

Financial Statements

**ALGOMA DISTRICT SERVICES
ADMINISTRATION BOARD**

Year ended December 31, 2000

ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Financial Statements

Year ended December 31, 2000

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AUDITORS' REPORT

To the Members of the Algoma District Services Administration Board and
Members of Councils, Inhabitants and Ratepayers
of Participating Municipalities as listed in note 2

We have audited the statement of financial position of the Algoma District Services Administration Board as at December 31, 2000 and the statements of financial activities and fund balances and changes in financial position 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 auditing standards generally accepted in Canada. 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 Algoma District Services Administration Board as at December 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in Canada.

Chartered Accountants

Sault Ste. Marie, Canada

February 8, 2001



ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Statement of Financial Position

December 31, 2000, with comparative figures for 1999

	2000	1999
	\$	\$
Financial assets		
Cash	3,480,236	1,596,750
Receivable from participating municipalities	25,473	36,976
Accounts receivable	462,610	57,329
Prepaid expense	479,792	672,822
	<u>4,448,111</u>	<u>2,363,877</u>
Liabilities		
Accounts payable and accrued liabilities	888,561	55,946
Payable to Province of Ontario	1,748,983	954,362
Deferred revenue	389,750	10,237
	<u>3,027,294</u>	<u>1,020,545</u>
Net financial assets	<u>1,420,817</u>	<u>1,343,332</u>
Board position		
Fund balances:		
Operating fund	-	599,207
Reserves (note 4)	1,420,817	744,125
Total Board position	<u>1,420,817</u>	<u>1,343,332</u>

The accompanying notes are an integral part of the financial statements.

ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Statement of Financial Activities and Fund Balances

Year ended December 31, 2000, with comparative figures for 1999

	2000			1999		
	Budget	Operating Fund	Reserves	Total	Total	Total
	\$	Actual	Actual	\$	\$	\$
Revenues:						
Province of Ontario subsidies	11,550,757	10,661,450	-	10,661,450	9,390,408	
Municipality levies	8,729,290	8,729,290	-	8,729,290	8,579,983	
Other	80,000	174,144	-	174,144	111,284	
Total revenues	20,360,047	19,564,884	-	19,564,884	18,081,675	
Expenditures:						
Ontario Works	9,596,585	8,436,245	-	8,436,245	8,473,858	
Ontario Works - Administration	2,544,200	3,104,628	-	3,104,628	2,732,348	
Childcare	2,382,110	2,348,410	-	2,348,410	1,557,303	
North Intake Screening Unit - Start-up	907,400	907,531	-	907,531	-	
Ontario Disability Support Plan	2,785,000	2,766,252	-	2,766,252	2,918,529	
Social Housing	1,890,500	1,603,875	-	1,603,875	1,796,662	
Emergency Health Services	127,500	162,614	-	162,614	-	
Board and related	126,752	157,844	-	157,844	140,668	
Total expenditures	20,360,047	19,487,399	-	19,487,399	17,619,368	
Net revenues	-	77,485	-	77,485	462,307	
Transfer to reserves	-	(676,692)	676,692	-	-	
Increase (decrease) in fund balances	-	(599,207)	676,692	77,485	462,307	
Fund balances, beginning of year	599,207	599,207	744,125	1,343,332	1,301,680	
Refunded to participating municipalities	-	-	-	-	(341,248)	
Paid to the Ministry of Housing	-	-	-	-	(79,407)	
Fund balances, end of year	599,207	-	1,420,817	1,420,817	1,343,332	

The accompanying notes are an integral part of the financial statements.

ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Statement of Changes in Financial Position

December 31, 2000, with comparative figures for 1999

	2000	1999
	\$	\$
Cash provided by (used for):		
Operations:		
Net revenues	77,485	462,307
Uses:		
Increase in receivable from participating municipalities	-	(36,976)
Increase in accounts receivable	(405,281)	(25,590)
Increase in prepaid expense	-	(328,066)
Decrease in payable to Province of Ontario	-	(302,493)
	(405,281)	(693,125)
Sources:		
Decrease in receivable from participating municipalities	11,503	-
Decrease in prepaid expense	193,030	-
Increase in accounts payable and accrued liabilities	832,615	25,761
Increase in payable to Province of Ontario	794,621	-
Increase in deferred revenue	379,513	10,237
	2,211,282	35,998
Increase (decrease) in cash from operations	1,883,486	(194,820)
Financing:		
Refund to participating municipalities	-	(341,248)
Payment to the Ministry of Municipal Affairs and Housing	-	(79,407)
Decrease in cash from financing	-	(420,655)
Net increase (decrease) in cash	1,883,486	(615,475)
Cash, beginning of year	1,596,750	2,212,225
Cash, end of year	3,480,236	1,596,750

The accompanying notes are an integral part of the financial statements.

Supplemental cash flow information:

Cash received during the year as interest	\$173,774	\$104,700
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ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Notes to Financial Statements

Year ended December 31, 2000

1. Significant accounting policies:

The financial statements of the Board are prepared by management in accordance with accounting principles generally accepted in Canada for government organizations as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Reporting entity:

These financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity.

All interfund transactions and balances have been eliminated.

(b) Fund accounting:

Funds within the financial statements consist of the operating and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(c) Capital assets:

The historical cost and accumulated amortization of capital assets are not recorded for Board purposes. Capital assets are reported as an expenditure on the statement of financial activities and fund balances in the year of acquisition.

(d) Reserves:

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from the reserves are an adjustment to the respective fund when approved.

(e) Government subsidies:

Government subsidies are recognized in the financial statements as revenues in the period in which events giving rise to the subsidy occur, providing the subsidies are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Notes to Financial Statements

Year ended December 31, 2000

1. Significant accounting policies (continued):

(f) Deferred revenue:

Deferred revenues represent subsidies and other revenues which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(g) Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Notes to Financial Statements

Year ended December 31, 2000

2. Participating municipalities:

The participating municipalities are as follows:

- City of Elliot Lake
- Town of Blind River
- Town of Bruce Mines
- Town of Thessalon
- Village of Hilton Beach
- Township of Dubreuilville
- Township of Hilton
- Township of Hornepayne
- Township of Huron Shores
- Township of Jocelyn
- Township of Johnson
- Township of Laird
- Township of MacDonald, Meredith & Aberdeen Additional
- Township of Michipicoten
- Township of North Shore
- Township of Plummer and Plummer Additional
- Township of St. Joseph
- Township of Shedden
- Township of Tarbutt & Tarbutt Additional
- Township of White River
- Certain unincorporated areas in the District of Algoma

3. Adoption of public sector accounting recommendations:

Commencing in 2000, the Board has adopted the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The comparative information included in these financial statements have been reclassified to conform with the accounting standards adopted for the current year.

ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Notes to Financial Statements

Year ended December 31, 2000

4. Reserves:

	2000	1999
	\$	\$
Set aside for specific purposes by the Board:		
Working funds	1,355,181	92,000
Sick leave benefits	-	85,000
Leased vehicle	-	1,049
Head Office roof replacement	-	152,288
Telephone system	-	70,000
National Child Benefit Investment	65,636	64,405
Ontario Works	-	151,073
Social Housing	-	128,310
	1,420,817	744,125

On January 27, 2000 the Board approved the transfer of all reserve balances with the exception of the National Child Benefit Investment to the reserve for working funds.

On December 1, 2000 the Board approved the transfer of any net revenues for the year ended December 31, 2000 to the reserve for working funds.

5. Pension agreements:

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 51 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2000 was nil (1999, nil) for current service and \$6,935 (1999, \$1,130) for past service. This amount is included as an expenditure on the statement of financial activities and fund balances.

Due to a surplus in the pension plan, OMERS instituted a contribution holiday which became effective August 1, 1998 and is expected to continue until December 2002. During this period, the Board does not have to make any contributions to the plan.

ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

Notes to Financial Statements

Year ended December 31, 2000

6. Expenditures by object:

Total expenditures by object are as follows:

	2000	1999
	\$	\$
Salaries and benefits	2,692,627	2,042,137
Materials, supplies, services and capital	16,794,772	15,577,231
	19,487,399	17,619,368

7. Commitments:

The Board rents office space in Wawa under a long-term lease which expires October 2003, the annual rent for which is \$13,200.

The Board is committed to payments under operating leases for vehicles through 2003 in the total amount of \$36,920. Annual payments are as follows:

2001	\$ 20,855
2002	12,021
2003	4,044

8. Subsequent events:

On January 1, 2001, the Board assumed the responsibility as Delivery Agent to manage the delivery of Land Ambulance Services within the Board's jurisdiction.

On January 1, 2001, the Ontario government transferred the Ontario Housing Corporation housing stock within the Board's jurisdiction to Algoma District Housing Corporation, a wholly-owned subsidiary of the Board, and the Board assumed responsibility for managing and providing this component of Social Housing within its jurisdiction.

9. Financial instruments:

The Board's financial instruments consist of cash, receivable from participating municipalities, accounts receivable, accounts payable and payable to the Province of Ontario. It is management's opinion that the fair value of these financial instruments approximates their carrying value and the Board is not exposed to significant interest, currency or credit risk arising from these financial instruments.