

**The Corporation of the  
City of Dryden  
Consolidated Financial Statements  
For the year ended December 31, 2003**

**The Corporation of the City of Dryden**  
**Financial Statements**  
For the year ended December 31, 2003

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Driving growth

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## Auditors' Report

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**To the Members of Council, Inhabitants and Ratepayers  
of The Corporation of the City of Dryden**

We have audited the consolidated statement of financial position of The Corporation of the City of Dryden as at December 31, 2003 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Municipality's management. 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 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 our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Dryden as at December 31, 2003 and the results of its financial activities and changes in financial position for the year then ended in accordance with the Canadian generally accepted accounting principles.

Chartered Accountants

Dryden, Ontario  
April 30, 2004

## The Corporation of the City of Dryden Consolidated Statement of Financial Position

December 31	2003	2002
<b>Assets</b>		
<b>Financial assets</b>		
Cash	\$ 462,827	\$ 1,843,405
Temporary investments (Note 1)	4,979,193	4,759,671
Taxes receivable	830,753	1,021,990
Accounts receivable (Note 2)	2,198,738	2,735,745
User charges receivable	103,156	102,979
Grants receivable	1,533,410	1,271,156
Investment in government business enterprises (Note 3)	9,911,559	10,976,365
	<b>\$ 20,019,636</b>	<b>\$ 22,711,311</b>
<b>Liabilities and Municipal Position</b>		
<b>Liabilities</b>		
Bank indebtedness (Note 4)	\$ 1,802,015	\$ -
Accounts payable and accrued liabilities	2,932,829	4,413,676
Landfill closure and post closure liability (Note 5)	181,744	-
Post employment benefits (Note 7)	325,954	-
Deferred revenue (Note 8)	1,747,326	1,632,538
Net long-term liabilities (Note 9)	542,143	725,511
	<b>7,532,011</b>	<b>6,771,725</b>
<b>Municipal position</b>		
Current fund (Note 10)	(59,655)	296,554
Capital fund (Note 11)	(2,440,474)	-
Reserves	6,180,093	6,611,630
Net equity in government business enterprises (Note 3)	10,009,595	9,951,034
	<b>13,689,559</b>	<b>16,859,218</b>
Amounts to be recovered (Note 12)	(1,201,934)	(919,632)
	<b>12,487,625</b>	<b>15,939,586</b>
	<b>\$ 20,019,636</b>	<b>\$ 22,711,311</b>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

## The Corporation of the City of Dryden Consolidated Statement of Financial Activities

For the year ended December 31	2003 Budget	2003 Actual	2002 Actual
<b>Revenue</b>			
Taxation	\$ 8,296,653	\$ 8,720,472	\$ 7,773,362
Payments in lieu of taxation	274,185	202,012	191,727
Fees and user charges	4,314,790	4,498,794	3,964,675
Canada grants	402,302	442,145	384,776
Ontario grants	5,117,972	5,046,000	4,163,279
Municipal grants	5,403	3,558	4,403
Dryden Telephone System share of income (Note 3)	749,767	138,711	521,535
Dryden Mobility share of income	369,123	369,850	353,919
Other income (Note 13)	4,106,888	3,151,883	3,660,763
	<u>23,637,083</u>	<u>22,573,425</u>	<u>21,018,439</u>
<b>Expenditures</b>			
<b>Current Operations (Note 14)</b>			
General government	2,239,340	2,337,970	1,843,835
Protection services	3,521,341	3,642,926	3,612,702
Transportation services	2,416,846	2,575,641	2,517,582
Environmental services	2,324,218	2,634,752	2,454,001
Health services	847,952	920,253	861,204
Social and family services	2,843,237	2,633,742	2,577,564
Social housing	605,000	633,767	589,156
Recreation and cultural services	2,390,282	2,401,524	2,197,071
Planning and development	307,700	255,178	160,927
	<u>17,495,916</u>	<u>18,035,753</u>	<u>16,814,042</u>
<b>Capital</b>			
General government	1,337,425	1,271,923	191,941
Protection services	3,008,700	2,345,524	114,118
Transportation services	1,460,800	2,276,672	1,656,712
Environmental services	1,377,500	571,362	359,488
Health services	97,000	87,532	6,841
Social and family services	52,360	39,577	74,765
Recreation and cultural services	462,000	480,010	728,307
Planning and development	898,500	501,185	574,737
	<u>8,694,285</u>	<u>7,573,785</u>	<u>3,706,909</u>
<b>Net revenue (expenditures) for the year</b>	<u>(2,553,118)</u>	<u>(3,036,113)</u>	<u>497,488</u>
<b>Change in amounts to be recovered and surplus adjustments</b>			
Debenture proceeds	2,715,445	-	-
Debt principal repayments	(183,369)	(183,369)	(170,478)
Change in employee benefits payable	-	(2,512)	(22,109)
Change in interest payable	-	(4,404)	(12,027)
Change in landfill closure and post closure costs	-	56,740	-
Landfill closure and post closure liability (Note 5)	-	125,004	-
Post employment benefits (Note 6)	-	290,843	-
OMERS surplus adjustment	-	-	157,300
	<u>2,532,076</u>	<u>282,302</u>	<u>(47,314)</u>
<b>Change in fund balances for the year</b>	<u>\$ (21,042)</u>	<u>\$ (2,753,811)</u>	<u>\$ 450,174</u>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

## The Corporation of the City of Dryden Consolidated Statement of Changes in Financial Position

For the year ended December 31	2003	2002
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net revenue (expenditures) for the year	\$ (3,036,113)	\$ 497,488
Changes in non-cash working capital balances		
(Increase) decrease in government business enterprises	1,064,806	(897,025)
Decrease in taxes receivable	191,237	22,770
Increase (decrease) in accounts receivable	537,007	(509,742)
Increase in user charges receivable	(177)	(21,371)
Increase in grants receivable	(262,254)	(975,731)
Decrease in note receivable	-	397,117
Decrease in other assets	-	7,960
Increase (decrease) in accounts payable and accrued liabilities	(1,480,848)	848,890
Increase in landfill closure and post closure liability	56,740	-
Increase in post employment benefits	35,111	-
Increase (decrease) in deferred revenue	114,788	(166,926)
Surplus adjustment - OMERS benefits	-	157,300
	<u>(2,779,703)</u>	<u>(639,270)</u>
<b>Financing activities</b>		
Increase in temporary investments	(219,522)	(157,625)
Increase in bank indebtedness	1,802,015	-
Decrease in long-term liabilities	(183,368)	(170,478)
	<u>1,399,125</u>	<u>(328,103)</u>
<b>Net change in cash</b>	<b>(1,380,578)</b>	<b>(967,373)</b>
<b>Cash, beginning of the year</b>	<b>1,843,405</b>	<b>2,810,778</b>
<b>Cash, end of the year</b>	<b>\$ 462,827</b>	<b>\$ 1,843,405</b>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

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# The Corporation of the City of Dryden

## Summary of Significant Accounting Policies

December 31, 2003

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### **Management Responsibility**

The consolidated financial statements of The Corporation of the City of Dryden are the representations of management. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The financial statements have, in management's opinion, been properly prepared using careful judgement within reasonable limits of materiality and within the framework of the accounting policies summarized below.

### **Basis of Consolidation**

The consolidated statements reflect the assets, liabilities, revenues and expenditures of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

- Dryden Municipal Airport
- Dryden Public Library Board
- The Dryden Police Services Board
- Waterworks Department
- Dryden Museum Board
- Dryden Cemetery Board
- Dryden Economic Development Board

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# The Corporation of the City of Dryden

## Summary of Significant Accounting Policies

December 31, 2003

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**Basis of Consolidation (cont'd)** Government business enterprises and partnerships are separate legal entities which do not rely on the municipality for funding. Investments in government business enterprises are accounted for using the modified equity method. The following government business enterprises are reflected in the consolidated financial statements:

Dryden Telephone System  
Dryden Mobility

**Non-consolidated Entities** The following joint local boards are not consolidated:

District of Kenora Home for the Aged  
Northwestern Health Unit  
Kenora District Services Board

**Basis of 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 receipts of goods or services and the creation of a legal obligation to pay.

The consolidated statement of financial position reflects all of the financial assets and liabilities of the municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the municipality, and is the difference between its assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

**Temporary Investments** Temporary investments are recorded at the lower of cost and market value.

**Capital Assets** The historical cost and accumulated amortization of capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the consolidated statement of financial activities in the period of acquisition.

**Deferred Revenue** Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.

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## The Corporation of the City of Dryden Summary of Significant Accounting Policies

**December 31, 2003**

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<b>Amounts to be Recovered</b>	Amounts to be recovered are reported in the municipal position on the consolidated statement of financial position. The balance represents the outstanding principal portion of unmatured long-term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.
<b>School Boards</b>	The municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.
<b>Trust Funds</b>	Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.
<b>Financial Instruments</b>	The municipality's financial instruments consist of cash, taxes receivable, accounts receivable, user charges receivable, grants receivable, investment in government business enterprises, bank indebtedness, accounts payable and net long-term liabilities. Unless otherwise noted, it is management's opinion that the municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.
<b>Post Employment Benefits</b>	The cost of retirement benefits earned by employees is actuarially determined using the projected cost method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

# The Corporation of the City of Dryden Notes to Financial Statements

**December 31, 2003**

**1. Temporary Investments**

	2003	2002
Unrestricted	\$ 3,589,739	\$ 3,394,623
Restricted	1,389,454	1,365,048
	<b>\$ 4,979,193</b>	<b>\$ 4,759,671</b>

Temporary investments are recorded at cost and have a market value approximating cost. These investments include a combination of term deposits, money market investments and guaranteed investment certificates.

The restricted temporary investments are investments in One Money Market Fund that bears interest between 4% to 5%. This investment represents monies from government grants that can only be applied against the operations of the Dryden Municipal Airport.

**2. Accounts Receivable**

	2003	2002
Merchandise and other	\$ 2,180,411	\$ 2,728,296
Due from School Boards	18,327	7,449
Provincial Offences Act		
Fines and charges	2,383,091	-
Allowance for doubtful accounts	(2,383,091)	-
	<b>\$ 2,198,738</b>	<b>\$ 2,735,745</b>

The majority of the fines and charges receivable for the Provincial Offences Act have been outstanding for more than one hundred and twenty days. The municipality does not actively pursue collection of outstanding fines.

**3. Investment in Government Business Enterprises**

	2003	2002
<b>Dryden Telephone System</b>		
Net equity in Government Business Investment	\$ 9,034,666	\$ 9,195,955
Due to (from) The Corporation of the City of Dryden	(393,741)	401,029
	8,640,925	9,596,984
<b>Dryden Mobility</b>		
Net equity in Government Business Investment	974,929	755,079
Due to The Corporation of the City of Dryden	295,705	624,302
	1,270,634	1,379,381
	<b>\$ 9,911,559</b>	<b>\$ 10,976,365</b>

## The Corporation of the City of Dryden Notes to Financial Statements

December 31, 2003

### 3. Investment in Government Business Enterprises (cont'd)

The Dryden Telephone System and Dryden Mobility are owned and controlled by The Corporation of the City of Dryden as business enterprises of the City and are accounted for on a modified equity basis in these financial statements. The following information provides condensed supplementary information for the enterprises for the year ended December 31, 2003:

#### Financial Position, Results of Operations and Changes in Net Assets

	Dryden Telephone System	Dryden Mobility	2003 Total	2002 Total
Current assets	\$ 712,969	\$ 209,032	\$ 922,001	\$ 772,452
Long-term investments	6,496	-	6,496	6,152
Capital assets	8,658,558	1,083,381	9,741,939	10,824,707
	<b>\$ 9,378,023</b>	<b>\$ 1,292,413</b>	<b>\$10,670,436</b>	<b>\$11,603,311</b>
Current liabilities	\$ 228,639	\$ 317,484	\$ 546,123	\$ 1,634,259
Long-term liabilities	108,222	-	108,222	11,866
Deferred liability	6,496	-	6,496	6,152
	<b>343,357</b>	<b>317,484</b>	<b>660,841</b>	<b>1,652,277</b>
Net assets, end of year	<b>9,034,666</b>	<b>974,929</b>	<b>10,009,595</b>	<b>9,951,034</b>
	<b>\$ 9,378,023</b>	<b>\$ 1,292,413</b>	<b>\$10,670,436</b>	<b>\$11,603,311</b>
<b>Results of operations</b>				
	Dryden Telephone System	Dryden Mobility	2003 Total	2002 Total
Revenues	\$ 4,410,255	\$ 1,453,537	\$ 5,863,792	\$ 5,923,585
Operating expenses	4,271,544	1,083,687	5,355,231	5,048,131
Net income	138,711	369,850	508,561	875,454
Contribution to The Corporation of the City of Dryden	(300,000)	(150,000)	(450,000)	(450,000)
	<b>(161,289)</b>	<b>219,850</b>	<b>58,561</b>	<b>425,454</b>
Net equity, beginning of year	8,824,881	755,079	9,579,960	9,143,186
Correction of prior period error - See note below	371,074	-	371,074	382,394
Net equity, end of year	<b>\$ 9,034,666</b>	<b>\$ 974,929</b>	<b>\$10,009,595</b>	<b>\$ 9,951,034</b>

## The Corporation of the City of Dryden Notes to Financial Statements

**December 31, 2003**

### 3. Investment in Government Business Enterprises (cont'd)

**Correction of a Prior Period Error**

As a result of the CRTC/Bell Canada's examination of Dryden Telephone System operations several adjustments were made to the prior year settlements. As a result, the prior year financial statements have been retroactively adjusted. This adjustment has resulted in the restatement of the comparative figures by decreasing the accounts payable by \$371,074, decreasing the toll revenue by \$11,320 and increasing the opening retained earnings by \$382,394.

This also resulted in a decrease in the comparative figures on the Consolidated Statement of Financial Activities to the Dryden Telephone System share of income of \$11,320, a decrease to the comparative figures on the Consolidated Statement of Financial Position to the Investment in government business enterprises of \$371,074 and an increase in the Net equity in government business enterprises of \$371,074.

### 4. Bank Indebtedness

	2003	2002
Bank overdraft	\$ 732,015	\$ -
Demand loan	1,070,000	-
	\$ 1,802,015	\$ -

The Corporation of the City of Dryden has a revolving credit facility with the Canadian Imperial Bank of Commerce which provides for maximum aggregate commitments of \$6,000,000. Borrowings are not to exceed the lesser of the credit limit and/or 50% of annual budgeted revenues during the period January 1 to September 30, 25% of annual budgeted revenues during the period October 1 to December 31. Advances under this facility bear interest at prime less 1/4%, which is payable monthly.

The indebtedness under this credit facility is secured by a general security agreement covering all real or personal, movable or immovable property.

### 5. Landfill Closure and Post Closure Liability

Effective January 1, 2003, the municipality adopted accounting recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants with respect to landfill site closure and post closure costs. As a result, the consolidated statement of financial position now reflects liabilities for anticipated future costs related to the closing and monitoring of the existing landfill sites. This change has been retroactively adopted by increasing the opening amounts to be recovered and landfill closure and post closure liability by \$125,004. The comparative figures for the year ended December 31, 2002 have not been restated. This liability is recognized over the operation life of the waste disposal sites, in proportion to the sites' utilized capacity.

Relevant information regarding the landfill sites is as follows:

	Dryden Site	Barclay Site
Total estimated expenditures for closure and post closure	\$ 819,065	\$ 281,883
Landfill closure and post closure liability		
as at December 31, 2003	119,103	62,641
Total expenditures remaining to be recognized	699,962	219,242
Remaining capacity of the site (cubic metres)	84,340	3,000
Remaining landfill site life (years)	28	7
Number of years required for post closure care (years)	25	25

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# The Corporation of the City of Dryden

## Notes to Financial Statements

December 31, 2003

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### 6. Transitional Obligation - Post Employment Benefits

The Corporation of the City of Dryden retroactively adopted accounting recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants with respect to employee future benefits effective January 1, 2003. The Corporation of the City of Dryden accrued its obligations under employee benefit plans and the related costs. The comparative figures for the year ended December 31, 2002 have not been restated.

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### 7. Post-Retirement Benefits Liability

The Corporation of the City of Dryden provides the following benefits to employees who have been a member of the benefits plan for at least one year immediately prior to retirement from active service with retirement under the terms of the OMERS pension plan:

- Extended health care drug plan
- Dental benefits
- Semi-private hospital coverage
- Vision care
- Group life insurance

At December 31, 2002, the Corporation of the City of Dryden's accrued benefit obligation relating to post-retirement benefit plans was \$290,843.

The significant actuarial assumptions adopted in estimating The Corporation of the City of Dryden's accrued benefit obligations are as follows:

Discount Rate	6%
Health Care Drug Cost Increase	10% decreasing 1% per annum until 4%
General Inflation	3%
Other Benefits Cost Increase	4%

Included in the employee benefits on the schedule of current fund operations is an amount of \$35,111 (net of employer contributions) regarding future benefits.

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### 8. Deferred Revenue

	2003	2002
Airport funding	\$ 1,393,232	\$ 1,368,825
Obligatory reserve fund - park purposes	47,828	46,914
Miscellaneous	306,266	216,799
	<u>\$ 1,747,326</u>	<u>\$ 1,632,538</u>

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## The Corporation of the City of Dryden Notes to Financial Statements

**December 31, 2003**

**8. Deferred Revenue (continued)**

The net change during the year in the deferred revenue balances is made up as follows:

	2003	2002
Balance, beginning of the year	\$ 1,632,538	\$ 1,799,464
Transfers from revenue in the current year		
Deferred grants	16,152	14,000
Policing partners against crime	-	39,966
Donations	250,390	107,548
Miscellaneous	7,025	8,014
Interest income	25,320	20,827
	298,887	190,355
Transfers to revenue in the current year		
Transfer to grant revenue	70,965	-
Transfer to miscellaneous revenue	61,928	63,209
Transfer to donation revenue	51,206	-
Transfers to School Boards	-	294,072
	184,099	357,281
Balance, end of the year	\$ 1,747,326	\$ 1,632,538

**9. Net Long-term Liabilities**

a) The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2003	2002
Total net long-term liabilities incurred by the Municipality, maturing 2008 and outstanding at the end of the year amount to	\$ 542,143	\$ 725,511

b) Debt charges for the next five fiscal years are as follows:

	Principal	Interest	Total
2004	\$ 198,451	\$ 41,229	\$ 239,680
2005	208,743	24,995	233,738
2006	62,258	7,756	70,014
2007	66,009	4,004	70,013
2008	6,682	-	6,682
	\$ 542,143	\$ 77,984	\$ 620,127

c) The net long-term liabilities in (a) issued in the name of the Municipality have either received approval of the Ontario Municipal Board on or before December 31, 2000, or are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing if issued after January 1, 2004.

## The Corporation of the City of Dryden Notes to Financial Statements

**December 31, 2003**

### 10. Current Fund

The balance on the consolidated statement of financial position of \$(59,655) (2002 - \$296,554) at the end of the year is comprised of the following:

	2003	2002
To be applied to operations of the operating fund for the following year	\$ 102,873	\$ 17,505
To be applied to (financed by) operations of the Waterworks department for the following year	(203,495)	299,492
To be applied to (financed by) operations of the Dryden Public Library for the following year	19,846	(31,757)
To be applied to operations of the Dryden Cemetery Board for the following year	21,121	11,314
	\$ (59,655)	\$ 296,554

### 11. Capital Fund

	2003	2002
Acquisition of capital assets to be financed through: Issue of debentures	\$ (2,440,474)	\$ -

### 12. Amounts to be Recovered

	2003	2002
Accrued interest payable on long-term liabilities	\$ 10,187	\$ 14,591
Capital outlay financed by long-term liabilities and to be recovered in future years	542,143	725,511
Post-employment benefits	467,860	179,530
Landfill closure and post closure costs	181,744	-
	\$ 1,201,934	\$ 919,632

## The Corporation of the City of Dryden Notes to Financial Statements

**December 31, 2003**

### 13. Other Income

	2003	2002
Penalties and interest on taxation	\$ 122,908	\$ 98,936
Investment	349,348	221,118
Building rentals	434,823	392,313
Provincial Offences Act	547,731	810,230
Licences and permits	155,753	204,446
Sale of land and other assets	251,942	407,590
Other fines	80,755	80,899
Miscellaneous	1,188,088	923,137
Donations	20,535	8,830
Proceeds on sale of Hydro	-	513,264
	\$ 3,151,883	\$ 3,660,763

### 14. Expenditures by Object

Total operating expenditures for the year reported on the consolidated statement of financial activities are as follows:

	2003	2002
Salaries, wages and employee benefits	\$ 8,131,044	\$ 7,743,918
Materials	5,803,031	4,989,316
Contracted services	895,895	843,707
Rents and financial expenses	239,071	181,015
Interest on long-term debt	51,633	127,473
Contributions to other organizations	2,915,079	2,928,613
	\$ 18,035,753	\$ 16,814,042

### 15. Public Sector Salary Disclosure

During 2003, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by The Corporation of the City of Dryden.

### 16. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 166 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2003 was \$133,185 (2002 - \$nil).

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## The Corporation of the City of Dryden Notes to Financial Statements

December 31, 2003

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### 17. Trust Funds

The trust funds administered by the municipality amounting to \$416,441 (2002 - \$403,614) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2003, the trusts fund balances are as follows:

	<u>2003</u>	<u>2002</u>
Cemetery Perpetual Care	<u>\$ 416,441</u>	<u>\$ 403,614</u>

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### 18. Contributions to Unconsolidated Joint Boards

Further to the Significant Accounting Policies, the following contributions were made by the Municipality to these boards:

	<u>2003</u>	<u>2002</u>
District of Kenora Home for the Aged	\$ 729,562	\$ 666,044
Northwestern Health Unit	278,822	265,545
Kenora District Services Board	<u>1,739,844</u>	<u>1,694,236</u>
	<u>\$ 2,748,228</u>	<u>\$ 2,625,825</u>

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### 19. Physical Assets

The amounts below represent the values as estimated by the municipality's insurer:

Building and structures	\$ 51,535,409
Contents and equipment	4,069,829
Unlicensed equipment	2,957,227

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### 20. Budget Amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the consolidated statement of financial activities for comparative purposes. The 2003 budget amounts for The Corporation of the City of Dryden approved by Council have been restated to conform to the basis of preparation of the revenues and expenditures on the consolidated statement of financial activities.

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# The Corporation of the City of Dryden

## Notes to Financial Statements

**December 31, 2003**

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### **21. Commitments and Subsequent Events**

a) Loan Receivable - Dryden Regional Health Centre

On January 19, 2004, a resolution was passed approving a loan of \$1,356,000 to the Dryden Regional Health Centre Board at an interest rate of 5% over a ten year term, in order to facilitate the purchase of the buildings and land located at 40 Goodall Street and 56 King Street as well as costs for parking upgrades and related transaction costs.

These monies were disbursed to the Dryden Regional Health Centre Board January 29, 2004.

b) Loan Receivable - District of Kenora Home for the Aged

During the year, The Corporation of the City of Dryden committed to financing, to a maximum of \$8,300,000, to the District of Kenora Home for the Aged, for a 32 bed addition at Princess Court and a 10 bed addition at Northwood Lodge. The financing is to be repaid over a ten year period.

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### **22. Contingent Liability**

The Corporation of the City of Dryden is currently involved in a legal claim made by certain ratepayers who have suffered from sewer backup problems over the past couple of years. This matter is considered to be significant, however at this time the resolution cannot be determined. No opinion is expressed as to whether the settlements, if any, would have a material effect on the Municipality's current year consolidated financial statements. The settlements, if any, will be expensed in the Consolidated Statement of Financial Activities in the year in which judgements are rendered. No provision has been made in these consolidated financial statements in respect of the above claims and litigation.

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### **23. Comparative Figures**

Certain of the comparative figures have been restated to conform to the presentation adopted in the current year.

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## The Corporation of the City of Dryden Schedule of Current Fund Operations

<b>For the year ended December 31</b>	2003 Budget	2003 Actual	2002 Actual
<b>Revenue</b>			
Taxation	\$ 8,296,653	\$ 8,720,472	\$ 7,773,362
Payments in lieu of taxation	274,185	202,012	191,727
Fees and user charges	4,314,790	4,498,794	3,964,675
Canada grants	377,302	251,610	213,443
Ontario grants	3,492,272	3,294,070	3,145,442
Municipal grants	5,403	3,558	4,403
Other	4,392,938	3,414,388	3,540,500
	<u>21,153,543</u>	<u>20,384,904</u>	<u>18,833,552</u>
<b>Expenditures</b>			
General government	2,239,340	2,337,970	1,843,835
Protection services	3,521,341	3,642,926	3,612,702
Transportation services	2,416,846	2,575,641	2,517,582
Environmental services	2,324,218	2,634,752	2,454,001
Health services	847,952	920,253	861,204
Social and family services	2,843,237	2,633,742	2,577,564
Social housing	605,000	633,767	589,156
Recreation and cultural services	2,390,282	2,401,524	2,197,071
Planning and development	307,700	255,178	160,927
	<u>17,495,916</u>	<u>18,035,753</u>	<u>16,814,042</u>
<b>Net revenue (expenditures) for the year</b>	<u>3,657,627</u>	<u>2,349,151</u>	<u>2,019,510</u>
<b>Change in amounts to be recovered and surplus adjustments</b>			
Debt principal repayments	(183,369)	(183,369)	(170,478)
Changes in employee benefits payable	-	(2,512)	(22,109)
Change in interest payable	-	(4,404)	(12,027)
Change in landfill closure and post closure costs	-	56,740	-
Transfers to capital fund operations	(4,328,140)	(3,190,846)	(2,004,475)
Transfers to/from reserves and reserve funds	528,155	619,031	(467,918)
OMERS surplus adjustment	-	-	157,300
	<u>(3,983,354)</u>	<u>(2,705,360)</u>	<u>(2,519,707)</u>
<b>Change in fund balances for the year</b>	<u>(325,727)</u>	<u>(356,209)</u>	<u>(500,197)</u>
<b>Current fund, beginning of the year</b>	<u>325,727</u>	<u>296,554</u>	<u>796,751</u>
<b>Current fund, end of the year</b>	<u>\$ -</u>	<u>\$ (59,655)</u>	<u>\$ 296,554</u>

## The Corporation of the City of Dryden Schedule of Capital Fund Operations

<b>For the year ended December 31</b>	2003 Budget	2003 Actual	2002 Actual
<b>Revenue</b>			
Canada grants	\$ 25,000	\$ 190,535	\$ 171,333
Ontario grants	1,625,700	1,751,930	1,017,837
Proceeds on sale of Hydro	-	-	513,264
	<u>1,650,700</u>	<u>1,942,465</u>	<u>1,702,434</u>
<b>Expenditures</b>			
General government	1,337,425	1,271,923	191,941
Protection services	3,008,700	2,345,524	114,118
Transportation services	1,460,800	2,276,672	1,656,712
Environmental services	1,377,500	571,362	359,488
Health services	97,000	87,532	6,841
Social and family services	52,360	39,577	74,765
Recreation and cultural services	462,000	480,010	728,307
Planning and development	898,500	501,185	574,737
	<u>8,694,285</u>	<u>7,573,785</u>	<u>3,706,909</u>
<b>Net revenue (expenditures) for the year</b>	<u>(7,043,585)</u>	<u>(5,631,320)</u>	<u>(2,004,475)</u>
<b>Financing and transfers</b>			
Debenture proceeds	2,715,445	-	-
Transfers from revenue fund	4,328,140	3,190,846	2,517,739
Transfer to reserves and reserve funds	-	-	(513,264)
	<u>7,043,585</u>	<u>3,190,846</u>	<u>2,004,475</u>
<b>Change in fund balances for the year</b>	-	(2,440,474)	-
<b>Capital fund, beginning of the year</b>	-	-	-
<b>Capital fund, end of the year</b>	\$ -	\$ (2,440,474)	\$ -

## The Corporation of the City of Dryden Schedule of Reserves

<b>For the year ended December 31</b>	2003 Budget	2003 Actual	2002 Actual
<b>Revenue</b>			
Interest	\$ 163,950	\$ 187,494	\$ 56,999
<b>Net transfers from (to) other funds</b>			
Transfer to revenue fund	(528,155)	(619,031)	(45,346)
Transfer from capital fund	-	-	513,264
	<u>(528,155)</u>	<u>(619,031)</u>	<u>467,918</u>
<b>Change in fund balances for the year</b>	(364,205)	(431,537)	524,917
<b>Reserves, beginning of the year</b>	<u>5,698,140</u>	<u>6,611,630</u>	<u>6,086,713</u>
<b>Reserves, end of the year</b>	<u>\$ 5,333,935</u>	<u>\$ 6,180,093</u>	<u>\$ 6,611,630</u>

**Analyzed as follows:**

**Reserves set aside for specific purpose by Council:**

Working funds	\$ 891,635	\$ 741,635
Capital expenditure purposes	4,801,065	5,454,943
Sick leave and WSIB benefits	181,646	179,530
Administration	91,793	4,406
Recreation	34,501	46,199
Personal protection	1,500	1,500
Roads	<u>177,953</u>	<u>183,417</u>
<b>Reserves, end of the year</b>	<u>\$ 6,180,093</u>	<u>\$ 6,611,630</u>