

Kenora District Services Board
Financial Statements
For the year ended December 31, 2009

**Kenora District Services Board
Financial Statements
For the year ended December 31, 2009**

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Tel: 807 223 5321
Fax: 807 223 2978
www.bdo.ca

BDO Canada LLP
37 King Street
PO Box 3010
Dryden ON P8N 3G3 Canada

Auditors' Report

To the Board of Management of Kenora District Services Board

We have audited the statement of financial position of Kenora District Services Board as at December 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Board'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 financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Dryden, Ontario
April 13, 2010

Kenora District Services Board Statement of Financial Position

December 31	2009	2008
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 9,071,310	\$ 11,466,759
Accounts receivable (Note 3)	583,385	326,776
Due from municipalities and unincorporated areas (Note 6)	69,430	-
	\$ 9,724,125	\$ 11,793,535
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 3,955,572	\$ 4,613,864
Post-retirement benefits (Note 5)	479,440	392,457
Municipalities and unincorporated areas over/under levy (Note 6)	-	353,736
Deferred revenue (Note 7)	861,561	1,233,696
Net long-term liabilities (Note 8)	9,370,756	9,775,322
	14,667,329	16,369,075
Net financial assets	(4,943,204)	(4,575,540)
Non-Financial Assets		
Tangible capital assets (Note 9)	12,462,683	12,613,808
Prepaid expenses	692,249	301,421
	13,154,932	12,915,229
Accumulated Surplus (Note 10)	\$ 8,211,728	\$ 8,339,689

_____ Board Member

_____ Board Member

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

Kenora District Services Board Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2009	Actual 2009	Actual 2008
Revenue			
Government grants	\$ 25,792,558	\$ 25,387,998	\$ 24,824,495
Participating Municipalities and Unincorporated Areas	14,141,492	14,354,241	13,372,154
Rents	2,638,236	2,669,271	2,598,762
Interest	359,264	24,415	174,961
Other	-	302,325	36,900
	<u>42,931,550</u>	<u>42,738,250</u>	<u>41,007,272</u>
Expenses			
Homelessness Program	66,097	66,097	87,750
Rent and Energy Bank Program	35,870	52,546	45,703
Ontario Disability Support Program	8,984,880	9,336,698	9,515,237
Best Start Program	3,410,048	3,251,369	3,578,089
Child Care Program	3,252,341	2,986,595	3,313,130
Ontario Works Program	7,813,462	7,258,787	6,436,252
Social Housing Program	11,207,135	9,862,219	9,091,838
Land Ambulance Program	9,573,119	8,985,153	8,610,489
Administration Costs	-	903,799	15,647
Board Costs	84,743	162,948	61,650
	<u>44,427,695</u>	<u>42,866,211</u>	<u>40,755,785</u>
Annual surplus (deficit)	<u>(1,496,145)</u>	<u>(127,961)</u>	<u>251,487</u>
Accumulated surplus , beginning of year as previously stated	8,339,689	8,339,689	(4,497,223)
Change in accounting policy (Note 1)	-	-	12,585,425
Accumulated surplus , beginning of year	<u>8,339,689</u>	<u>8,339,689</u>	<u>8,088,202</u>
Accumulated surplus , end of year	<u>\$ 6,843,544</u>	<u>\$ 8,211,728</u>	<u>\$ 8,339,689</u>

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

Kenora District Services Board Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2009	Actual 2009	Actual 2008
	(Note 18)		Restated (Note 1)
Annual surplus (deficit)	\$ (1,496,145)	\$ (127,961)	\$ 251,487
Acquisition of tangible capital assets	(547,320)	(697,888)	(693,291)
Amortization of tangible capital assets	-	591,945	537,530
Gain on disposal of tangible capital assets	-	(299,125)	-
Proceeds on disposal of tangible capital assets	-	556,193	-
Acquisition of prepaid expenses	-	(390,828)	(54,999)
Net change in net financial assets	(2,043,465)	(367,664)	40,727
Net financial assets, beginning of year	(4,575,540)	(4,575,540)	(4,616,267)
Net financial assets, end of year	\$ (6,619,005)	\$ (4,943,204)	\$ (4,575,540)

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

Kenora District Services Board Statement of Cash Flows

For the year ended December 31	2009	2008
		Restated (Note 1)
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	\$ (127,961)	\$ 251,487
Items not involving cash		
Amortization	591,945	537,530
Gain on disposal of tangible capital assets	(299,125)	-
	164,859	789,017
Changes in non-cash operating balances		
Accounts receivable	(256,609)	697,170
Accounts payable and accrued liabilities	(658,292)	333,618
Due to municipalities and unincorporated areas over/under levy	(423,166)	(218,459)
Post employment benefits	86,983	206,375
Deferred revenue	(372,135)	250,833
Prepaid expenses	(390,828)	(54,999)
	(1,849,188)	2,003,555
Capital transactions		
Acquisition of tangible capital assets	(697,888)	(693,291)
Proceeds on disposal of tangible capital assets	556,193	-
	(141,695)	(693,291)
Investing transactions		
Decrease in amounts to be recovered	-	28,383
Financing transactions		
Decrease in long-term debt	(404,566)	(379,027)
Increase (decrease) in cash and cash equivalents during the year	(2,395,449)	959,620
Cash and cash equivalents, beginning of year	11,466,759	10,507,139
Cash and cash equivalents, end of year	\$ 9,071,310	\$ 11,466,759

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

Kenora District Services Board

Summary of Significant Accounting Policies

December 31, 2009

Nature of Business	The Board is engaged in the provision of social services to residents of Kenora District Services Board and serves as a collection and administrative agent for social assistance, child care, social housing, land ambulance services and various government funded programs. The Board has been established under the District Social Services Administration Boards Act of the Province of Ontario. Its members are the nine municipalities and unincorporated areas in the District.
Management's Responsibility for the Financial Statements	The financial statements of Kenora District Services Board are the responsibility of the management. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.
Basis of Accounting	Revenue 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.
Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less, at acquisition, to be cash equivalents.
Retirement Benefits and Other Employee Benefit Plans	Kenora District Services Board's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of retirement benefits and other employee benefits that accumulate over the period of service provided by employees are actuarially determined using the projected benefit method prorated on services based on management's best estimate of retirement ages, inflation rates, investment returns, wage and salary escalation, insurance and health care costs trends, employee turnover and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.
Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and not available for operating purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Kenora District Services Board

Summary of Significant Accounting Policies

(Unaudited)

December 31, 2009

Tangible Capital Assets

Effective January 1, 2009 the board adopted the provisions of PSAB Accounting Handbook, Section 3150, which requires that tangible capital assets be recorded at cost and amortized over their useful lives. This is a change from the policy of the previous years where tangible capital were not amortized (Note 1).

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Assets under construction are not amortized until the asset is available for productive use.

Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	15 to 20 years
Buildings and building improvements	20 to 50 years
Machinery and equipment	5 to 10 years
Vehicles	6 to 10 years

Government Transfers

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

Revenue Recognition

Restricted contributions, except for the Land Ambulance Program, are recognized as revenue in the year in which the related expenditures are incurred. In the Land Ambulance Program, the Ministry of Health and Long-Term Care funding model permits the inclusion of prior years deficits in the current year budgeting process. The restricted contributions related to the funding of the deficit are recognized in revenue when the budget is approved by the Ministry.

Unrestricted investment income is recognized as revenue when earned.

Rental revenue is recognized monthly when the units are occupied and if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Kenora District Services Board Notes to Financial Statements

December 31, 2009

1. Change in Accounting Policy

On January 1, 2009 the Board adopted revised Public Sector Accounting Standards: Section 1000 - Financial Statement Concepts, Section 1100 - Financial Statement Objectives, Section 1200 - Financial Statement Presentation and Section 3150 - Tangible Capital Assets. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standards require the recognition of all non-financial assets including tangible capital assets, prepaid expenses and inventories of supplies, as assets in the financial statements. In addition, revenue from contributed assets, and amortization on tangible capital assets was recorded in the statement of operations. This change in accounting policy has been applied retroactively with the restatement of the prior period. The impact of adopting the tangible capital asset standard was as follows:

	2008
<u>Statement of Financial Position</u>	
Decrease in financial asset	\$ (301,421)
Increase in non-financial assets	12,759,468
	\$ 12,458,047
Increase in accumulated surplus	\$ 12,458,047
<u>Statement of Operations</u>	
Increase (decrease) in expenses	
Ontario Works Program	(69,186)
Social Housing Program	44,475
Land Ambulance Program	(118,314)
Administration Costs	15,647
Total decrease in expenses	\$ (127,378)
Increase in annual surplus	\$ 127,378
Increase in opening accumulated surplus	\$ 12,585,425

Kenora District Services Board Notes to Financial Statements

December 31, 2009

2. Cash and Cash Equivalents

Cash and cash equivalents are represented by petty cash floats, unrestricted operating bank accounts and internally restricted savings accounts. The Board of Directors has internally restricted certain program funds to be used to fund the replacement of unbudgeted capital expenditures related to these programs. The Board must pass a resolution in order to use these funds. The unrestricted and restricted accounts earn interest at rates between 1.0% and 2.5%.

	2009	2008
Petty cash	\$ 5,800	\$ 5,800
Unrestricted		
General	808,631	326,527
Services	2,984,974	4,388,045
Ontario Works	245,500	336,698
Rent and Energy	37,896	37,714
Internally Restricted Accounts		
Land Ambulance	2,553,864	3,709,203
Social Housing	2,434,645	2,662,772
	\$ 9,071,310	\$ 11,466,759

3. Accounts Receivable

	2009	2008
Due from Municipalities and Unincorporated Areas		
Township of Ignace	\$ 12,388	\$ -
City of Kenora	4	-
Due from Ministry of Community and Social Services		
Child Care Program	11,598	-
Ontario Works Program	2,914	93,368
Ministry of Municipal Affairs and Housing		
Social Housing Program	107,512	-
Non-Profit Housing Provider recoveries	157,209	-
Goods and services tax	253,111	194,931
Miscellaneous accounts receivable	15,609	23,262
	560,345	311,561
Tenant balances	93,255	69,542
Allowance for doubtful accounts	(70,215)	(54,327)
	23,040	15,215
	\$ 583,385	\$ 326,776

Included in the tenant rents receivable is \$70,215 (2008 - \$54,327) which represents rents unpaid by former tenants for the years 2002 to 2009. It is unknown if these rents will be collected so they have been included in the allowance for doubtful accounts.

**Kenora District Services Board
Notes to Financial Statements**

December 31, 2009

4. Accounts Payable and Accrued Liabilities

	2009	2008
Trade accounts payable	\$ 663,185	\$ 814,982
Accrued wages	248,526	460,706
Accrued interest on long-term debt	507,572	529,140
Employee benefits	752,949	588,174
Due to Municipalities and Unincorporated Areas		
City of Dryden	60,765	57,688
City of Kenora	9,898	17,041
Municipality of Machin	8,924	-
Township of Ear Falls	1,952	1,674
Township of Red Lake	13,600	7,087
Town of Sioux Lookout	26,500	27,804
Township of Sioux Narrows - Nestor Falls	338	344
Unincorporated areas	127,883	-
Due to Ministry of Health and Long-Term Care	594,822	1,311,145
Due to Ministry of Children and Youth Services		
Child Care Program 2007	53,631	53,631
Due to Ministry of Community and Social Service		
Ontario Works Program 2007	53,893	53,893
Ontario Works Program 2008	120,646	120,646
Ontario Works Program 2009	120,611	-
Ontario Disability Support Program 2007	720	720
Ontario Disability Support Program 2008	4,897	4,897
Ontario Disability Support Program 2009	13,414	-
Restricted Liability - Land Ambulance Severance	410,514	410,514
Restricted Liability - Social Housing Stat Entitlement	160,332	153,778
	\$ 3,955,572	\$ 4,613,864

Kenora District Services Board Notes to Financial Statements

December 31, 2009

5. Post-retirement Benefits Liability

Kenora District Services Board 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

The significant actuarial assumptions adopted and estimated for the calculation of the accrued benefit obligations are as follows:

Discount rate	5.50%
General inflation rate	2.50%
Health care drug cost increase	10% decreasing linearly to an ultimate rate after 10 years of Consumer Price Index plus 1%
Other benefits cost increase	Consumer Price Index plus 1%

Post-retirement Benefits Liability

	2009	2008
Accrued post-retirement benefits obligations	\$ 507,579	\$ 394,742
Unamortized actuarial loss	(28,139)	(2,285)
	\$ 479,440	\$ 392,457

Post-retirement Benefits Expenditure

	2009	2008
Current year benefit costs	\$ 38,294	\$ 26,859
Interest on accrued benefit obligation	29,434	14,798
Plan amendments in year	23,558	168,871
Employee contributions	(4,303)	(4,153)
	\$ 86,983	\$ 206,375

Kenora District Services Board Notes to Financial Statements

December 31, 2009

6. Municipalities and Unincorporated Areas Over/Under Levy

Kenora District Services Board serves as a collection and administrative agent for social assistance, child care, social housing and various government funded programs. Expenditures of the Board are partially funded by the Federal and Provincial government with the difference being recovered from the municipalities and unincorporated areas. Any excess of revenue over expenditures is payable back to the municipalities and unincorporated areas in the current year. Likewise, any deficiency of revenue over expenditures must be recovered from them. The following represents the amounts due to the municipalities and unincorporated areas:

	2009	2008
City of Dryden	\$ (23,282)	\$ 50,634
Township of Ear Falls	(2,041)	4,222
Township of Ignace	(2,447)	5,230
City of Kenora	(42,259)	87,617
Municipality of Machin	(4,383)	8,924
Township of Pickle Lake	(786)	1,781
Township of Red Lake	(9,837)	19,056
Town of Sioux Lookout	(13,909)	29,039
Township of Sioux Narrows - Nestor Falls	(9,841)	19,350
Unincorporated Areas	39,355	127,883
	\$ (69,430)	\$ 353,736

7. Deferred Revenue

	2009	2008
Ministry of Community and Social Services		
Homelessness program	\$ 1,707	\$ -
Best Start program	333,842	530,112
Rent funding	58,334	51,894
Energy funding	4,333	28,874
Water filter funding	22,110	22,110
Ministry of Municipal Affairs and Housing		
Emergency Social Housing funding	96,327	538,242
Renovations and Retro-fit program	286,509	-
Prepaid tenants rents	56,699	60,814
Key deposits	1,700	1,650
	\$ 861,561	\$ 1,233,696

Kenora District Services Board Notes to Financial Statements

December 31, 2009

7. Deferred Revenue (continued)

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

Balance, beginning of year	\$ 1,233,696	\$ 982,863
Transfers from revenue in the current year		
Ministry of Community and Social Services		
Energy Bank	13,821	11,278
Rent Bank	18,931	13,776
Homelessness funding	67,804	-
Ministry of Municipal Affairs and Housing		
Emergency Social Housing funding	-	538,245
Social Housing Renovations and Retro-fit program	293,044	-
Loans repaid by clients	1,701	1,023
Tenant rents	-	16,927
Miscellaneous	-	1,650
	395,301	582,899
Transfers to revenue in the current year		
Ministry of Community and Social Services		
Transition funding	-	7,792
Homelessness funding	66,097	21,978
Consolidation funding	-	68,838
Best Start funding	196,270	189,529
Energy Bank	39,831	36,835
Rent Bank	12,723	7,094
Ministry of Municipal Affairs and Housing		
Social Housing Renovations and Retro-fit program	6,535	-
Emergency Social Housing funding	441,915	-
Tenant rents	4,065	-
	767,436	332,066
Balance, end of year	\$ 861,561	\$ 1,233,696

Kenora District Services Board receives funding from the Ministry of Community and Social Services and the Ministry of Municipal Affairs and Housing. These funds are designated for specific programs or projects and can be deferred to the subsequent period if unspent. Once the program or project has been completed, any unspent funds must be returned to these funding bodies.

Prepaid tenant rents represent the deposit received from current tenants for their last month rent. The deposit is applied to the last month that the tenant is occupying the unit. If the rent is not applied to the last month, the deposit is refunded to the tenant.

**Kenora District Services Board
Notes to Financial Statements**

December 31, 2009

8. Net Long-term Liabilities

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

	2009	2008
Debentures payable to Canada Mortgage and Housing Corporation for rental properties transferred to Kenora District Services Board on January 1, 2001 repayable at various fixed amounts including interest at various fixed rates; maturing on dates ranging from January 1, 2016 through January 1, 2028	\$ 8,552,404	\$ 8,918,225
Mortgage payable to Canada Mortgage and Housing Corporation for rental properties transferred to Kenora District Services Board January 1, 2001 repayable monthly at \$5,803 including interest at 3.71%; maturing May 1, 2025	818,352	857,097
	\$ 9,370,756	\$ 9,775,322

Repayments for the next five years and thereafter are as follows:

	Principal	Interest	Total
2010	\$ 432,594	\$ 631,666	\$ 1,064,260
2011	462,967	601,049	1,064,016
2012	496,025	567,991	1,064,016
2013	531,801	532,211	1,064,012
2014	570,573	493,443	1,064,016
Thereafter	6,876,796	2,602,962	9,479,758
	\$ 9,370,756	\$ 5,429,322	\$ 14,800,078

The gross interest relating to the above long-term liabilities was \$654,008 (2008 - \$679,546).

**Kenora District Services Board
Notes to Financial Statements**

December 31, 2009

9. Tangible Capital Assets

	2009						
	Land	Land Improvements	Building and Improvements	Machinery and Equipment	Vehicles	Work in Progress	Total
Cost, beginning of year	\$ 3,409,389	\$ 12,571	\$ 10,700,014	\$ 560,459	\$ 1,761,213	\$ 20,636	\$ 16,464,282
Additions	-	116,995	-	186,178	383,715	11,000	697,888
Disposals	(164,729)	-	(120,894)	-	(58,358)	-	(343,981)
Cost, end of year	<u>3,244,660</u>	<u>129,566</u>	<u>10,579,120</u>	<u>746,637</u>	<u>2,086,570</u>	<u>31,636</u>	<u>16,818,189</u>
Accumulated amortization, beginning of year	-	563	2,287,944	260,771	1,301,196	-	3,850,474
Amortization	-	8,057	311,136	88,687	184,066	-	591,946
Disposals	-	-	(28,556)	-	(58,358)	-	(86,914)
Accumulated amortization, end of year	<u>-</u>	<u>8,620</u>	<u>2,570,524</u>	<u>349,458</u>	<u>1,426,904</u>	<u>-</u>	<u>4,355,506</u>
Net carrying amount, end of year	<u>\$ 3,244,660</u>	<u>\$ 120,946</u>	<u>\$ 8,008,596</u>	<u>\$ 397,179</u>	<u>\$ 659,666</u>	<u>\$ 31,636</u>	<u>\$ 12,462,683</u>

The net book value of tangible capital assets not being amortized because they are under construction is \$31,636 (2008 - \$20,636).

**Kenora District Services Board
Notes to Financial Statements**

December 31, 2009

9. Tangible Capital Assets (continued)

							2008
	Land	Land Improvements	Building and Building Improvements	Machinery and Equipment	Vehicles	Work in Progress	Total
Cost, beginning of year	\$ 3,409,389	\$ -	\$ 10,404,137	\$ 387,384	\$ 1,542,325	\$ 27,756	\$ 15,770,991
Additions	-	12,571	295,877	173,075	218,888	(7,120)	693,291
Cost, end of year	3,409,389	12,571	10,700,014	560,459	1,761,213	20,636	16,464,282
Accumulated amortization, beginning of year	-	-	1,973,146	191,318	1,148,480	-	3,312,944
Amortization	-	563	314,798	69,453	152,716	-	537,530
Accumulated amortization, end of year	-	563	2,287,944	260,771	1,301,196	-	3,850,474
Net carrying amount, end of year	\$ 3,409,389	\$ 12,008	\$ 8,412,070	\$ 299,688	\$ 460,017	\$ 20,636	\$ 12,613,808

**Kenora District Services Board
Notes to Financial Statements**

December 31, 2009

10. Accumulated Surplus

The Board segregates its accumulated surplus in the following categories:

	<u>2009</u>	<u>2008</u>
		Restated (Note 1)
Investment in tangible capital assets	\$ 12,462,683	\$ 12,613,808
Public housing stock	(9,370,756)	(9,775,322)
Unfunded liabilities		
Social Housing capital expenditures	(953,641)	(953,641)
Land Ambulance capital expenditures	(367,006)	(402,052)
Accrued interest on long-term debt	(507,572)	(529,140)
Post employment benefits	(86,983)	(206,375)
Reserves		
Working fund	1,620,807	1,814,111
WSIB NEER costs	-	153,221
Social Housing proceeds on disposal of capital assets	561,575	109,922
Reserve Funds		
Land Ambulance	2,439,830	3,057,387
Social Housing	2,412,791	2,457,770
	\$ 8,211,728	\$ 8,339,689

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by bylaw or Board resolutions for specific purposes.

Kenora District Services Board Notes to Financial Statements

December 31, 2009

11. Revenue Summary

	Budget 2009	Actual 2009	Actual 2008
Ministry of Community and Social Services			
Homelessness Program	\$ 66,097	\$ 66,097	\$ 87,750
Ontario Disability Support Program	7,182,648	7,475,680	7,451,464
Ontario Works	5,908,665	5,713,133	5,042,670
Rent and Energy	13,870	39,782	43,675
Ministry of Children and Youth Services			
Child Care	2,663,882	2,663,886	2,803,884
Best Start	3,252,341	3,039,855	3,313,130
Ministry of Municipal Affairs and Housing			
Social Housing	3,332,269	3,046,879	2,595,541
Rent bank	22,000	12,596	-
Ministry of Health and Long-Term Care			
Land Ambulance	3,350,786	3,330,090	3,486,381
Miscellaneous	-	302,325	36,900
Interest income	164,264	64,819	355,251
Municipalities and Unincorporated Areas			
City of Dryden	1,495,182	1,495,577	1,863,724
Township of Ear Falls	130,990	131,025	155,404
Township of Ignace	157,130	157,172	192,466
City of Kenora	2,713,848	2,714,562	3,224,918
Municipality of Machin	281,572	281,646	328,519
Township of Pickle Lake	50,508	50,522	65,558
Township of Red Lake	631,663	631,830	701,397
Town of Sioux Lookout	893,300	893,534	1,068,824
Township of Sioux Narrows - Nestor Falls	632,034	632,200	712,170
Unincorporated Areas	7,350,265	7,325,769	4,878,884
Public Housing			
Rents	2,638,236	2,669,271	2,598,762
	\$ 42,931,550	\$ 42,738,250	\$ 41,007,272

12. Expenditures by Object

	Budget 2009	Actual 2009	Actual 2008
Salaries and benefits	\$ 10,537,777	\$ 10,863,364	\$ 9,085,738
Long-term debt interest	1,188,491	632,440	679,547
Materials	6,320,759	5,166,611	5,286,059
Contract services	177,215	213,073	188,833
Rent, administration	413,431	349,259	248,097
External transfers	25,790,022	24,962,536	24,523,606
Amortization	-	591,945	537,530
Post employment benefits	-	86,983	206,375
	\$ 44,427,695	\$ 42,866,211	\$ 40,755,785

Kenora District Services Board Notes to Financial Statements

December 31, 2009

13. Public Sector Salary Disclosure Act

As required under the Public Sector Disclosure Act (1996), the following employees of Kenora District Services Board were paid \$100,000 or more in 2009.

Name	Position	Salary Paid
Eric Dalzell	Paramedic	\$107,545
Wade Gagnon	Paramedic	\$103,616
Tanya Kozlovic	Paramedic	\$101,312
Sten Lif	Chief Administrative Officer	\$116,094
Edward Turgeon	Paramedic	\$100,272

14. Pension Agreement

Kenora District Services Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 129 members of its staff and Land Ambulance employees. The 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. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, Kenora District Services Board does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2009 was \$468,554 (2008 - \$416,319) for current service. The OMERS Board rate for 2009 was 6.3% to 9.5% (2008 - 6.5% to 10.7%), depending on income level.

15. Subsequent Event

On July 27, 2006 Kenora District Services Board made an application to the Ontario Municipal Board, under Section 65 of the Ontario Municipal Board Act, R.S.O. 1990, c. O.28, for an Order approving a proposed direction to The Corporation of the City of Dryden to borrow money by the issue and sale of debentures on the credit of The Corporation of the City of Dryden for capital improvements to Parkview Seniors Complex, located at 630 Park Street, Kenora, Ontario. Approval was granted by the Ontario Municipal Board on July 27, 2006 which provided that the borrowing capacity be no more than \$2,500,000. The improvements to Parkview Seniors Complex were completed in 2008 at a cost of \$953,646.

On October 15, 2009 The Corporation of the City of Dryden Mayor and Members of Council approved Resolution No. 2 to accept Kenora District Services Board's Option #3, to issue a debenture, on behalf of Kenora District Services Board, for \$950,000 to cover the cost of capital improvements at Parkview Seniors Complex. The debenture would have an amortization period of ten years and a renewal period of five years, at an interest rate of 6%. The remaining five year interest rate would be subject to market rates.

On January 25, 2010 the Board of Directors approved Resolution No. 2010-04 for the proposal by The Corporation of the City of Dryden to proceed with the issue and sale of debentures. This issue was in progress at the audit date.

Kenora District Services Board Notes to Financial Statements

December 31, 2009

16. Commitments

The organization has entered into lease agreements for various premises for Land Ambulance facilities expiring December 31, 2014. Expected lease payments in 2010 are \$207,045.

The organization was in negotiations to renew the lease for their office premises at the audit date.

17. Budget

The Financial Plan (Budget) motion approved by the Board of Directors on October 28, 2008 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce the current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan approved by the Board of Directors on October 28, 2008 with adjustments as follows:

	<u>2009</u>
Financial Plan (Budget) surplus for the year	\$ -
Add:	
Capital expenditures	(547,320)
Transfers from reserves	(1,271,087)
	<u>(1,818,407)</u>
Less:	
Transfers to reserves	322,262
	<u>322,262</u>
Budget surplus per statement of operations and accumulated surplus	<u>\$ (1,496,145)</u>

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the statement of operations for comparative purposes. The 2009 budget amounts for Kenora District Services Board, approved by the Board of Directors, have been restated to conform to the basis of preparation of the revenue and expenses on the statement of operations.

Kenora District Services Board Notes to Financial Statements

December 31, 2009

18. Credit Risk

The Kenora District Services Board is, in the normal course of operations, exposed to credit risk from having bank account balances over the amounts insured by the Canadian Deposit Insurance Corporation.

19. Segmented Information

The Board is a diversified para-municipal organization engaged in the provision of social services to residents of Kenora District Services Board and serves as a collection and administrative agent for social assistance, child care, social housing, land ambulance services and various government funded programs. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Homelessness Program, Rent & Energy Programs, Ontario Disability Support Program, Child Care Program, Best Start Program, and Ontario Works Program

These programs represent social services that are meant to help the less fortunate in society, and are provided to help individuals and families in need in the service area.

Land Ambulance Program

This program represents ambulance services provided to the service area. The ambulance service transports the injured to the hospital and provides emergency medical care to those in distress.

Social Housing

Social housing is provided to help shelter families and elderly in need in the service area.

Administrative and Board Costs

The administrative and Board costs relate to the operations of Kenora District Services Board.

**Kenora District Services Board
Notes to Financial Statements**

December 31, 2009

19. Segmented Information (continued)

	Homeless Program	Rent & Energy Bank Program	Ontario Disability Support Program	Child Care Program	Best Start Program	Ontario Works Program	Social Housing Program	Ambulance Program	Land Program	Admin Costs	Board Costs	Total 2009
Revenue	\$ 66,097	\$ 52,378	\$ 7,475,680	\$ 2,663,886	\$ 3,039,855	\$ 5,713,133	\$ 3,046,879	\$ 3,330,090	\$ -	\$ -	\$ -	\$ 25,387,998
Grants Municipal/ TWOMO	-	-	1,861,018	746,166	-	1,718,016	4,632,778	5,396,263	-	-	-	14,354,241
Rents	-	-	-	-	-	-	2,669,271	-	-	-	-	2,669,271
Interest	-	176	-	-	-	-	9,285	14,954	-	-	-	24,415
Other	-	-	-	-	-	-	193,112	109,213	-	-	-	302,325
	66,097	52,554	9,336,698	3,410,052	3,039,855	7,431,149	10,551,325	8,850,520	-	-	-	42,738,250
Expenses												
Salaries and benefits	-	-	-	75,203	127,107	1,289,849	1,129,126	7,636,686	-	562,972	42,421	10,863,364
Long-term debt charges	-	-	-	-	-	-	632,440	-	-	-	-	632,440
Materials	-	4,777	-	470	67,799	145,615	3,784,872	894,675	-	211,226	57,177	5,166,611
Contracted services	-	-	-	-	-	13,421	80,702	-	-	60,600	58,350	213,073
Rents and financial	-	-	-	-	-	121,276	29,570	151,163	-	47,250	-	349,259
External transfers	66,097	47,769	9,336,698	3,173,788	2,791,689	5,655,750	3,883,044	2,701	-	-	5,000	24,962,536
Post-employment benefits	-	-	-	1,908	-	14,879	16,786	47,306	-	6,104	-	86,983
Amortization	-	-	-	-	-	17,997	305,679	252,622	-	15,647	-	591,945
	66,097	52,546	9,336,698	3,251,369	2,986,595	7,258,787	9,862,219	8,985,153	903,799	162,948	162,948	42,866,211
Internal transfers	-	-	-	160,586	53,260	201,597	293,657	277,546	(882,048)	(104,598)	-	-
	66,097	52,546	9,336,698	3,411,955	3,039,855	7,460,384	10,155,876	9,262,699	21,751	58,350	58,350	42,866,211
Net revenue (expenditures) for the year	\$ -	\$ 8	\$ -	\$ (1,903)	\$ -	\$ (29,235)	\$ 395,449	\$ (412,179)	\$ (21,751)	\$ (58,350)	\$ (127,961)	

**Kenora District Services Board
Notes to Financial Statements**

December 31, 2009

19. Segmented Information (continued)

	Homeless Program	Rent & Energy Bank Program	Ontario Disability Support Program	Child Care Program	Best Start Program	Ontario Works Program	Social Housing Program	Ambulance Program	Land Program	Admin Cost	Board Costs	Total 2008
Revenue												
Grants Municipal/TWOMO	\$ 87,750	\$ 43,675	\$ 7,451,464	\$ 2,803,884	\$ 3,313,130	\$ 5,042,670	\$ 2,595,541	\$ 3,486,381	\$ -	\$ -	\$ -	\$ 24,824,495
Rents	-	-	2,063,773	774,205	-	1,408,780	4,372,848	4,752,548	-	-	-	13,372,154
Interest	-	2,028	-	-	-	-	2,598,762	-	-	-	-	2,598,762
Other	-	-	-	-	-	-	68,137	104,796	-	-	-	174,961
	-	-	-	-	-	-	35,000	1,900	-	-	-	36,900
	87,750	45,703	9,515,237	3,578,089	3,313,130	6,451,450	9,670,288	8,345,625	-	-	-	41,007,272
Expenses												
Salaries and benefits	-	-	-	70,711	116,822	300,931	1,121,034	6,893,588	-	541,723	40,929	9,085,738
Long-term debt charges	-	-	-	-	-	-	679,547	-	-	-	-	679,547
Materials	-	4,155	-	2,900	46,229	1,263,732	2,850,672	906,935	-	162,652	48,784	5,286,059
Contracted services	-	-	-	-	-	56,712	49,096	-	-	21,375	61,650	188,833
Rents and financial	-	-	-	-	-	4,746	31,230	145,456	-	66,665	-	248,097
External transfers	87,750	41,548	9,515,237	3,313,787	3,145,547	4,610,472	3,804,005	-	-	-	5,260	24,523,606
Post-employment benefits	-	-	-	-	-	-	-	206,375	-	-	-	206,375
Amortization	-	-	-	-	-	16,042	298,520	207,321	-	15,647	-	537,530
Internal transfers	-	-	-	190,691	4,532	183,617	257,734	250,814	(94,973)	-	-	-
	87,750	45,703	9,515,237	3,578,089	3,313,130	6,436,252	9,091,838	8,610,489	15,647	808,062	156,623	40,755,785
Net revenue (expenditures) for the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,198	\$ 578,450	\$ (264,864)	\$ (61,650)	\$ (15,647)	\$ (61,650)	\$ 251,487

**Kenora District Services Board
Schedule of Municipal Levies**

For the year ended December 31	2009	2008
City of Dryden	11.7375 %	15.4479 %
Township of Ear Falls	1.0283 %	1.2881 %
Township of Ignace	1.2335 %	1.5953 %
City of Kenora	21.3043 %	26.7305 %
Municipality of Machin	2.2104 %	2.7230 %
Township of Pickle Lake	0.3965 %	0.5434 %
Township of Red Lake	4.9587 %	5.8137 %
Town of Sioux Lookout	7.0126 %	8.8592 %
Township of Sioux Narrows - Nestor Falls	4.9616 %	5.9030 %
Unincorporated Areas	45.1566 %	31.0959 %
	100.0000 %	100.0000 %

**Kenora District Services Board
Summary of Levies to Participating Municipalities**

December 31, 2009

	Ontario Disability Support	Child Care	Social Housing	Ontario Works	Land Ambulance	Working Fund	Board Costs	Total 2009
City of Dryden	\$ 218,438	\$ 87,581	\$ 543,773	\$ 201,652	\$ 448,875	\$ (4,742)	-	\$ 1,495,577
Township of Ear Falls	19,136	7,673	47,639	17,667	39,325	(415)	-	131,025
Township of Ignace	22,956	9,204	57,145	21,192	47,173	(498)	-	157,172
City of Kenora	396,476	158,965	986,981	366,012	814,736	(8,608)	-	2,714,562
Municipality of Machin	41,136	16,493	102,403	37,975	84,532	(893)	-	281,646
Township of Pickle Lake	7,379	2,959	18,369	6,812	15,163	(160)	-	50,522
Township of Red Lake	92,282	37,000	229,726	85,191	189,634	(2,003)	-	631,830
Town of Sioux Lookout	130,505	52,326	324,879	120,477	268,181	(2,834)	-	893,534
Township of Sioux Narrows - Nestor Falls	92,337	37,022	229,860	85,241	189,745	(2,005)	-	632,200
Unincorporated Areas	840,373	336,943	2,092,003	775,797	3,298,899	(18,246)	-	7,325,769
	\$ 1,861,018	\$ 746,166	\$ 4,632,778	\$ 1,718,016	\$ 5,396,263	\$ (40,404)	\$ -	\$ 14,313,837