,001	198,852
	741,968	863,205

Total Reserves and Reserve funds	\$ 9,241,949	\$ 9,546,504
---	---------------------	--------------

7. Public Sector Disclosure

The United Counties is an employer subject to the Public Sector Salary Disclosures Act 2000. No employees were paid in excess of \$100,000 or more by the municipality in 2001.

**The Corporation of The United Counties of
Leeds and Grenville
Schedule of Current Fund Operations**

For the year ended December 31	2001 Actual	2000 Actual
Revenue:		
Requisition on local municipalities	\$ 15,992,911	\$ 14,533,517
Federal and Provincial grants	30,677,648	28,272,903
Revenue from other municipalities	9,328,178	8,930,773
User fees and service charges	4,422,190	4,646,421
Fines	1,771,847	755,031
Other	1,348,249	676,146
Total Revenues	63,541,023	57,814,791
Expenditures		
Current operations		
General government	2,048,669	2,763,381
Protection to persons and property	713,712	941,590
Transportation services	4,405,702	5,890,928
Environmental services	53,061	53,393
Health services	10,509,735	6,962,266
Social and family services	36,100,995	37,718,810
Social housing	4,572,042	2,306,704
Recreation and cultural services	7,198	10,197
Planning and development	438,444	384,878
	58,849,558	57,032,147
Financing and transfers		
Net transfers from (to) reserve and reserve funds	(1,394,696)	606,573
Transfers to capital operations	(2,966,822)	(1,290,216)
Net financing and transfers	(4,361,518)	(683,643)
Change in operating fund	329,947	99,001
Current fund balance - beginning of year	1,749,540	1,650,539
Current fund balance - end of year	\$ 2,079,487	\$ 1,749,540

**The Corporation of The United Counties of
Leeds and Grenville
Schedule of Capital Fund Operations**

For the year ended December 31	2001 Actual	2000 Actual
Revenues:		
Provincial Grants	<u>\$ 84,393</u>	<u>\$ 78,334</u>
Expenditures:		
General government	38,741	70,094
Protection to persons and property	-	68,193
Transportation services	3,677,702	1,770,359
Environmental services	72,357	143,678
Health services	372,929	90,578
Social and family services	144,470	94,485
Planning and development	<u>293,579</u>	<u>-</u>
Total Expenditures	<u>4,599,778</u>	<u>2,237,387</u>
Net Expenditures	<u>(4,515,385)</u>	<u>(2,159,053)</u>
Financing and transfers:		
Transfers from operating fund	2,966,821	1,290,216
Transfers from reserves	<u>1,548,564</u>	<u>868,837</u>
	<u>4,515,385</u>	<u>2,159,053</u>
Change in Capital Fund balance	-	-
Opening Capital Fund balance	<u>-</u>	<u>-</u>
Closing Capital Fund balance	<u>\$ -</u>	<u>\$ -</u>

**The Corporation of The United Counties of
Leeds and Grenville
Schedule of Reserve and Reserve Funds**

For the year ended December 31	2001 Actual	2000 Actual
Transfers from operating fund	\$ 58,081	\$ 28,694
Transfers to operating fund	1,394,696	635,267
Transfers to capital fund	(1,548,564)	(868,837)
	(153,868)	(233,570)
Change in reserves and reserve funds balance	(95,787)	(204,876)
Opening balance	9,337,736	9,542,612
Closing balance (Note 6)	\$ 9,241,949	\$ 9,337,736