

**THE CORPORATION OF THE
MUNICIPALITY OF MAGNETAWAN
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009**

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Auditors' Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Net Financial Assets	4
Consolidated Statement of Cash Flow	5
Notes to the Consolidated Financial Statements	6 - 16
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	17
Supplementary Unaudited Schedule of Surplus	18

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Municipality of Magnetawan

We have audited the consolidated statement of financial position of the Corporation of the Municipality of Magnetawan as at December 31, 2009 and the consolidated statements of operations, change in net financial assets and cash flow 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 Municipality of Magnetawan at December 31, 2009 and the results of its operations, the change in its net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Burk's Falls, Ontario
March 4, 2010
Except for Note 6 which is as of April 23, 2010

Pahapill and Associates Professional Corporation
Chartered Accountants
Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	2009	Restated 2008 (Note 2)
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 1,486,616	\$ 1,914,407
Accounts receivable	1,524,948	557,011
Investment in Lakeland Holding Ltd. (Note 6)	319,198	300,861
Inventories held for resale	11,841	12,419
	3,342,603	2,784,698
LIABILITIES		
Bank loan (Note 8)	809,651	-
Accounts payable and accrued liabilities	486,080	186,894
Deferred revenue	239,119	192,354
Municipal debt (Note 7)	-	712
Employee benefits payable (Note 9)	1,043	952
Landfill closure and post-closure liability (Note 10)	1,134,500	587,250
	2,670,393	968,162
NET FINANCIAL ASSETS	672,210	1,816,536
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 11, Schedule 1)	11,488,243	10,584,307
Inventories of supplies	37,590	40,200
Prepaid expenses	45,529	36,809
	11,571,362	10,661,316
ACCUMULATED SURPLUS	\$ 12,243,572	\$ 12,477,852

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget 2009 (Note 13)	Actual 2009	Actual Restated 2008 (Note 2)
REVENUE			
Property taxes	\$ 2,794,960	\$ 2,847,882	\$ 2,806,066
User fees	9,800	14,406	13,591
Government transfers	1,522,779	1,789,350	1,303,513
Lakeland Holding Ltd. income (Note 6)	-	18,337	5,662
Other	158,827	198,188	344,288
TOTAL REVENUE	4,486,366	4,868,163	4,473,120
EXPENSES			
General government	609,714	660,223	431,903
Protection to persons and property	323,427	390,072	374,623
Transportation services	2,460,849	2,292,830	2,231,277
Environmental services	752,800	661,517	201,688
Health services	219,516	212,343	175,108
Social and family services	488,839	502,900	458,922
Recreation and culture	335,007	371,159	342,531
Planning and development	10,828	11,399	9,177
TOTAL EXPENSES	5,200,980	5,102,443	4,225,229
ANNUAL SURPLUS (DEFICIT)	(714,614)	(234,280)	247,891
ACCUMULATED SURPLUS, BEGINNING OF YEAR	12,477,852	12,477,852	12,229,961
ACCUMULATED SURPLUS, END OF YEAR	\$ 11,763,238	\$ 12,243,572	\$ 12,477,852

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget 2009 (Note 13)	Actual 2009	Actual Restated 2008 (Note 2)
Annual surplus (deficit)	\$ (714,614)	\$ (234,280)	\$ 247,891
Acquisition of tangible capital assets	(2,794,201)	(2,794,201)	(468,027)
Amortization of tangible capital assets	1,730,468	1,730,468	1,156,028
(Gain)loss on sale of tangible capital assets	150,622	150,622	-
Proceeds on sale of tangible capital assets	9,175	9,175	-
Change in supplies inventories	-	2,610	(40,200)
Change in prepaid expense	-	(8,720)	(12,420)
Increase (decrease) in net financial assets	(1,618,550)	(1,144,326)	883,272
Net financial assets, beginning of year	1,816,536	1,816,536	933,264
Net financial assets, end of year	\$ 197,986	\$ 672,210	\$ 1,816,536

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	Restated 2008 (Note 2)
Operating transactions		
Annual surplus	\$ (234,280)	\$ 247,891
Non-cash charges to operations:		
Amortization	1,730,468	1,156,028
(Gain)loss on sale of tangible capital assets	150,622	-
	<u>1,646,810</u>	<u>1,403,919</u>
Changes in non-cash items:		
Accounts receivable	(967,937)	(64,316)
Inventories held for resale	578	(12,419)
Accounts payable and accrued liabilities	299,186	16,080
Deferred revenue	46,765	(45,144)
Employee benefits payable	91	952
Landfill closure and post closure liability	547,250	(32,750)
Inventories of supplies	2,610	(40,200)
Prepaid expenses	(8,720)	561
	<u>(80,177)</u>	<u>(177,236)</u>
Cash provided by operating transactions	<u>1,566,633</u>	<u>1,226,683</u>
Capital transactions		
Acquisition of tangible capital assets	(2,794,201)	(468,027)
Proceeds on disposal of tangible capital asset	9,175	-
Cash applied to capital transactions	<u>(2,785,026)</u>	<u>(468,027)</u>
Investing transactions		
Lakeland Hold Ltd.	(18,337)	(5,662)
Cash provided by investing transactions	<u>(18,337)</u>	<u>(5,662)</u>
Financing transactions		
Temporary borrowing	809,651	-
Debt principal repayments	(712)	(30,624)
Cash applied to financing transactions	<u>808,939</u>	<u>(30,624)</u>
Net change in cash and cash equivalents	(427,791)	722,370
Cash and cash equivalents, beginning of year	1,914,407	1,192,037
Cash and cash equivalents, end of year	\$ 1,486,616	\$ 1,914,407

Cash flow supplementary information:

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2009

The Corporation of the Municipality of Magnetawan is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Planning Act, Building Code Act and other related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Municipality of Magnetawan (the "Municipality") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended in the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and reserve and reserve fund balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated and Proportionally Consolidated entities

The following local boards are consolidated:

Heritage Centre
Library

The following joint local boards and committees are proportionally consolidated:

Joint Building Committee

Inter-organizational transactions and balances between these organizations are eliminated.

(ii) Modified equity accounting

Government business enterprises are accounted for by the modified equity method. Under this method the business enterprises' accounting principles are not adjusted to conform with those of the Municipality and interorganizational transactions and balances are not eliminated. The following government business enterprise is included in these financial statements: Lakeland Holding Ltd.

(iii) Non-consolidated entities

The following joint local boards are not consolidated:

North Bay Parry Sound District Health Unit
Parry Sound District Social Services Administration Board
District of Parry Sound (East) Home for the Aged.

(iv) Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

(v) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

(b) Basis of Accounting

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2009

- (i) Accrual basis of accounting
Sources of financing and expenditures are reported on the accrual basis of accounting. This method recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (ii) Non-financial assets
Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of Municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.
- (a) Tangible capital assets
Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:
- Land improvements - 20 years
 - Buildings - 40 years
 - Machinery, equipment and furniture - 5 to 20 years
 - Vehicles - 8 to 15 years
 - Roads - 8 to 75 years
 - Bridges - 30 to 60 years
- One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.
- Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.
- The Municipality has a capitalization threshold of \$3,000; individual tangible capital assets, or pooled assets of lesser value are expensed in the year of purchase.
- (b) Inventories of supplies
Inventories held for consumption are recorded at the lower of cost and replacement cost.
- (iii) Government transfers
Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2009

- (iv) Deferred revenue

The Municipality receives gas tax revenue from the Federal Government and payments in lieu of parkland under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended. The Municipality also defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the services are performed.
- (v) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.
- (vi) Pensions and employee benefits

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.
- (vii) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 expenses during the period. Significant items subject to such estimates and assumptions include valuation allowances for accounts receivable and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2009

2. RESTATEMENT

Effective January 1, 2009, the Municipality changed its accounting and financial reporting to conform with the revised guidelines in the Public Sector Accounting Handbook on financial statement presentation (section 1200) and tangible capital assets (section 3150). The comparative figures included in these financial statements have been restated to conform with the accounting and reporting practices adopted for the current year. The most significant change relates to the reporting of tangible capital assets which had previously been reported as expenditures in the financial statements in the year of acquisition.

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The organization applied a consistent methods of estimating the replacement cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset.

This change in accounting policy has changed amounts reported in the prior period as follows:

Year ended December 31, 2008

ACCUMULATED SURPLUS	
Accumulated surplus, as previously reported	\$ 1,853,345
Net book value of tangible capital assets recorded	10,584,307
Inventory of supplies previously expensed	40,200
ACCUMULATED SURPLUS, AS RESTATED	\$ 12,477,852
ANNUAL SURPLUS	
Annual surplus as previously reported	\$ 895,692
Assets capitalized but previously expensed	468,027
Amortization expense not previously recorded	(1,156,028)
Inventory of supplies previously expensed	40,200
ANNUAL SURPLUS, AS RESTATED	\$ 247,891

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2009

3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(iii), the following contributions were made by the Municipality to these boards:

	2009	2008
District of Parry Sound Social Services Administration Board	\$ 399,211	\$ 394,191
North Bay Parry Sound District Health Unit	37,733	32,212
District of Parry Sound (East) Home for the Aged	83,893	80,215
Total contributions made	\$ 520,837	\$ 506,618

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

4. OPERATIONS OF SCHOOL BOARDS

Further to Note 1(a)(iv), the Municipality is required to collect property taxes and payments-in-lieu of taxes on the behalf of the school boards. The amounts collected, remitted and outstanding are as follows:

	2009	2008
Payable at the beginning of the year	\$ 18,914	\$ 1,077
Taxation and payments-in-lieu, net of adjustments	1,242,774	1,196,213
Remitted during the year	(1,247,981)	(1,178,376)
Payable (Receivable) at the end of the year	\$ 13,707	\$ 18,914

5. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$133,728 (2008 \$131,638) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2009

6. INVESTMENT IN LAKELAND HOLDING LTD.

Lakeland Holding Ltd. is a municipally owned government business enterprise. It's subsidiaries produce and distribute hydro electric power to users in Bracebridge, Huntsville, Sundridge, Burk's Falls and Magnetawan. Condensed financial information in respect to Lakeland Holding Ltd. is provided below.

	2009	2008
Consolidated Balance Sheet		
Assets:		
Current assets	\$ 6,449,326	\$ 6,754,130
Capital and other assets	23,537,450	21,656,613
Regulatory assets	1,381,178	69,055
Total Assets	\$ 31,367,954	\$ 28,479,798
Liabilities:		
Current liabilities	\$ 5,940,021	\$ 3,780,206
Long-term liabilities	3,713,766	4,232,826
Total Liabilities	9,653,787	8,013,032
Equity		
Share capital	12,609,650	12,609,650
Retained earnings	9,104,517	7,857,116
Total Equity	21,714,167	20,466,766
Total Liabilities and Equity	\$ 31,367,954	\$ 28,479,798
Municipality's share of equity (1.47% ownership)	\$ 319,198	\$ 300,861
Consolidated Statement of Operations, Retained Earnings and Comprehensive Income		
Total Revenues	21,688,916	20,640,131
Total Expenses	20,860,043	19,542,449
Net income and comprehensive income	828,873	1,097,682
Less: dividends	(500,008)	(712,502)
Add: adjustment to recognize future income taxes	918,536	-
Net income, net of dividends	\$ 1,247,401	\$ 385,180
Municipality's share of net income, net of dividends (1.47% ownership)	18,337	5,662

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2009

7. MUNICIPAL DEBT

(a) The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2009	2008
Municipality's share of Joint Building Committee loan from the Township of Strong, due February 2009, repayable in monthly payments of \$800 including interest calculated at 3.5%	\$ -	\$ 712

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal	Interest
2009	\$ 712	\$ 4

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2009	2008
Principal payments	\$ 712	\$ 30,624
Interest	2	228
	\$ 714	\$ 30,852

The annual principal and interest payments required to service the Municipality's debt were within the the annual debt repayment limit of \$1,002,504 prescribed by the Ministry of Municipal Affairs and Housing.

8. CREDIT FACILITY AGREEMENT

The Municipality has a credit facility agreement with the Royal Bank of Canada of \$849,999 (2008 \$250,000 with Kawartha Credit Union), of which \$809,651 (2008 NIL) was used at the end of the year. The loan is payable on demand and bears interest at the rate of prime.

9. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan of the local Joint Building Committee, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Committee's employment. The liability for these accumulated days amounted to \$1,043 (2008 \$952) at the end of the year.

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2009

10. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

Commencing in 2001, the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants require that municipalities recognize a liability related to the closure of solid waste landfill sites. This liability encompasses all costs related to the closure and subsequent maintenance of such sites. The liability is recognized in the financial statements over the operating life of the solid waste disposal site, in proportion to its utilized capacity.

The Municipality is currently responsible for the Croft and Chapman landfill sites, which have approved footprints of 25,000m² and 15,000m² respectively. An engineering study received in 2009 estimated that the maximum usable footprints are 15,000m² at the Croft site and 10,000m² at the Chapman site, with corresponding maximum waste and cover material capacities of 17,460m³ and 38,712m³ for Croft and Chapman respectively.

Usage estimates were provided in the 2003 engineering study, and subsequent fill rates were estimated in 2009. Based on this data, it is estimated that as at December 31, 2009, cumulative utilized capacity is 11,861m³ at the Croft site and 27,666m³ at the Chapman site.

Based on the above data, the landfill closure and post-closure estimates for the usable footprints are as follows:

Croft Landfill

Total estimated expenditures for closure and post-closure care	\$901,000
Reported liability in current year	\$612,000
Total expenditures remaining to be recognized	\$289,000
Utilization/year	409m ³
Estimated remaining usable capacity	6,008m ³
Remaining landfill site life	14 years
Number of year required for post-closure care	25 years

Chapman Landfill

Total estimated expenditures for closure and post-closure care	\$731,000
Reported liability in current year	\$522,500
Total expenditures remaining to be recognized	\$208,500
Utilization/year	954m ³
Estimated remaining usable capacity	12,000m ³
Remaining landfill site life	12 years
Number of year required for post-closure care	25 years

11. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the tangible capital assets of the Municipality by major asset class. Additional information relating to these assets is provided below.

(a) Capitalization of Interest

The Municipality has a policy of expensing borrowing costs related to the acquisition of tangible capital assets.

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2009

12. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT

The following provides a breakdown by major segment of the annual surplus (deficit) reported on the Consolidated Statement of Operations as well as the net tangible capital assets reported on the Consolidated Statement of Financial Position. The segments identified below correspond to the major functional categories used in the Municipality's Financial Information Return. Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Inter-segment transfers are priced at the Municipality's machine charge-out rate.

FOR THE YEAR ENDED DECEMBER 31, 2009

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,847,882	\$ 2,847,882
User fees	-	-	-	280	9,654	-	2,364	2,108	-	14,406
Government transfers	23,148	38,468	807,025	44,517	-	-	52,492	-	823,700	1,789,350
Lakeland Holding Ltd. income	-	-	-	-	-	-	-	-	18,337	18,337
Other	6,700	10,179	11,925	8,345	-	-	7,712	56,327	97,000	198,188
TOTAL REVENUE	-	48,647	818,950	53,142	9,654	-	62,568	58,435	3,786,919	4,868,163
EXPENSES										
Salaries, wages and benefits	294,152	96,852	235,741	52,576	24,705	-	202,886	-	-	906,912
Operating expenses	329,147	270,185	1,001,047	52,141	185,417	502,704	113,023	11,399	-	2,465,063
Amortization	36,924	23,035	1,056,042	556,800	2,221	196	55,250	-	-	1,730,468
TOTAL EXPENSES	660,223	390,072	2,292,830	661,517	212,343	502,900	371,159	11,399	-	5,102,443
ANNUAL SURPLUS (DEFICIT)	\$ (660,223)	\$ (341,425)	\$ (1,473,880)	\$ (608,375)	\$ (202,689)	\$ (502,900)	\$ (308,591)	\$ 47,036	\$ 3,786,919	\$ (234,280)

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2009

12. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2008 (Restated)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,806,066	\$ 2,806,066
User fees	-	-	-	250	7,535	-	5,806	-	-	13,591
Government transfers	13,207	46,285	799,106	35,410	-	-	5,313	24,192	380,000	1,303,513
Lakeland Holding Ltd. income	-	-	-	-	-	-	-	-	5,662	5,662
Other	3,814	71,051	1,018	6,939	2,562	-	90,369	7,931	160,604	344,288
TOTAL REVENUE	17,021	117,336	800,124	42,599	10,097	-	101,488	32,123	3,352,332	4,473,120
EXPENSES										
Salaries, wages and benefits	304,502	102,920	255,692	34,746	24,058	-	170,387	-	-	892,305
Long-term debt charges (interest)	-	228	-	-	-	-	-	-	-	228
Operating expenses	103,261	244,528	926,080	165,063	149,385	458,726	120,448	9,177	-	2,176,668
Amortization	24,140	26,947	1,049,505	1,879	1,665	196	51,696	-	-	1,156,028
TOTAL EXPENSES	431,903	374,623	2,231,277	201,688	175,108	458,922	342,531	9,177	-	4,225,229
ANNUAL SURPLUS (DEFICIT)	\$ (414,882)	\$ (257,287)	\$(1,431,153)	\$ (159,089)	\$ (165,011)	\$ (458,922)	\$ (241,043)	\$ 22,946	\$ 3,352,332	\$ 247,891

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2009

13. BUDGET FIGURES

The budget adopted for the current year was prepared on a fund basis, and has been restated to conform with the accounting and reporting standards adopted for the current year actual results.

14. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain 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 2009 was \$20,714 (2008 \$29,411) for current service and is included as an expense on the Consolidated Statement of Operations.

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule 1

	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL 2009	TOTAL 2008
COST								
Balance, beginning of year	\$ 1,293,850	\$ 1,424,041	\$ 823,414	\$ 1,130,070	\$ 20,558,355	\$ 49,753	\$ 25,279,483	\$ 24,915,377
Additions and betterments	677,671	25,848	143,118	195,169	1,769,219	(16,824)	2,794,201	468,027
Disposals and writedowns			(6,389)	(108,793)	(499,759)		(614,941)	(103,921)
BALANCE, END OF YEAR	1,971,521	1,449,889	960,143	1,216,446	21,827,815	32,929	27,458,743	25,279,483
ACCUMULATED AMORTIZATION								
Balance, beginning of year	667,792	435,847	367,162	581,193	12,643,182		14,695,176	13,643,069
Annual amortization	560,214	36,301	79,962	76,072	977,919		1,730,468	1,156,028
Amortization disposals			(6,389)	(106,093)	(342,662)		(455,144)	(103,921)
BALANCE, END OF YEAR	1,228,006	472,148	440,735	551,172	13,278,439		15,970,500	14,695,176
TANGIBLE CAPITAL ASSETS-NET	\$ 743,515	\$ 977,741	\$ 519,408	\$ 665,274	\$ 8,549,376	\$ 32,929	\$ 11,488,243	\$ 10,584,307

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

SUPPLEMENTARY UNAUDITED SCHEDULE OF SURPLUS

2009

	2009	Restated 2008
RESERVES AND RESERVE FUNDS		
Working capital	\$ 543,279	\$ 485,125
Fire	20,000	10,000
Waste disposal	172,965	151,225
Community enhancement	-	36,753
Roads	400,673	300,673
Cemetery	9,500	9,500
Other	5,589	13,360
TOTAL RESERVES AND RESERVE FUNDS	1,152,006	1,006,636
OTHER		
Tangible capital assets	11,488,243	10,584,307
General operating surplus	418,625	448,597
Amounts to be recovered	(1,134,500)	(588,914)
Equity in Lakeland Holding Ltd.	319,198	300,861
Capital fund	-	726,365
TOTAL OTHER	11,091,566	11,471,216
ACCUMULATED SURPLUS	\$ 12,243,572	\$ 12,477,852