

DRAFT Financial Statements of

**MIDDLESEX-LONDON HEALTH UNIT
MARCH 31ST CONSOLIDATED
PROGRAMS**

Year ended March 31, 2012

INDEPENDENT AUDITORS' REPORT

To the Chair and Members, Middlesex-London Board of Health

We have audited the accompanying financial statements of Middlesex-London Health Unit March 31st Consolidated Programs, which comprise the balance sheet as at March 31, 2012, the statement of operations, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Middlesex-London Health Unit March 31st Consolidated Programs as at March 31, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

August 17, 2012

London, Canada

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST CONSOLIDATED PROGRAMS

Balance Sheet

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March 31, 2012, with comparative figures for 2011

	2012	2011
Assets		
Current asset:		
Due from The Middlesex-London Health Unit	\$ 179,667	\$ 65,271
Liabilities		
Current liabilities:		
Due to The Ministry of Children and Youth Services	\$ 114,139	\$ 61,465
Deferred revenue	65,528	3,806
	\$ 179,667	\$ 65,271

See accompanying notes to financial statements.

On behalf of the Board of Health:

Ms. Viola Poletes Montgomery
Chair

Dr. Graham L. Pollett, MD, MHSc, FRCPC
Chief Executive Officer and Medical Officer of Health,
Middlesex-London Health Unit

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST CONSOLIDATED PROGRAMS

Statement of Operations

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Year ended March 31, 2012, with comparative figures for 2011

	2012 Budget (unaudited)	2012 Actual	2011 Actual
Revenue:			
Program revenue - Ministry of Children and Youth Services	\$ 3,217,910	\$ 3,156,188	\$ 2,712,658
Interest income	-	1,062	967
Other income	49,506	50,150	451,615
	3,267,416	3,207,400	3,165,240
Expenditures:			
Personnel costs:			
Salaries and wages	501,370	462,393	638,675
Contract services	1,776,623	1,769,397	1,726,590
Allocated benefits	425,173	415,196	427,226
	2,703,166	2,646,986	2,792,491
Operating costs:			
Office and general	8,901	8,981	8,098
Office equipment, computers	-	567	1,366
Professional development	4,600	2,622	8,280
Travel	31,996	30,695	49,817
Public awareness	29,191	39,337	4,435
Program resources	247,951	146,984	136,385
Audit	10,250	3,907	9,567
Rent	46,610	43,332	47,013
Board fees and expenses	538	494	484
Telephone	14,213	12,760	24,594
Equipment	165,000	165,183	-
Equipment maintenance	5,000	-	1,332
Other	-	-	41,826
	564,250	454,862	333,197
Net surplus (note 2)	-	105,552	39,552
Amounts repayable, beginning of year (note 2)	-	61,465	316,326
Repayments, during the year	-	(52,878)	(294,413)
Amounts repayable, end of year	\$ -	\$ 114,139	\$ 61,465

See accompanying notes to financial statements.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST CONSOLIDATED PROGRAMS

Statement of Cash Flows

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Year ended March 31, 2012, with comparative figures for 2011

	2012	2011
Cash provided by (used in):		
Operating activities:		
Net surplus	\$ 105,552	\$ 39,552
Changes in non-cash operating working capital:		
Prepaid expenses	-	1,660
Deferred revenue	61,722	-
	167,274	41,212
Investing activities:		
Due from MLHU	(114,396)	253,201
Repayments to the Ministry of Children and Youth Services	(52,878)	(294,413)
Change in cash, being cash, end of year	\$ -	\$ -

See accompanying notes to financial statements.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST CONSOLIDATED PROGRAMS

DRAFT Notes to Financial Statements

Year ended March 31, 2012

The Middlesex-London Health Unit March 31st Consolidated Programs (the "Programs") are 100% funded by the Province of Ontario and is delivered by Public Health Units in partnership with local and social service agencies.

1. Significant accounting policies:

(a) Basis of accounting:

Revenue and expenditures are reported using the accrual basis of accounting with the exception of employees' sick leave and vacation benefits which are charged against operations in the year in which they are paid.

(b) Capital assets:

The historical cost and accumulated amortization of capital assets are not recorded in the financial statements. Capital asset additions and the related grant income are reflected in the statement of operations as incurred and earned respectively.

(c) Deferred revenue:

Funds received for expenses of future periods are deferred and recognized as income when the costs for which the revenue is received are incurred.

(d) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenues and expenses during the year. Actual results could differ from those estimates.

2. Surplus repayments:

The Programs funding agreements with The Ministry of Children and Youth Services (the "Ministry"), provide for repayment of any Programs surpluses to the Ministry. Programs deficits are the responsibility of the Programs and must be funded through efficiencies in future years. As such, surpluses net of any deficits from prior years are recorded on the balance sheet as accounts payable to the Ministry.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST CONSOLIDATED PROGRAMS

DRAFT Schedule - Balance Sheet

Year ended March 31, 2012

		Blind-low vision	Preschool speech and language	Infant hearing	Smart start for babies	Healthy communities	Bed bugs	Panorama project	Shared library services	Total
Balance Sheet:										
Assets:										
Receivable from Middlesex- London Health Unit	\$	81	\$ 4,702	\$ 489	\$ 8,672	\$ 16,491	\$ 67,830	\$ 19,680	\$ 61,722	\$ 179,667
Liabilities:										
Payable to the Ministry of Children and Youth Services	\$	81	\$ 896	\$ 489	\$ 8,672	\$ 16,491	\$ 67,830	\$ 19,680	\$ -	\$ 114,139
Deferred revenue		-	3,806	-	-	-	-	-	61,722	65,528
Total liabilities	\$	81	\$ 4,702	\$ 489	\$ 8,672	\$ 16,491	\$ 67,830	\$ 19,680	\$ 61,722	\$ 179,667

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST CONSOLIDATED PROGRAMS

DRAFT Schedule - Statement of Operations

Year ended March 31, 2012

	Blind-low vision	Preschool speech and language	Infant hearing	Smart start for babies	Healthy communities	Bed bugs	Panorama project	Shared library services	Total
Revenues:									
Ministry of Children and Youth Services	\$ 158,702	\$1,504,065	\$1,039,961	\$ 152,430	\$ 35,500	\$ 180,103	\$ 77,149	\$ 8,278	\$3,156,188
Interest income	81	386	487	101	-	-	-	7	1,062
Other income	-	49,514	361	-	-	275	-	-	50,150
	158,783	1,553,965	1,040,809	152,531	35,500	180,378	77,149	8,285	3,207,400
Expenditures:									
Personnel costs:									
Salaries and wages	12,037	144,841	131,369	88,476	-	37,297	48,373	-	462,393
Contract services	112,755	1,055,357	561,320	17,202	22,763	-	-	-	1,769,397
Allocated benefits	29,308	265,947	92,817	14,222	-	3,806	9,096	-	415,196
Total salaries, wages and benefits	154,100	1,466,145	785,506	119,900	22,763	41,103	57,469	-	2,646,986
Services and supplies:									
Office supplies, printing and postage	-	2,279	5,914	19	769	-	-	-	8,981
Office equipment	-	-	567	-	-	-	-	-	567
Professional development	-	609	920	1,093	-	-	-	-	2,622
Travel	3,299	15,509	9,974	1,277	-	636	-	-	30,695
Public awareness and promotion	-	2,933	-	3,434	4,000	28,970	-	-	39,337
Program resources and supplies	-	14,818	64,832	17,271	-	41,778	-	8,285	146,984
Audit	1,303	1,302	1,302	-	-	-	-	-	3,907
Rent, Strathroy	-	39,352	3,480	500	-	-	-	-	43,332
Board fees	-	110	26	358	-	-	-	-	494
Telephone	-	10,012	2,617	70	-	61	-	-	12,760
Equipment	-	-	165,183	-	-	-	-	-	165,183
Total services and supplies	4,602	86,924	254,815	24,022	4,769	71,445	-	8,285	454,862
Total expenditures	158,702	1,553,069	1,040,321	143,922	27,532	112,548	57,469	8,285	3,101,848
Net surplus (note 2)	81	896	488	8,609	7,968	67,830	19,680	-	105,552
Amounts repayable, beginning of year	88	17,972	21,593	13,289	8,523	-	-	-	61,465
Repayments, during the year	(88)	(17,972)	(21,592)	(13,226)	-	-	-	-	(52,878)
Amounts repayable, end of year	\$ 81	\$ 896	\$ 489	\$ 8,672	\$ 16,491	\$ 67,830	\$ 19,680	\$ -	\$ 114,139