

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

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## **Auditor's Report**

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

I have audited the Statement of Financial Position of the Corporation of the United Counties of Leeds and Grenville as at December 31, 2001 and the 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  
Statement of Financial Position**

<b>December 31</b>	<b>2001</b>	<b>2000</b>
<b>Financial Assets</b>		
Cash and temporary investments	\$ 9,123,116	\$ 7,868,794
Accounts receivable	5,575,659	5,915,022
Prepaid expenses	415,013	461,030
<b>Total Assets</b>	<b>\$ 15,113,788</b>	<b>\$ 14,244,846</b>
<b>Liabilities</b>		
Temporary loan	\$ 750,000	\$ -
Accounts payable and accrued liabilities	4,511,826	4,415,148
Deferred revenues (Note 3)	1,153,001	837,552
Post employment benefits (Note 5)	108,009	115,647
	<b>6,522,836</b>	<b>5,368,347</b>
<b>Municipal Position</b>		
Operating fund	400,000	310,000
Capital fund	-	-
Reserves (Note 6)	8,155,668	8,359,536
Discretionary reserve funds (Note 6)	143,293	322,610
Amounts to be recovered	(108,009)	(115,647)
Municipal Position	<b>8,590,952</b>	<b>8,876,499</b>
<b>Total Liabilities and Municipal Position</b>	<b>\$ 15,113,788</b>	<b>\$ 14,244,846</b>

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

<b>For the year ended December 31</b>	<b>2001 Budget</b>	<b>2001 Actual</b>	<b>2000 Actual</b>
<b>Revenues</b>			
<b>Net taxation and user charges</b>			
Requisition on local municipalities	\$ 15,713,715	\$ 15,879,127	\$ 14,339,677
Homes for the aged fees	525,000	541,571	525,082
Provincial and Federal grants	24,100,950	22,540,543	19,997,233
Revenues from other municipalities	7,496,459	7,612,251	7,036,130
Severance application fees	84,000	92,400	96,000
Fines	857,400	1,771,847	755,031
Investment income	250,000	259,526	286,960
Other	22,400	333,711	310,760
<b>Total Revenues</b>	<b>\$ 49,049,924</b>	<b>\$ 49,030,976</b>	<b>\$ 43,346,873</b>

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

<b>For the year ended December 31</b>	<b>2001 Budget</b>	<b>2001 Actual</b>	<b>2000 Actual</b>
<b>Expenditures:</b>			
<b>Current operations</b>			
General government	\$ 1,942,292	\$ 1,934,815	\$ 1,788,067
Protection to persons and property	718,490	713,712	479,647
Transportation services	4,661,950	4,405,702	4,906,608
Environmental services	31,625	53,061	38,049
Community and social services	31,682,641	29,899,435	29,855,937
Health services	6,056,315	5,703,111	2,870,806
Homes for the aged	1,595,775	1,568,905	1,648,528
Recreation and cultural services	10,250	7,198	9,843
Planning and development	445,000	438,444	357,480
	<u>47,144,338</u>	<u>44,724,383</u>	41,954,965
<b>Capital</b>			
General government	93,500	38,741	70,094
Protection to persons and property	-	-	68,194
Transportation services	3,211,500	3,677,703	1,770,359
Environmental services	81,913	72,357	15,344
Community and social services	34,248	31,444	51,800
Health services	100,000	372,929	90,578
Homes for the aged	26,000	113,026	40,601
Planning and development	249,298	293,579	187,270
	<u>3,796,459</u>	<u>4,599,779</u>	2,294,240
<b>Total Expenditures</b>	<u>50,940,797</u>	<u>49,324,162</u>	44,249,205
<b>Net Expenditure</b>	(1,890,873)	(293,186)	(902,332)
<b>Decrease in amounts to be recovered</b>	-	(7,648)	32,902
<b>Change in Fund Balances</b>	<u>\$ (1,890,873)</u>	<u>\$ (300,834)</u>	<u>\$ (869,430)</u>

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

<b>For the year ended December 31</b>	<b>2001</b>	<b>2000</b>
<b>Operations:</b>		
<b>Net Revenue</b>	<b>\$ (293,186)</b>	<b>\$ (902,322)</b>
<b>Uses:</b>		
Decrease in accounts payable	<u>-</u>	<u>(715,232)</u>
<b>Sources:</b>		
Decrease in accounts receivable	<b>339,363</b>	1,112,715
Increase in deferred revenues	<b>315,449</b>	752,898
Increase in prepaid expenses	<b>46,017</b>	161,837
Increase in accounts payable	<u><b>96,679</b></u>	<u>-</u>
<b>Net increase in cash from operations</b>	<u><b>797,508</b></u>	<u>2,027,450</u>
<b>Net changes in cash and cash equivalents</b>	<b>504,322</b>	409,896
<b>Opening cash and equivalents</b>	<u><b>7,868,794</b></u>	<u>7,458,898</u>
<b>Closing cash and equivalents</b>	<u><b>\$ 8,373,116</b></u>	<u>\$ 7,868,794</u>
<b>Cash:</b>		
Cash and temporary investments	<b>\$ 9,123,116</b>	\$ 7,868,794
Temporary loan	<u><b>(750,000)</b></u>	<u>-</u>
	<b>\$ 8,373,116</b>	\$ 7,868,794

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

**December 31, 2001**

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**1. Summary of Significant Accounting Policies**

The 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 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) Non-Consolidated Entities

The following entities are not 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 Financial Statements**

**December 31, 2001**

**2. Contributions to Unconsolidated Joint Boards**

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

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

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

	<b>2001</b>	2000
St. Lawrence Lodge	\$ <b>1,186,089</b>	\$ 984,505
The Corporation of the Leeds, Grenville and Lanark District Health Unit	<b>121,670</b>	115,991
	<b>\$ 1,307,759</b>	\$ 1,100,496

**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.

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

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

**December 31, 2001**

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**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 Financial Statements**

**December 31, 2001**

**6. Reserves and Discretionary Reserve Funds**

The total balance of reserves and reserve funds of \$ 8,298,961 is made up of the following:

Reserves set aside for specific purposes by Council:

	<b>2001</b>	2000
Working capital	\$ <b>1,088,525</b>	\$ 1,062,836
Capital expenditures	<b>6,964,546</b>	7,269,504
Insurance	<b>1,310</b>	4,657
Mapleview Lodge	<b>22,539</b>	22,539
EMS	<b>50,000</b>	-
Social services	<b>28,748</b>	-
	<b>\$ 8,155,668</b>	\$ 8,359,536

Discretionary Reserve Funds set aside for specific purposes:

Termination gratuities	\$ <b>113,843</b>	\$ 113,843
National Child Care Benefit	<b>29,450</b>	208,767
	<b>143,293</b>	322,610

<b>Total Reserves and Reserve funds</b>	<b>\$ 8,298,961</b>	\$ 8,682,146
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**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**

<b>For the year ended December 31</b>	<b>2001 Budget</b>	<b>2001 Actual</b>	<b>2000 Actual</b>
<b>Revenue:</b>			
Requisition on local municipalities	\$ 15,713,715	\$ 15,879,127	\$ 14,339,677
Homes for the aged	525,000	541,571	525,082
Federal and Provincial grants	23,938,352	22,456,150	19,882,994
Revenue from other municipalities	7,496,459	7,612,251	7,036,130
Severance applicants fees	84,000	92,400	96,000
Fines	857,400	1,771,847	755,031
Investment income	250,000	259,526	286,960
Other	22,400	333,711	310,760
<b>Total Revenues</b>	<b>48,887,326</b>	<b>48,946,583</b>	<b>43,232,634</b>
<b>Expenditures</b>			
<b>Current operations</b>			
General government	1,942,292	1,934,815	1,788,067
Protection to persons and property	718,490	713,712	479,647
Transportation services	4,661,950	4,405,702	4,906,608
Environmental services	31,625	53,061	38,049
Community and social services	31,682,641	29,899,435	29,855,937
Health services	6,056,315	5,703,111	2,870,806
Homes for the aged	1,595,775	1,568,905	1,648,527
Recreation and cultural services	10,250	7,198	9,843
Planning and development	445,000	438,444	357,480
	<b>47,144,338</b>	<b>44,724,383</b>	<b>41,954,964</b>
<b>Financing and transfers</b>			
Net transfers from (to) reserve and reserve funds	1,580,873	(1,165,379)	(552,371)
Transfers from (to) capital operations	(3,633,861)	(2,966,821)	(1,325,874)
<b>Net financing and transfers</b>	<b>(2,052,988)</b>	<b>(4,132,200)</b>	<b>(1,878,245)</b>
<b>Change in operating fund</b>	<b>(310,000)</b>	<b>90,000</b>	<b>(600,575)</b>
<b>Current fund balance - beginning of year</b>	<b>310,000</b>	<b>310,000</b>	<b>910,575</b>
<b>Current fund balance - end of year</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ 310,000</b>

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

<b>For the year ended December 31</b>	<b>2001 Budget</b>	<b>2001 Actual</b>	<b>2000 Actual</b>
<b>Revenues:</b>			
Provincial Grants	\$ 162,598	\$ 84,393	\$ 114,239
<b>Expenditures:</b>			
General government	93,500	38,741	70,094
Protection to persons and property	-	-	68,194
Transportation services	3,211,500	3,677,702	1,770,359
Environmental services	81,913	72,357	15,344
Social services	34,248	31,444	51,800
Health services	100,000	372,929	90,578
Homes for the aged	26,000	113,026	40,601
Planning and development	249,298	293,579	187,270
<b>Total Expenditures</b>	<b>3,796,459</b>	<b>4,599,778</b>	<b>2,294,240</b>
<b>Net Expenditures</b>	<b>3,633,861</b>	<b>4,515,385</b>	<b>2,180,001</b>
<b>Financing and transfers:</b>			
Transfers from operating fund	(3,633,861)	(2,966,821)	(1,325,874)
Transfers from reserves	-	(1,548,564)	(854,127)
	<b>(3,633,861)</b>	<b>(4,515,385)</b>	<b>(2,180,001)</b>
<b>Change in Capital Fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Opening Capital Fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Capital Fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>For the year ended December 31</b>	<b>2001 Budget</b>	<b>2001 Actual</b>	<b>2000 Actual</b>
<b>Transfers from operating fund</b>	<b>\$ 140,000</b>	<b>\$ 1,581,765</b>	<b>\$ 552,371</b>
<b>Transfers to operating fund</b>	<b>(1,414,275)</b>	<b>(416,386)</b>	<b>-</b>
<b>Transfers to capital fund</b>	<b>-</b>	<b>(1,548,564)</b>	<b>(854,128)</b>
	<b>(1,414,275)</b>	<b>(1,964,950)</b>	<b>(854,128)</b>
<b>Change in reserves and reserve funds balance</b>	<b>(1,274,275)</b>	<b>(383,185)</b>	<b>(301,757)</b>
<b>Opening balance</b>	<b>8,682,146</b>	<b>8,682,146</b>	<b>8,983,903</b>
<b>Closing balance (Note 6)</b>	<b>\$ 7,407,871</b>	<b>\$ 8,298,961</b>	<b>\$ 8,682,146</b>