

**LOCAL SERVICES BOARD OF LORING  
PORT LORING AND DISTRICT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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**AUDITORS' REPORT**

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To The Members and Inhabitants  
**Local Services Board of Loring**  
**- Port Loring and District**  
Loring, Ontario

We have audited the statement of financial position of **Local Services Board of Loring - Port Loring and District** as at **September 30, 2010** and the statements of equity and of general, capital and water project revenues and expenditures, 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 September 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

North Bay, Ontario  
April 11, 2011

*Kendall, Sinclair, Finch,  
Pigden, Cowper Daigle LLP*  
Licensed Public Accountants

## PORT LORING AND DISTRICT

## STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2010

(With comparative figures as at September 30, 2009)

+	<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current			
Cash		\$ 176,288	\$ 137,451
Accounts receivable (Note 4)		5,677	32,557
		<u>181,965</u>	<u>170,008</u>
Water project operating fund			
Cash			147
Accounts receivable			1,301
			<u>1,448</u>
		<u>\$ 181,965</u>	<u>\$ 171,456</u>
	<u>LIABILITIES</u>		
Current			
Accounts payable and accrued liabilities		\$ 20,196	\$ 19,181
Deferred revenue (Note 5)		11,793	20,613
		<u>31,989</u>	<u>39,794</u>
Water project operating fund			1,448
		<u>31,989</u>	<u>41,242</u>
	<u>EQUITY</u>		
General (Note 7)		1,378	26,746
Internally restricted - Contingency (Note 8)		22,627	17,598
Internally restricted - Infrastructure development (Note 8)		125,971	85,870
		<u>149,976</u>	<u>130,214</u>
		<u>\$ 181,965</u>	<u>\$ 171,456</u>

## PORT LORING AND DISTRICT

## STATEMENTS OF EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2010

(With comparative figures for 2009)

	General	Internally Restricted		2010	2009
		Contingency	Infrastructure Development		
Balance beginning of year	\$ 26,746	\$ 17,598	\$ 85,870	\$ 130,214	\$ 93,304
Excess of revenue over expenses	19,762	-	-	19,762	36,910
Other items:					
Transfers from general	(45,130)	5,029	40,101	-	-
Balance end of year	<u>\$ 1,378</u>	<u>\$ 22,627</u>	<u>\$ 125,971</u>	<u>\$ 149,976</u>	<u>\$ 130,214</u>

## PORT LORING AND DISTRICT

## STATEMENT OF GENERAL REVENUES AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

(With comparative figures for 2009)

	<u>2010</u>	<u>2009</u>
Revenues		
Levy	\$ 195,653	\$ 199,534
Ministry grant - operations	19,061	19,061
- library	6,161	3,937
Other	643	1,892
	<u>221,518</u>	<u>224,424</u>
Decrease in deferred revenue	8,820	8,777
	<u>230,338</u>	<u>233,201</u>
Expenditures		
Fire protection	141,200	141,200
Activity centre	33,819	20,007
911	7,617	2,973
Insurance	7,292	7,214
Library	6,912	10,625
Office and general	6,865	4,298
Honorarium	4,600	4,600
Recreation	3,671	849
Legal and audit	3,600	4,525
Bad debt (recovery)	(5,000)	
	<u>210,576</u>	<u>196,291</u>
Excess of revenues over expenditures for the year	<u>\$ 19,762</u>	<u>\$ 36,910</u>

PORT LORING AND DISTRICT

STATEMENT OF WATER PROJECT REVENUES AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

(With comparative figures for 2009)

	<u>2010</u>	<u>2009</u>
Revenue		
Decrease in deferred revenue	\$ 1,448	\$
Expenditures		
Port Loring Water Services	1,301	
Miscellaneous	147	
	<u>1,448</u>	
Excess of revenue over expenditures for the year	<u>\$</u>	<u>\$</u>

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

(With comparative figures for 2009)

	<u>2010</u>	<u>2009</u>
Cash was provided by (used for):		
Operating activities		
Excess of revenue over expenditures	\$ 19,762	\$ 36,910
Changes in non-cash working capital		
(Increase) decrease in:		
Accounts receivable	26,880	51,370
Increase (decrease) in:		
Accounts payable and accrued liabilities	<u>1,015</u>	<u>8,870</u>
	<u>47,657</u>	<u>97,150</u>
Financing activities		
Decrease in deferred income	(8,820)	(8,778)
Transfer to capital equity		(29,724)
	<u>(8,820)</u>	<u>(38,502)</u>
Increase in cash	38,837	58,648
Cash beginning of year	<u>137,451</u>	<u>78,803</u>
Cash end of year	<u>\$ 176,288</u>	<u>\$ 137,451</u>



**LOCAL SERVICES BOARD OF LORING**  
**PORT LORING AND DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

1. **Nature Of Operations**

The Local Services Board is a not for profit organization and is incorporated under the Local Services Board Act of Ontario. The Board is empowered to provide fire protection, recreational, library and 911 services to the local community. As a not for profit organization the organization is exempt from income taxes.

2. **Accounting Policies**

a) Revenue Recognition

Tax levies are recognized upon billing by the Ministry of Finance. Grant revenues are recognized based on claim submission to the ministry.

b) Donations In Kind

No amount is reflected in these financial statements for donations of equipment, supplies or services.

c) Property and Equipment

The Board charges against operations in the year acquired the cost of property and equipment. As well, donated assets are not reflected in these financial statements.

d) 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 expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**LOCAL SERVICES BOARD OF LORING  
PORT LORING AND DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**3. Financial Instruments**

Financial assets and financial liabilities are initially recognized at fair value. Their subsequent measurement is dependent on their classification. The standards require that all financial assets be classified as one of held-for-trading, available-for-sale, held-to-maturity or loans and receivables. Financial liabilities are to be classified as held-for-trading or other liabilities.

Classification

The board has elected to classify its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable	Other liabilities

a) Held-For-Trading

Held-for-trading financial instruments are measured at fair market value at the balance sheet date with all related income, expenses, gains and losses recognized in excess of revenue over expenses for the year.

b) Loans And Receivables

Loans and receivables are accounted for at amortized cost.

c) Other Liabilities

Other liabilities are accounted for at amortized cost.

Fair Value Of Financial Instruments

The board has various financial instruments. It is the board's opinion that the fair values of these financial instruments approximate their carrying values, unless otherwise stated.

Objectives And Policy Relating To Risk Management

The board is not exposed to significant interest rate or currency risks arising from these financial instruments.

Credit Risk

The Board's main credit risk exposure is from tax levies receivable. These accounts are managed by the Province, limiting the Board's exposure to bad debts.

**LOCAL SERVICES BOARD OF LORING  
PORT LORING AND DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**4. Accounts Receivable**

Accounts receivable consist of:	2010	2009
HST/GST	\$ 3,517	\$ 4,641
Levy receivable (net of allowance)	2,160	9,449
Other		5,000
MNDM grant receivable		9,530
Library grant		3,937
	\$ 5,677	\$ 32,557

**5. Deferred Revenue**

Revenue received which will be expended in future periods has been recorded as deferred revenue.

Deferred revenue consists of:	2010	2009
911	\$ 4,226	\$ 11,658
Library	6,145	7,533
NECO - recreation	1,422	1,422
	\$ 11,793	\$ 20,613

**6. Capital Management**

Capital is managed in accordance with policies established by the Board of Directors. The Board's main objective when managing its capital is to safeguard the Board's ability to continue as a going concern. Externally imposed capital requirements are described in Note 5 as part of deferred revenues.

**7. Equity Balances**

No provision has been made in these statements for the possible return of equity to granting sources.

**8. Internally Restricted Equity**

Excess funds from general fund balances have been internally restricted for contingencies and infrastructure development