

**The Corporation of the  
City of Dryden  
Consolidated Financial Statements  
For the year ended December 31, 2004**

**The Corporation of the City of Dryden  
Financial Statements  
For the year ended December 31, 2004**

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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, 2004 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, 2004 and the results of its financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Dunwoody LLP*

Chartered Accountants

Dryden, Ontario  
February 28, 2005

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

December 31	2004	2003
<b>Assets</b>		
<b>Financial assets</b>		
Cash	\$ 500,512	\$ 462,826
Temporary investments (Note 1)	2,215,502	4,979,193
Taxes receivable	573,780	830,753
Accounts receivable (Note 2)	1,514,040	2,198,738
User charges receivable	102,978	103,156
Grants receivable	1,500,281	1,533,410
Investment in government business enterprises (Note 3)	8,279,559	9,911,559
Long-term receivable (Note 4)	3,538,286	-
	<b>\$ 18,224,938</b>	<b>\$ 20,019,635</b>
<b>Liabilities and Municipal Position</b>		
<b>Liabilities</b>		
Bank indebtedness (Note 5)	\$ 4,822,836	\$ 1,802,015
Accounts payable and accrued liabilities	3,628,987	2,932,828
Landfill closure and post closure liability (Note 6)	235,882	181,744
Post employment benefits (Note 7)	367,298	325,954
Deferred revenue (Note 8)	370,826	1,747,326
Net long-term liabilities (Note 9)	343,692	542,143
	<b>9,769,521</b>	<b>7,532,010</b>
<b>Municipal position</b>		
Current fund (Note 10)	(485,546)	(59,655)
Capital fund (Note 11)	(3,811,553)	(2,440,474)
Reserves	5,864,592	6,180,093
Net equity in government business enterprises (Note 3)	8,763,820	10,009,595
	<b>10,331,313</b>	<b>13,689,559</b>
Amounts to be recovered (Note 12)	(1,875,896)	(1,201,934)
	<b>8,455,417</b>	<b>12,487,625</b>
	<b>\$ 18,224,938</b>	<b>\$ 20,019,635</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	2004 Budget	2004 Actual	2003 Actual
<b>Revenue</b>			
Taxation	\$ 8,796,268	\$ 8,963,966	\$ 8,720,472
Payments in lieu of taxation	212,479	210,529	202,012
Fees and user charges	4,541,759	4,422,622	4,269,790
Canada grants	510,637	1,466,939	442,145
Ontario grants	4,947,873	3,864,832	5,046,000
Municipal grants	4,403	4,403	3,558
Dryden Telephone System share of income (loss) (Note 3)	749,767	(1,022,120)	138,711
Dryden Mobility share of income (Note 3)	369,123	326,345	369,850
Other income (Note 13)	3,544,569	3,926,835	3,389,664
	<b>23,676,878</b>	<b>22,164,351</b>	<b>22,582,202</b>
<b>Expenditures</b>			
<b>Current Operations (Note 14)</b>			
General government	1,999,248	2,192,408	2,027,545
Protection services	3,764,183	4,110,617	3,642,926
Transportation services	2,509,957	2,879,498	2,582,850
Environmental services	2,338,479	2,786,593	2,634,752
Health services	1,278,067	1,404,221	1,231,596
Social and family services	2,750,947	3,542,198	2,633,742
Social housing	610,137	619,092	633,767
Recreation and cultural services	2,438,114	2,548,671	2,402,174
Planning and development	190,221	249,169	255,178
	<b>17,879,353</b>	<b>20,332,467</b>	<b>18,044,530</b>
<b>Capital</b>			
General government	1,547,940	1,709,490	1,271,923
Protection services	295,000	708,200	2,345,524
Transportation services	1,155,775	1,049,238	2,276,672
Environmental services	1,057,400	825,632	571,362
Health services	43,900	44,137	87,532
Social and family services	31,500	93,629	39,577
Recreation and cultural services	618,200	271,807	480,010
Planning and development	2,162,786	1,161,959	501,185
	<b>6,912,501</b>	<b>5,864,092</b>	<b>7,573,785</b>
<b>Net revenue (expenditures) for the year</b>	<b>(1,114,976)</b>	<b>(4,032,208)</b>	<b>(3,036,113)</b>
<b>Change in amounts to be recovered and surplus adjustments</b>			
Debenture proceeds	1,393,000	-	-
Debt principal repayments	(164,674)	(198,451)	(183,369)
Change in employee benefits payable	-	101,266	(2,512)
Change in interest payable	-	(4,805)	(4,404)
Change in landfill closure and post closure costs	-	54,138	56,740
Change in Home for the Aged	-	721,814	-
	<b>1,228,326</b>	<b>673,962</b>	<b>(133,545)</b>
<b>Change in fund balances for the year</b>	<b>\$ 113,350</b>	<b>\$ (3,358,246)</b>	<b>\$ (3,169,658)</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 Changes in Financial Position

For the year ended December 31	2004	2003
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net revenue (expenditures) for the year	\$ (4,032,208)	\$ (3,036,113)
Changes in non-cash working capital balances		
Decrease in government business enterprises	1,632,000	1,064,806
Decrease in taxes receivable	256,973	191,237
Decrease in accounts receivable	684,698	537,007
Decrease (increase) in user charges receivable	178	(177)
Decrease (increase) in grants receivable	33,129	(262,254)
Increase in long-term receivables	(3,538,286)	-
Increase (decrease) in accounts payable and accrued liabilities	696,158	(1,480,849)
Increase in landfill closure and post closure liability	54,138	56,740
Increase in post employment benefits	41,344	35,111
Increase (decrease) in deferred revenue	(1,376,500)	114,788
	<u>(5,548,376)</u>	<u>(2,779,704)</u>
<b>Financing activities</b>		
Decrease (increase) in temporary investments	2,763,692	(219,522)
Increase in bank indebtedness	3,020,821	1,802,015
Decrease in long-term liabilities	(198,451)	(183,368)
	<u>5,586,062</u>	<u>1,399,125</u>
<b>Net change in cash</b>	<b>37,686</b>	<b>(1,380,579)</b>
<b>Cash, beginning of the year</b>	<b>462,826</b>	<b>1,843,405</b>
<b>Cash, end of the year</b>	<b>\$ 500,512</b>	<b>\$ 462,826</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, 2004

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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 as prescribed by the Ministry of Municipal Affairs and Housing.

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 financial 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 Committee

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

December 31, 2004

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**Basis of Consolidation** (continued) 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.

**Inventories**

Inventories of supplies, including vehicle parts and road maintenance materials, are charged to operations when purchased.

**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.

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

December 31, 2004

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<b>Deferred Revenue</b>	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.
<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>Government Transfers</b>	Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility have been met and reasonable estimates of the amount can be made.
<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 prorated on service and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

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

December 31, 2004

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### 1. Temporary Investments

	<u>2004</u>	<u>2003</u>
Unrestricted	\$ 2,215,502	\$ 3,589,739
Restricted	-	1,389,454
	<u>\$ 2,215,502</u>	<u>\$ 4,979,193</u>

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.

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### 2. Accounts Receivable

	<u>2004</u>	<u>2003</u>
Merchandise and other	\$ 1,370,299	\$ 2,180,411
Due from School Boards	143,741	18,327
Provincial Offences Act		
Fines and charges	2,551,433	2,383,091
Allowance for doubtful accounts	(2,551,433)	(2,383,091)
	<u>\$ 1,514,040</u>	<u>\$ 2,198,738</u>

#### Provincial Offences Act

The majority of the fines and penalties receivable for the Provincial Offences Act have been outstanding for more than one hundred and twenty days. Due to the nature of these fines and penalties, it is difficult for the municipality to actively pursue collection of these outstanding accounts.

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

December 31, 2004

### 3. Investment in Government Business Enterprises

	2004	2003
<b>Dryden Telephone System</b>		
Net equity in Government Business Investment	\$ 7,662,546	\$ 9,034,666
Due to The Corporation of the City of Dryden	(513,875)	(393,741)
	<b>7,148,671</b>	8,640,925
<b>Dryden Mobility</b>		
Net equity in Government Business Investment	1,101,274	974,929
Due from The Corporation of the City of Dryden	29,614	295,705
	<b>1,130,888</b>	1,270,634
	<b>\$ 8,279,559</b>	\$ 9,911,559

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, 2004:

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

	Dryden Telephone System	Dryden Mobility	2004 Total	2003 Total
Current assets	\$ 1,191,865	\$ 219,396	\$ 1,411,261	\$ 1,372,031
Long-term investments	13,983	-	13,983	6,496
Capital assets	6,809,008	907,799	7,716,807	9,741,939
	<b>\$ 8,014,856</b>	<b>\$ 1,127,195</b>	<b>\$ 9,142,051</b>	<b>\$11,120,466</b>
Current liabilities	\$ 253,421	\$ 25,921	\$ 279,342	\$ 996,153
Long-term liabilities	84,906	-	84,906	108,222
Deferred liability	13,983	-	13,983	6,496
	352,310	25,921	378,231	1,110,871
Net assets, end of year	7,662,546	1,101,274	8,763,820	10,009,595
	<b>\$ 8,014,856</b>	<b>\$ 1,127,195</b>	<b>\$ 9,142,051</b>	<b>\$11,120,466</b>

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

December 31, 2004

### 3. Investment in Government Business Enterprises (continued)

#### Results of Operations

	Dryden Telephone System	Dryden Mobility	2004 Total	2003 Total
Revenue	\$ 4,055,127	\$ 1,696,492	\$ 5,751,619	\$ 5,863,792
Operating expenses	5,077,247	1,370,147	6,447,394	5,355,231
Net income (loss)	(1,022,120)	326,345	(695,775)	508,561
Contribution to The Corporation of the City of Dryden	(350,000)	(200,000)	(550,000)	(450,000)
	(1,372,120)	126,345	(1,245,775)	58,561
Net equity, beginning of year	9,034,666	974,929	10,009,595	9,951,034
Net equity, end of year	\$ 7,662,546	\$ 1,101,274	\$ 8,763,820	\$10,009,595

### 4. Long-term Receivable

	2004	2003
Loan receivable from Dryden Regional Health Centre, repayable in monthly instalments of \$14,380 including interest at 5%, secured by land and buildings; maturing January 2014	\$ 1,257,673	\$ -
Loan receivable from District of Kenora Home for the Aged, interest accrued at prime plus 1/2%, no specific terms of repayment	2,280,613	-
	<b>\$ 3,538,286</b>	<b>\$ -</b>

#### Loan Receivable from 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 City of Dryden had advanced \$2,280,613 to the District of Kenora Home for the Aged at December 31, 2004. Interest is accrued at prime less 1/2% (currently 3.75%) and added to the debt, to be converted to a 10 year debenture upon completion of construction.

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

**December 31, 2004**

### 4. Long-term Receivable (continued)

Principal payments required on long-term receivables for the next five years and thereafter are as follows:

Year	Amount
2005	\$ 112,221
2006	117,963
2007	123,998
2008	130,342
2009	137,010
Thereafter	<u>2,916,752</u>
	<u>\$ 3,538,286</u>

### 5. Bank Indebtedness

	2004	2003
Bank overdraft	\$ 857,836	\$ 732,015
Demand loan	<u>3,965,000</u>	<u>1,070,000</u>
	<u>\$ 4,822,836</u>	<u>\$ 1,802,015</u>

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.

### 6. 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 closing 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 Dryden and Barclay landfill sites. This liability is recognized over the operating 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	\$ 274,076
Landfill closure and post closure liability		
as at December 31, 2004	144,523	91,359
Total expenditures remaining to be recognized	674,542	182,717
Remaining capacity of the site (cubic metres)	477,660	9,000
Remaining landfill site life (years)	27	6
Number of years required for post closure care (years)	25	25

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

**December 31, 2004**

### 7. Post Employment 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, 2004, The Corporation of the City of Dryden's accrued benefit obligation relating to post-retirement benefit plans was \$367,298.

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	9% 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 \$41,344 (net of employer contributions) regarding future benefits.

### 8. Deferred Revenue

	2004	2003
Airport funding	\$ 53,104	\$ 1,393,232
Obligatory reserve fund - park purposes	48,535	47,828
Miscellaneous	269,187	306,266
	<u>\$ 370,826</u>	<u>\$ 1,747,326</u>

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

	2004	2003
Balance, beginning of year	\$ 1,747,326	\$ 1,632,538
Transfers from revenue in the current year		
Deferred grants	49,267	16,152
Donations	366,566	250,390
Miscellaneous	250	7,025
Interest income	707	25,320
	<u>416,790</u>	<u>298,887</u>
Transfers to revenue in the current year		
Transfer to grant revenue	555,603	70,965
Transfer to miscellaneous revenue	224	61,928
Transfer to donation revenue	444,273	51,206
	<u>1,000,100</u>	<u>184,099</u>
Transfer to operating accounts	793,190	-
Balance, end of year	<u>\$ 370,826</u>	<u>\$ 1,747,326</u>

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

**December 31, 2004**

### 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:

	2004	2003
Total net long-term liabilities incurred by the Municipality, maturing 2008 and outstanding at the end of the year amount to	<b>\$ 343,692</b>	<b>\$ 542,143</b>

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

	Principal	Interest	Total
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
	<b>\$ 343,692</b>	<b>\$ 36,755</b>	<b>\$ 380,447</b>

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.

### 10. Current Fund

The balance on the consolidated statement of financial position of \$(485,546) [2003 - \$(59,655)] at the end of the year is comprised of the following:

	2004	2003
To be applied to operations of the operating fund for the following year	<b>\$ 59,122</b>	\$ 102,873
To be financed by operations of the Waterworks Department for the following year	<b>(583,430)</b>	(203,495)
To be applied to operations of the Dryden Public Library for the following year	<b>8,620</b>	19,846
To be applied to operations of the Dryden Cemetery Board for the following year	<b>30,142</b>	21,121
Current fund, end of year	<b>\$ (485,546)</b>	<b>\$ (59,655)</b>

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

**December 31, 2004**

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### 11. Capital Fund

	2004	2003
Acquisition of capital assets to be financed through:		
Issue of debentures	<b>\$ 3,811,553</b>	<b>\$ 2,440,474</b>

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### 12. Amounts to be Recovered

	2004	2003
Accrued interest payable on long-term liabilities	\$ 5,382	\$ 10,187
Capital outlay financed by long-term liabilities and to be recovered in future years	343,692	542,143
Post-employment benefits	569,126	467,860
Landfill closure and post closure costs	235,882	181,744
Home for the Aged	721,814	-
	<b>\$ 1,875,896</b>	<b>\$ 1,201,934</b>

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### 13. Other Income

	2004	2003
Penalties and interest on taxation	\$ 92,867	\$ 122,908
Investment	298,976	349,348
Building rentals	686,187	664,477
Provincial Offences Act	1,005,273	547,731
Licences and permits	77,469	155,753
Sale of land and other assets	25,830	251,942
Other fines	71,721	80,755
Miscellaneous	1,059,472	1,196,215
Donations	609,040	20,535
	<b>\$ 3,926,835</b>	<b>\$ 3,389,664</b>

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

**December 31, 2004**

### 14. Expenditures by Object

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

	2004	2003
Salaries, wages and employee benefits	\$ 8,924,170	\$ 8,131,044
Materials	5,634,348	5,691,055
Contracted services	1,245,916	1,008,521
Rents and financial expenses	212,275	247,198
Interest on long-term debt	36,424	51,633
Contributions to other organizations	4,279,334	2,915,079
	\$ 20,332,467	\$ 18,044,530

### 15. Public Sector Salary Disclosure

As required under the Public Sector Salary Disclosure Act, 1996, the following employee of the City was paid \$100,000 or more in 2004:

Name	Position	Salary Paid	Taxable Benefits
Arie Hoogenboom	City Manager	\$105,157	\$795

### 16. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 189 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 2004 was \$510,309 (2003 - \$133,185).

### 17. Trust Funds

The trust funds administered by the municipality amounting to \$435,237 (2003 - \$416,441) 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, 2004, the trusts fund balances are as follows:

	2004	2003
Cemetery Perpetual Care	\$ 435,237	\$ 416,441

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

**December 31, 2004**

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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:

	2004	2003
District of Kenora Home for the Aged	\$ 841,841	\$ 729,562
Northwestern Health Unit	379,350	278,822
Kenora District Services Board	1,939,533	1,739,844
	\$ 3,160,724	\$ 2,748,228

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**19. Operations of School Boards**

During the year, taxation revenue of \$5,718,025 (2003 - \$5,892,182) was raised and remitted to the school boards.

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**20. Physical Assets**

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

Building and structures	\$ 51,535,409
Contents and equipment	4,527,016
Unlicensed equipment	3,003,609

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**21. 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 2004 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 revenue and expenditures on the consolidated statement of financial activities.

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**22. Commitments**

The City leases certain of its premises and equipment under various operating leases. The future minimum lease payments over the next two years are as follows:

Year	Amount
2005	\$ 42,504
2006	13,226

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

December 31, 2004

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### 23. Subsequent Event and Contingent Liability

The Corporation of the City of Dryden was disputing a claim filed by Roma Insurance. Management is unable to determine if there will be a liability as a result of this claim. In addition, the City was involved in a wrongful dismissal suit, for which the amount of settlement, if any, is not determinable. No opinion is expressed as to whether these claims would have a material effect on the City's current year consolidated financial statements. If any settlements result from the claims, these settlements 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.

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### 24. 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

For the year ended December 31	2004 Budget	2004 Actual	2003 Actual
<b>Revenue</b>			
Taxation	\$ 8,796,268	\$ 8,963,966	\$ 8,720,472
Payments in lieu of taxation	212,479	210,529	202,012
Fees and user charges	4,541,759	4,422,622	4,269,790
Canada grants	490,637	761,857	251,610
Ontario grants	3,576,848	3,333,979	3,294,070
Municipal grants	4,403	4,403	3,558
Other	3,953,019	3,679,806	3,652,169
	<u>21,575,413</u>	<u>21,377,162</u>	<u>20,393,681</u>
<b>Expenditures</b>			
General government	1,999,248	2,192,408	2,027,545
Protection services	3,764,183	4,110,617	3,642,926
Transportation services	2,509,957	2,879,498	2,582,850
Environmental services	2,338,479	2,786,593	2,634,752
Health services	1,278,067	1,404,221	1,231,596
Social and family services	2,750,947	3,542,198	2,633,742
Social housing	610,137	619,092	633,767
Recreation and cultural services	2,438,114	2,548,671	2,402,174
Planning and development	190,221	249,169	255,178
	<u>17,879,353</u>	<u>20,332,467</u>	<u>18,044,530</u>
<b>Net revenue (expenditures) for the year</b>	<u>3,696,060</u>	<u>1,044,695</u>	<u>2,349,151</u>
<b>Change in amounts to be recovered and surplus adjustments</b>			
Debt principal repayments	(164,674)	(198,451)	(183,369)
Changes in employee benefits payable	-	101,266	(2,512)
Change in interest payable	-	(4,805)	(4,404)
Change in landfill closure and post closure costs	-	54,138	56,740
Change in Home for the Aged	-	721,814	-
Transfers to capital fund operations	(4,128,476)	(2,655,278)	(3,190,846)
Transfers from reserves and reserve funds	310,164	510,730	619,031
	<u>(3,982,986)</u>	<u>(1,470,586)</u>	<u>(2,705,360)</u>
<b>Change in fund balances for the year</b>	(286,926)	(425,891)	(356,209)
<b>Current fund, beginning of the year</b>	<u>286,926</u>	<u>(59,655)</u>	<u>296,554</u>
<b>Current fund, end of the year</b>	<u>\$ -</u>	<u>\$ (485,546)</u>	<u>\$ (59,655)</u>

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

For the year ended December 31	2004 Budget	2004 Actual	2003 Actual
<b>Revenue</b>			
Canada grants	\$ 20,000	\$ 705,082	\$ 190,535
Ontario grants	1,371,025	530,853	1,751,930
Donations	-	601,800	-
	<u>1,391,025</u>	<u>1,837,735</u>	<u>1,942,465</u>
<b>Expenditures</b>			
General government	1,547,940	1,709,490	1,271,923
Protection services	295,000	708,200	2,345,524
Transportation services	1,155,775	1,049,238	2,276,672
Environmental services	1,057,400	825,632	571,362
Health services	43,900	44,137	87,532
Social and family services	31,500	93,629	39,577
Recreation and cultural services	618,200	271,807	480,010
Planning and development	2,162,786	1,161,959	501,185
	<u>6,912,501</u>	<u>5,864,092</u>	<u>7,573,785</u>
<b>Net revenue (expenditures) for the year</b>	<u>(5,521,476)</u>	<u>(4,026,357)</u>	<u>(5,631,320)</u>
<b>Financing and transfers</b>			
Debenture proceeds	1,393,000	-	-
Transfers from revenue fund	4,128,476	2,655,278	3,190,846
	<u>5,521,476</u>	<u>2,655,278</u>	<u>3,190,846</u>
<b>Change in fund balances for the year</b>	-	(1,371,079)	(2,440,474)
<b>Capital fund, beginning of the year</b>	-	(2,440,474)	-
<b>Capital fund, end of the year</b>	\$ -	\$ (3,811,553)	\$ (2,440,474)

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

<b>For the year ended December 31</b>	2004 Budget	2004 Actual	2003 Actual
<b>Revenue</b>			
Interest	\$ 141,550	\$ 195,229	\$ 187,494
<b>Net transfers from (to) other funds</b>			
Transfer to revenue fund	(310,164)	(510,730)	(619,031)
Transfer from capital fund	-	-	-
	(310,164)	(510,730)	(619,031)
<b>Change in fund balances for the year</b>	(168,614)	(315,501)	(431,537)
<b>Reserves, beginning of the year</b>	5,819,611	6,180,093	6,611,630
<b>Reserves, end of the year</b>	\$ 5,650,997	\$ 5,864,592	\$ 6,180,093
<b>Analyzed as follows:</b>			
<b>Reserves set aside for specific purpose by Council:</b>			
Working funds	\$ 891,615	\$ 891,635	
Capital expenditure purposes	4,569,133	4,892,858	
Sick leave and WSIB benefits	197,046	181,646	
Recreation	34,794	34,501	
Personal protection	1,500	1,500	
Roads	170,504	177,953	
<b>Reserves, end of the year</b>	\$ 5,864,592	\$ 6,180,093	