

**Corporation of the Township
of Lake of Bays
Consolidated Financial Statements
For the year ended December 31, 2009**

Contents

Auditors' Report	2
Consolidated Financial Statements	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Change in Net Financial Assets (Debt)	5
Consolidated Statement of Cash Flows	6
Summary of Significant Accounting Policies	7 - 9
Notes to the Consolidated Financial Statements	10 - 22



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Auditors' Report

To the Mayor and Councilors of the Corporation of the Township of Lake of Bays

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

The comparative figures were reported on by other auditors.

BDO Canada LP

Chartered Accountants, Licenced Public Accountants

Huntsville, Ontario
August 24, 2010

**Corporation of the Township of Lake of Bays
Consolidated Statement of Financial Position**

December 31	2009	Restated (Note 1) 2008
Financial assets		
Cash and cash equivalents (Note 2)	\$ 724,628	\$ 1,757,561
Taxes receivable	1,277,627	1,279,355
Accounts receivable	1,206,015	626,842
	3,208,270	3,663,758
Liabilities		
Bank indebtedness (Note 4)	1,668,000	280,000
Accounts payable and accrued liabilities	669,182	699,697
Deferred revenue	506,241	1,188,466
Restricted deferred revenue (Note 5)	409,337	847,639
Long-term debt (Note 6)	799,493	617,866
Due to trust funds	17,604	14,561
	4,069,857	3,648,229
Net financial assets (debt)	(861,587)	15,529
Non-financial assets		
Tangible capital assets (Note 8)	18,646,789	16,338,902
Prepaid expenses and inventories of supplies	146,010	104,670
	18,792,799	16,443,572
Accumulated surplus (Note 9)	\$ 17,931,212	\$ 16,459,101

_____ Treasurer

_____ Mayor

**Corporation of the Township of Lake of Bays
Consolidated Statement of Operations**

For the year ended December 31	(Note 13) Budget 2009	Actual 2009	Restated (Note 1) Actual 2008
Revenue			
Taxation (Note 10)	\$ 3,139,752	\$ 3,138,308	\$ 3,034,972
Government grants - Federal	36,162	337,917	14,808
Government grants - Provincial	1,419,978	1,771,691	2,466,436
Government grants - Municipal	292,314	340,180	313,845
User fees and service charges	733,807	456,672	390,521
Permits, licenses and fines	326,600	332,478	422,115
Investment income	7,000	33,682	70,087
Interest and penalty on taxes	-	180,403	179,496
Donations	18,000	149,620	273,526
Other grants	89,810	38,539	109,246
Obligatory reserve fund recognized	597,910	631,740	229,880
	6,661,333	7,411,230	7,504,932
Expenses			
General government	1,088,665	1,158,950	1,004,701
Protection services	735,660	831,357	833,933
Transportation services	1,536,668	2,452,259	2,113,275
Environmental services	-	10,798	11,116
Health services	18,148	21,827	31,469
Recreation and cultural services	998,215	1,167,586	1,066,961
Planning and development	286,574	296,342	303,229
	4,663,930	5,939,119	5,364,684
Annual surplus	1,997,403	1,472,111	2,140,248
Accumulated surplus , beginning of year, as previously stated	16,459,101	16,459,101	390,263
Change in accounting policy (Note 1)	-	-	13,928,590
Accumulated surplus , beginning of year, restated	16,459,101	16,459,101	14,318,853
Accumulated surplus , end of year	\$ 18,456,504	\$ 17,931,212	\$ 16,459,101

**Corporation of the Township of Lake of Bays
Consolidated Statement of Change in Net Financial Assets (Debt)**

For the year ended December 31	(Note 13) Budget 2009	Actual 2009	Restated (Note 1) Actual 2008
Annual surplus	\$ 1,997,403	\$ 1,472,111	\$ 2,140,248
Acquisition of tangible capital assets	-	(3,454,180)	(3,388,426)
Amortization of tangible capital assets	-	1,146,293	978,114
	<u>1,997,403</u>	<u>(835,776)</u>	<u>(270,064)</u>
Acquisition of prepaid expenses and inventory of supplies	-	(41,340)	2,030
	<u>1,997,403</u>	<u>(877,116)</u>	<u>(268,034)</u>
Net change in net financial assets (debt)	1,997,403	(877,116)	(268,034)
Net financial assets, beginning of year	15,529	15,529	283,563
Net financial assets (debt), end of year	\$ 2,012,932	\$ (861,587)	\$ 15,529

**Corporation of the Township of Lake of Bays
Consolidated Statement of Cash Flows**

For the year ended December 31	2009	Restated (Note 1) 2008
Operating transactions		
Annual surplus	\$ 1,472,111	\$ 2,140,248
Items not involving cash		
Amortization	1,146,293	978,114
Changes in non-cash operating balances		
Taxes receivable	1,728	(96,246)
Accounts receivable	(579,173)	(105,329)
Prepaid expenses and inventories of supplies	(41,340)	2,030
Accounts payable and accrued liabilities	(30,515)	76,146
Deferred revenue	(682,225)	-
Restricted deferred revenue	(438,302)	791,092
Due to trust funds	3,043	(28,036)
	<u>851,620</u>	<u>3,758,019</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(3,454,180)</u>	<u>(3,388,426)</u>
Financing transactions		
Increase in bank indebtedness	1,388,000	280,000
Proceeds from issuance of long-term debt	459,915	450,778
Repayment of long-term debt	<u>(278,288)</u>	<u>(175,014)</u>
	<u>1,569,627</u>	<u>555,764</u>
Net change in cash and cash equivalents	(1,032,933)	925,357
Cash and cash equivalents, beginning of year	<u>1,757,561</u>	<u>832,204</u>
Cash and cash equivalents, end of year	<u>\$ 724,628</u>	<u>\$ 1,757,561</u>

Corporation of the Township of Lake of Bays Summary of Significant Accounting Policies

December 31, 2009

Management Responsibility

The consolidated financial statements of the Corporation of the Township of Lake of Bays are the representations of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The municipality provides municipal services such as general government, protection to persons and property, transportation and roadways, recreation and culture and planning and development.

Basis of Consolidation

The financial statement reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Municipality. The following entities have been consolidated:

Libraries (Dwight and Baysville)	100%
Cemeteries (Franklin, Sinclair, Ridout, and McLean)	100%

All inter-entity transactions and balances have been eliminated.

Basis of Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

The consolidated statement of financial position reflects all of the financial assets and liabilities of the municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the municipality, and is the difference between its assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

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.

Corporation of the Township of Lake of Bays Summary of Significant Accounting Policies

December 31, 2009

Tangible Capital Assets

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. 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:

Site improvements	20 years
Structures	10 to 40 years
Roads and sidewalks	10 to 75 years
Machinery and equipment	10 to 15 years
Vehicles	8 years
Books	10 years
Furniture and equipment	10 years
Computer hardware and software	3 to 5 years

Leased Assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Municipality, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the consolidated change in net financial assets for the year.

Inventory of Supplies

Inventory of supplies are recorded at the lower of cost and net realizable value. Inventory of materials is recorded at the lower of average cost and net realizable value.

Restricted Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as restricted deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

Corporation of the Township of Lake of Bays Summary of Significant Accounting Policies

December 31, 2009

Revenue Recognition

The municipality recognizes taxation revenue on an annual basis using total assessment values for the year and annually established tax rates. Property assessment values are provided by the Municipal Property Assessment Corporation (MPAC) and tax rates are established and approved by members of Council. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal are known.

The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the year the interest and penalties are levied. Interim tax payments are due April 15 and final tax payments are due September 1 of each year.

Government transfers are recognized in the year in which the events giving rise to the transfer occurred, providing that the transfer is authorized and the amount can be reasonably estimated.

Government grants are recognized as revenue in the year in which the related expenditures are incurred when collection is reasonably assured.

Fees and user charges, licenses, permits and rents are recognized as revenue when the services are provided and there is reasonable assurance of collection.

District and School Boards

The municipality collects taxation revenue on behalf of the school boards and the District of Muskoka. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the District of Muskoka are not reflected in these financial statements.

Trust Funds

Funds held in trust by the municipality and their related operations are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of financial position and statement of continuity.

Post Retirement Benefits

The municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The municipality records as a pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

1. Change in Accounting Policy

On January 1, 2009, the Municipality 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>	
Increase in non-financial assets	
Increase in tangible capital assets	\$ 16,338,902
Increase in accumulated surplus	<u>\$ 16,338,902</u>
<u>Statement of Operations</u>	
Increase (decrease) in expenses	
General government	\$ (15,345)
Protection services	(92,095)
Transportation services	(1,566,174)
Health services	(10,580)
Recreational and cultural services	(727,618)
Planning and development	1,500
Total decrease in expenses	<u>(2,410,312)</u>
Increase in annual surplus	2,410,312
Increase in opening accumulated surplus	<u>13,928,590</u>
Increase in accumulated surplus	<u>\$ 16,338,902</u>

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

2. Cash

	<u>2009</u>	<u>2008</u>
Unrestricted	\$ 315,291	\$ 909,922
Restricted (Note 5)	409,337	847,639
	<u>\$ 724,628</u>	<u>\$ 1,757,561</u>

Restricted cash relates to obligatory reserves under the Development Charges Act, subdivider contributions and cash received under the Municipal Funding agreement for the transfer of Federal Gas Tax Revenues.

3. Long-Term Receivable

	<u>2009</u>	<u>2008</u>
This amount relates to the proceeds receivable from the District Municipality of Muskoka for the purchase of the landfill site on January 1, 1996, receivable \$20,514 annually, maturing 2015	<u>\$ 123,084</u>	<u>\$ 119,003</u>

4. Bank Indebtedness

Bank indebtedness is secured by a general security agreement. The maximum authorized amount is \$3,000,000, and bears interest at the prime rate plus .5%.

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

5. Restricted Deferred Revenue

	2009	2008
Obligatory reserve funds		
Development Charges Act	\$ 19,147	\$ 68,927
Parkland	390,190	778,712
	\$ 409,337	\$ 847,639

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

	Federal Gas Tax	Development Charges Act	Parkland
Restricted deferred revenue, beginning of year	\$ -	\$ 68,927	\$ 778,712
Restricted funds received during the year	94,230	14,975	77,793
Interest earned	129	245	2,230
Revenue recognized during the year	(94,359)	(65,000)	(468,545)
Restricted deferred revenue, end of year	\$ -	\$ 19,147	\$ 390,190

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

6. Long-Term Liabilities

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

	2009	2008
Loans payable, secured by equipment, repayable \$486 monthly, interest free, maturing in May 2013	\$ 39,856	\$ 49,246
Loan payable, secured by equipment, repayable \$1,550 monthly including interest at 5.53%, maturing Dec 2010	18,049	35,103
Loan payable, secured by equipment, repayable \$466 monthly, interest free, maturing June 2012	13,512	21,110
Loan payable, secured by equipment, repayable \$497 monthly, interest free, maturing December 2014	23,842	-
Loan payable, secured by equipment, repayable \$469 monthly, including interest at 4.95%, maturing Sept 2012	36,297	-
Loan payable, secured by equipment, repayable \$3,595 monthly including interest at 3.69%, maturing Jan 2014	162,199	-
Loan payable, secured by equipment, repayable \$3,571 monthly including interest at 3.69%, maturing Jan 2014	162,453	-
Capital lease obligation (Note 7)	343,285	512,407
	\$ 799,493	\$ 617,866

Gross long-term debt payments for the next five years and thereafter are due as follows:

2010	\$ 260,714
2011	188,564
2012	189,416
2013	153,579
2014	7,220
	\$ 799,493

Interest expense in the amount of \$14,708 (2008 - \$20,245) relating to long-term liabilities has been recognized in the statement of operations.

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

7. Obligations under Capital Lease

	2009	2008
Obligation under capital lease, 5%, blended monthly payments of \$1,572, due May 2010	\$ 8,085	\$ 25,247
Obligation under capital lease, 5.85%, blended monthly payments of \$985, due July 2013	35,780	44,693
Obligation under capital lease, 5%, blended monthly payments of \$7,833, due July 2010	53,332	138,236
Obligation under capital lease, 5.3%, blended monthly payments of \$6,300, due October 2013	246,088	304,231
	\$ 343,285	\$ 512,407

Obligations under capital leases are secured by equipment. Interest paid relating to the above obligations on capital leases was \$22,362 (2008 - \$18,223). The future minimum lease payments for the next five years and thereafter are:

2010	\$ 131,946
2011	74,290
2012	78,252
2013	58,797
	\$ 343,285

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

8. Tangible Capital Assets

						2009
	Land	Facilities	Fleet and Vehicles	Equipment, Roads and Bridges		Total
Cost, beginning of year	\$ 2,644,508	\$ 4,345,894	\$ 5,146,308	\$ 13,765,570		\$ 25,902,280
Additions		2,197,117	690,684	566,379		3,454,180
Disposals		-	(2,500)	(79,500)		(82,000)
Cost, end of year	\$ 2,644,508	\$ 6,543,011	\$ 5,834,492	\$ 14,252,449		\$ 29,274,460
Accumulated amortization, beginning of year	\$ -	\$ 1,850,868	\$ 2,853,584	\$ 4,858,926		\$ 9,563,378
Amortization		145,736	441,188	559,369		1,146,293
Disposals		-	(2,500)	(79,500)		(82,000)
Accumulated amortization, end of year	\$ -	\$ 1,996,604	\$ 3,292,272	\$ 5,338,795		\$ 10,627,671
Net carrying amount, end of year	\$ 2,644,508	\$ 4,546,407	\$ 2,542,220	\$ 8,913,654		\$ 18,646,789

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

8. Tangible Capital Assets (continued)

	2008				
	Land	Facilities	Equipment, Fleet and Vehicles	Roads and Bridges	Total
Cost, beginning of year	\$ 2,638,447	\$ 3,581,283	\$ 4,284,877	\$ 12,138,747	\$ 22,643,354
Additions	6,061	764,611	871,431	1,746,323	3,388,426
Disposals		-	(10,000)	(119,500)	(129,500)
Cost, end of year	\$ 2,644,508	\$ 4,345,894	\$ 5,146,308	\$ 13,765,570	\$ 25,902,280
Accumulated amortization, beginning of year	-	1,746,154	2,479,022	4,489,588	8,714,764
Amortization		104,714	384,562	488,838	978,114
Disposals		-	(10,000)	(119,500)	(129,500)
Accumulated amortization, end of year	-	1,850,868	2,853,584	4,858,926	9,563,378
Net carrying amount, end of year	\$ 2,644,508	\$ 2,495,026	\$ 2,292,724	\$ 8,906,644	\$ 16,338,902

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

9. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2009	Restated (see Note 1) 2008
Investment in tangible capital assets	\$ 18,646,789	\$ 16,338,902
Current Funds	(580,593)	(56,536)
Reserves		
Working Capital	184,814	333,813
OMPF	175,000	-
OLRA	99,671	-
Fire Boat	47,712	48,706
Fire	44,500	14,500
Elections	29,872	20,000
Building Department	22,928	74,478
Official Plan	20,000	20,000
LoB Fish Habitat	18,500	18,500
Library	10,858	21,858
Mayor's Golf	5,308	16,554
Heritage	4,387	-
A Daniels Fish	959	800
Roads	-	155,550
Sand Dome - Dwight	-	69,842
	664,509	794,601
Amounts to be Recovered	(799,493)	(617,866)
	\$ 17,931,212	\$ 16,459,101

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

Reserves represent amounts set aside by bylaw or council resolution for specific purposes.

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

10. Operations of School Boards and the District of Muskoka

During the year, the following taxation revenue was levied and remitted to the school boards and the District of Muskoka:

	<u>2009</u>	<u>2008</u>
Taxation	\$ 16,288,588	\$ 15,605,093
Taxation from other governments	-	-
Less: school board requisitions	(5,626,635)	(5,434,498)
Less: upper tier requisitions	(7,523,645)	(7,135,623)
	<u>\$ 3,138,308</u>	<u>\$ 3,034,972</u>

11. Post Retirement Benefits

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of full-time members of staff. This 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 Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 390,000 active and retired members and approximately 921 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2009. The results of this valuation disclosed total actuarial liabilities of \$54,253 million in respect of benefits accrued for service with actuarial assets at that date of \$52,734 million indicating an actuarial deficit of \$1,519 million. 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, the municipality does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the municipality to OMERS for 2009 was \$106,756 (2008 - \$101,799) for current service.

Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

12. Trust Funds

The trust funds administered by the municipality amounting to \$247,398 (2008 - \$242,821) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2009, the trust fund balances are as follows:

	2009	2008
Cemetery Care and Maintenance	\$ 140,096	\$ 133,716
Planning costs recoverable	107,302	109,105
	\$ 247,398	\$ 242,821

13. Budget

The Financial Plan (Budget) By-Law adopted by Council on April 14, 2009 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 surpluses accumulated in previous years to reduce 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 (debt) represent the Financial Plan adopted by Council on April 14, 2009 with adjustments as follows:

	2009
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	1,999,712
Transfers to reserves	224,920
Less:	
Budgeted transfers from accumulated surplus	(50,500)
Transfers from reserves	(176,729)
Budget surplus per statement of operations	\$ 1,997,403

14. Commitments

The Corporation of the Township of Lake of Bays has entered into a contract for the purchase of construction services related to an ongoing project. The aggregate cost of this contract for 2010 is \$218,870.

15. Changes in Presentation of Comparative Financial Statements

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

Corporation of the Township of Lake of Bays

Notes to Consolidated Financial Statements

December 31, 2009

16. Segmented Information

The Corporation of the Township of Lake of Bays is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, fire and community services. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

General government accounts for the revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to any specific segment.

Protection Services

Protection is comprised of fire protection, by-law enforcement services and emergency planning. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Transportation and Environmental Services

Transportation is responsible for the seasonal maintenance of roads, winter control, storm sewer maintenance, streetlighting and the municipal transit system.

Health Services

Included in health services is the maintenance and upkeep of the municipally controlled cemeteries.

Social and Family Services

This service area provides services meant to improve the health and development of the Municipality's citizens.

Recreation and Cultural Services

Recreational programs and cultural programs like swimming and skating lessons are provided at arenas, aquatic centres and community centres. Also, the Municipality provides library services to assist with its citizens' informational needs.

Planning and Development

This department provides a number of services including town and economic planning, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis of budgeted amounts.

Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation	allocated to those segments that are funded by these amounts based on the net surplus for the year.
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Corporation of the Township of Lake of Bays
Notes to Consolidated Financial Statements

December 31, 2009

16. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2009 Total
Revenue								
Taxation	\$ 183,107	\$ 654,308	\$ 1,445,262	\$ -	\$ 10,048	\$ 624,509	\$ 221,074	\$ 3,138,308
Government grants - Federal	36,002	-	236,666	-	-	65,249	-	337,917
Government grants - Provincial	743,200	25,193	236,666	4,000	-	762,632	-	1,771,691
User fees and service charges	87,967	28,185	20,342	-	8,250	154,510	157,418	456,672
Permits, licenses and rents	33,117	251,480	-	-	-	47,881	-	332,478
Obligatory Reserve Fund Revenue	1,170	16,900	123,348	-	-	490,322	-	631,740
Interest and penalties on taxes	180,403	-	-	-	-	-	-	180,403
Donations	-	37,493	-	-	200	111,927	-	149,620
Government grants - Municipal	-	8,314	331,866	-	-	-	-	340,180
Other	28,761	-	-	-	410	43,050	-	72,221
	<u>1,293,727</u>	<u>1,021,873</u>	<u>2,394,150</u>	<u>4,000</u>	<u>18,908</u>	<u>2,300,080</u>	<u>378,492</u>	<u>7,411,230</u>
Expenses								
Salaries and wages	733,908	337,638	754,238	4,912	14,486	457,492	149,105	2,451,778
Supplies and services	388,104	363,325	907,752	5,886	6,567	490,870	143,225	2,305,729
Interest	-	8,145	27,173	-	-	-	-	35,318
Amortization	36,938	122,250	763,096	-	774	219,224	4,012	1,146,294
	<u>1,158,950</u>	<u>831,358</u>	<u>2,452,259</u>	<u>10,798</u>	<u>21,827</u>	<u>1,167,586</u>	<u>296,342</u>	<u>5,939,119</u>
Net surplus (deficit)	\$ 134,777	\$ 190,515	\$ (58,109)	\$ (6,798)	\$ (2,919)	\$ 1,132,494	\$ 82,150	\$ 1,472,111

