

Township of Madawaska Valley

Financial Report

For the year ended 31 December 2009

MACKILLICAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Madawaska Valley.

We have audited the consolidated statement of financial position of the Corporation of the Township of Madawaska Valley as at 31 December 2009, and the consolidated statements of financial activities, changes in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Township'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 Madawaska Valley as at 31 December 2009, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



RENFREW, Ontario.
17 February 2010.

Chartered Accountants,
Licensed Public Accountants.

Township of Madawaska Valley

Consolidated Statement of Financial Position

As at 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Financial assets:		
Cash	\$ 8,008,551	\$ 8,607,504
Taxes receivable	740,031	701,517
Accounts receivable	736,982	445,984
Other assets	545	363
Loan receivable (Note 4)	<u>126,691</u>	<u>165,814</u>
Total financial assets	\$ <u>9,612,800</u>	\$ <u>9,921,182</u>
Financial liabilities:		
Accounts payable and accrued liabilities	\$ 749,672	\$ 276,705
Deferred revenue - obligatory reserve funds (Note 6 (a) and 6 (b))	19,273	7,855
- other (Note 6 (c))	4,717,449	6,005,513
Net long term liabilities (Note 13)	1,859,452	1,923,314
Landfill closure and post closure costs (Note 7)	2,230,500	2,230,500
Employee future benefits	<u>98,015</u>	<u>117,375</u>
Net financial assets	\$ <u>9,674,361</u>	\$ <u>10,561,262</u>
	\$ <u>(61,561)</u>	\$ <u>(640,080)</u>
Non-financial assets:		
Tangible capital assets (net) (Note 10)	\$ 22,188,208	\$ 22,207,507
Construction in progress	1,131,279	
Inventory of supplies	45,552	34,528
Prepaid expenses	<u>59,545</u>	<u>56,766</u>
	\$ <u>23,424,584</u>	\$ <u>22,298,801</u>
Accumulated surplus	<u>23,363,023</u>	<u>21,658,721</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets	\$ 21,235,584	\$ 20,137,532
Reserves	3,979,905	3,903,174
General	289,402	(119,948)
Library board	4,768	4,484
Waterworks fund	5,312	(12,220)
Wastewater fund	176,567	93,574
Unfunded - employee benefit costs (Note 2)	(98,015)	(117,375)
Unfunded - landfill closure and post closure costs (Note 2)	<u>(2,230,500)</u>	<u>(2,230,500)</u>
Total accumulated surplus	\$ <u>23,363,023</u>	\$ <u>21,658,721</u>

(See accompanying notes)

Township of Madawaska Valley
Consolidated Statement of Financial Activities

For the year ended 31 December 2009
(with 2009 budget and 2008 actual figures for comparison)

	<u>2009</u>	<u>2009</u>	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
Taxation and user charges	\$ 4,027,727	\$ 4,020,999	\$ 3,683,081
Government transfers:			
Ontario	3,341,540	3,301,963	1,482,377
Canada	143,663	152,352	23,190
Other municipalities	72,992	106,665	65,695
Other	<u>807,584</u>	<u>831,353</u>	<u>979,117</u>
	<u>\$ 8,393,506</u>	<u>\$ 8,413,332</u>	<u>\$ 6,233,460</u>
Expenditures:			
General government	\$ 864,452	\$ 786,141	\$ 724,126
Protection to persons and property	732,997	694,139	647,198
Transportation services	2,385,785	2,428,337	2,121,563
Environmental services	1,678,590	1,591,916	1,583,098
Health services	71,855	59,177	63,991
Social services	14,280	14,280	14,280
Recreation and cultural services	967,257	1,089,184	986,499
Planning and development	<u>91,750</u>	<u>45,856</u>	<u>53,458</u>
	<u>\$ 6,806,966</u>	<u>\$ 6,709,030</u>	<u>\$ 6,194,213</u>
Net surplus for the year	\$ 1,586,540	\$ 1,704,302	\$ 39,247
Accumulated surplus at the beginning of the year	<u>21,658,721</u>	<u>21,658,721</u>	<u>21,619,474</u>
Accumulated surplus at the end of the year	<u>\$ 23,245,261</u>	<u>\$ 23,363,023</u>	<u>\$ 21,658,721</u>

(See accompanying notes)

Township of Madawaska Valley
Consolidated Statement of Changes in Net Financial Assets
For the year ended 31 December 2009
 (with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Net surplus for the year	\$ 1,704,302	\$ 39,247
Amortization of tangible capital assets	999,820	914,101
Acquisition of tangible capital assets and construction in progress	(2,111,799)	(1,016,528)
Use of (acquisition of) prepaid expenses	(2,779)	(56,766)
Use of (acquisition of) inventory	(11,025)	(34,528)
Increase (decrease) in net financial assets	\$ 578,519	\$ (154,474)
Net financial assets, beginning of year	<u>(640,080)</u>	<u>(485,606)</u>
Net financial assets, end of year	<u>\$ (61,561)</u>	<u>\$ (640,080)</u>

(See accompanying notes)

Township of Madayaska Valley
Consolidated Statement of Cash Flows

For the year ended 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net surplus for the year	\$ 1,704,302	\$ 39,247
Add amortization which does not involve cash	<u>999,820</u>	<u>914,101</u>
	\$ <u>2,704,122</u>	\$ <u>953,348</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (38,514)	\$ 14,650
- decrease (increase) in other assets	(182)	56,796
- decrease (increase) in accounts receivable	(290,998)	253,224
- decrease (increase) in prepaid expenses	(2,779)	(56,766)
- decrease (increase) in inventory	(11,024)	(34,528)
- increase (decrease) in accounts payable and accrued liabilities	472,967	(188,825)
- increase (decrease) in landfill closure and post closure costs		65,000
- increase (decrease) in employee future benefits	<u>(19,360)</u>	<u>26,802</u>
	\$ <u>110,110</u>	\$ <u>136,353</u>
Cash flows from operating activities	\$ <u>2,814,232</u>	\$ <u>1,089,701</u>
Cash flows from financing activities:		
Increase (decrease) in long term debt	\$ (63,862)	\$ (37,967)
Decrease (increase) in loan receivable	39,123	37,967
Increase (decrease) in deferred revenue	<u>(1,276,647)</u>	<u>5,981,772</u>
Cash flows from (used for) financing activities	\$ <u>(1,301,386)</u>	\$ <u>5,981,772</u>
Cash flows used for investing activities:		
Additions to tangible capital assets:		
General government	\$	\$ (6,308)
Protection to persons and property	(15,000)	(108,320)
Transportation services	(594,073)	(752,765)
Environmental services	(332,655)	(64,405)
Recreation and cultural services	(38,792)	(75,995)
Planning and development		(8,735)
Construction in progress	<u>(1,131,279)</u>	<u> </u>
Cash flows used for investing activities	\$ <u>(2,111,799)</u>	\$ <u>(1,016,528)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ (598,953)	\$ 6,054,945
Cash and cash equivalents at the beginning of the year	<u>8,607,504</u>	<u>2,552,559</u>
Cash and cash equivalents at the end of the year	\$ <u>8,008,551</u>	\$ <u>8,607,504</u>
Comprised of:		
Cash	<u>8,008,551</u>	<u>8,607,504</u>

(See accompanying notes)

Township of Madawaska Valley

Notes to the Financial Statements

For the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Madawaska Valley are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

Effective 1 January 2009, the Township changed its accounting and financial reporting to conform to the revised guidelines in the Public Sector Accounting Handbook on financial reporting presentation (Section PS 1200) and tangible capital asset accounting (PS 3150). Current year data is presented on the new basis. Prior year data has been restated on the same basis wherever possible, to be comparable with the current year data. The most significant change is the reporting on tangible capital assets for the first time, and the inclusion of the Consolidated Statement of Changes in Net Financial Assets.

(a) Reporting Entity

(i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township. Interdepartmental and interorganizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Township of Madawaska Valley Library Board
- Township of Madawaska Valley Waterworks System
- Township of Madawaska Valley Wastewater System

(ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

(iii) Trust funds and their related operations administered by the Township are not included in these financial statements but are reported separately.

(b) Accrual Basis of Accounting

Expenditures and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenditures are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

Township of Madawaska Valley

Notes to the Financial Statements

For the year ended 31 December 2009

(c) 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 revenues over expenses, provides the change in net financial assets for the year.

(d) Tangible Capital Assets

(i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in service date using the Consumer Price Index (CPI). Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	15 - 50 years
Linear assets	15 - 60 years
Machinery and equipment	5 - 20 years
Vehicles	10 - 15 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(iv) Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

(e) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

Township of Madawaska Valley

Notes to the Financial Statements

For the year ended 31 December 2009

(f) Government Transfers

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

(g) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(h) Deferred Revenue - Obligatory Reserve Funds

The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(i) Financial Instruments

Financial instruments include cash, taxes receivable, accounts receivable, other assets, loan receivable, accounts payable and accrued liabilities, deferred revenue and long term debt. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash, taxes receivable, accounts receivable, accounts payable and accrued liabilities and deferred revenue approximate fair values due to the immediate and short term maturities of these financial instruments.

The fair value of long term debt, including the current portion, is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

(j) 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

2. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to finance unfunded liabilities, comprised of the landfill closure and post closure liabilities and employee future benefit costs.

3. TRUST FUNDS

Trust funds administered by the Township, totaling \$ 4,668 (2008 - \$ 4,668) are presented in a separate financial statement of trust fund financial position and financial activities. As such, balances held in trust by the Township for the benefit of others have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities.

Township of Madawaska Valley

Notes to the Financial Statements

For the year ended 31 December 2009

4. LOAN RECEIVABLE

Due from Township of Madawaska Waterworks and Wastewater Systems - \$ 126,691 (2008 - \$ 165,814):
The loan has an interest rate of three percent per annum, monthly payments of \$ 3,630 including interest
and is receivable over the next three years.

5. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew requiring the Township to collect
property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted
are as follows:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 1,478,092	\$ 2,053,903
Payments in lieu	<u>841</u>	<u>32,300</u>
	\$ <u>1,478,933</u>	\$ <u>2,086,203</u>

6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting principles of the Canadian Institute of Chartered
Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place
because federal, provincial and municipal legislation restricts how these funds may be used. The balances
in the obligatory reserve funds of the Township are summarized below:

(a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of
Financial Position" at the end of the year is comprised of the following externally restricted reserve
funds:

	<u>2009</u>	<u>2008</u>
Development charges	\$ <u>19,273</u>	\$ <u>7,855</u>

(b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

	<u>2009</u>	<u>2008</u>
Balance at the beginning of the year	\$ 7,855	\$ 31,596
Gas tax revenue received	143,165	71,582
Development charges	11,400	7,836
Interest earned	<u>18</u>	<u>616</u>
Used to purchase tangible capital assets	\$ 162,438	\$ 111,630
	<u>(143,165)</u>	<u>(103,775)</u>
Balance at the end of the year	\$ <u>19,273</u>	\$ <u>7,855</u>

(c) Other Deferred Revenue:

Other deferred revenue consists of advances from the Province of Ontario to complete infrastructure
projects within the Municipality.

Township of Madawaska Valley

Notes to the Financial Statements

For the year ended 31 December 2009

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a ten year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

8. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Township of Madawaska Valley Waterworks System is currently involved in a liability claim relating to the water plant upgrade with the outcome currently not determinable.

9. BUDGET FIGURES

The operating budget approved by the Township of Madawaska Valley for 2009 is reflected on the Consolidated Statement of Financial Activities. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements.

10. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by business segment, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. There were no such transfers in 2009.

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2009 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

Township of Madawaska Valley

Notes to the Financial Statements

For the year ended 31 December 2009

11. COMPARATIVE FIGURES

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

12. EXPENDITURES BY OBJECT

The Consolidated Statement of Financial Activities presents the consolidated expenditures by function. The following listing classifies the expenditures by object:

	<u>2009</u>	<u>2008</u>
Salaries, wages and employee benefits	\$ 1,848,651	\$ 1,658,510
Interest on long term debt	34,698	43,964
Operating materials and supplies	2,934,736	2,561,593
Contracted services	876,595	1,001,765
External transfers	14,530	14,280
Amortization	<u>999,820</u>	<u>914,101</u>
Total expenditure by object	\$ <u>6,709,030</u>	\$ <u>6,194,213</u>

13. NET LONG TERM LIABILITIES

(a) The balance of net long term liabilities of \$ 1,859,452 (2008 - \$ 1,923,314) reported on the "Consolidated Statement of Financial Position" is made up of long term liabilities incurred by the Municipality and includes those incurred on behalf of municipal enterprises.

(b) Principal payments required on the long term liabilities are as follows:

2010	\$ 90,808
2011	93,422
2012	96,113
2013	56,815
2014	56,281
2015 to 2019	305,479
2020 onward	1,160,534

14. CHARGES FOR NET LONG TERM LIABILITIES

(a) Total charges for the year for net long term liabilities are as follows:

	<u>2009</u>	<u>2008</u>
Principal	\$ 63,862	\$ 37,967
Interest	<u>34,698</u>	<u>43,964</u>
	\$ <u>98,560</u>	\$ <u>81,931</u>

These payments are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing under Ontario Regulation 403/02.

(b) The interest charges shown in (a) above are reported on the Consolidated Statement of Financial Activities under the appropriate functional expenditure heading.

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Madawaska Valley
Schedule of General Financial Activities

For the year ended 31 December 2009
(with 2009 budget and 2008 actual figures for comparison)

	<u>2009</u>	<u>2009</u>	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue:			
Net municipal taxation	\$ 3,080,153	\$ 3,084,519	\$ 2,875,148
Government transfers:			
Ontario	1,909,818	2,111,233	1,414,245
Canada	70,700	147,292	21,810
Other municipalities	<u>802,274</u>	<u>814,231</u>	<u>63,403</u>
Other	<u>\$ 5,862,945</u>	<u>\$ 6,261,648</u>	<u>\$ 5,207,362</u>
Expenditure:			
General government	\$ 864,452	\$ 786,141	\$ 697,324
Protection to persons and property	739,597	694,139	647,198
Transportation services	2,385,785	2,447,697	2,121,563
Environmental services	679,010	665,669	653,185
Health services	71,855	59,177	63,991
Social services	14,280	14,280	14,280
Recreation and cultural services	817,898	937,843	838,067
Planning and development	<u>91,750</u>	<u>45,856</u>	<u>53,458</u>
Net revenue for the year	<u>\$ 5,664,627</u>	<u>\$ 5,650,802</u>	<u>\$ 5,089,066</u>
	<u>\$ 198,318</u>	<u>\$ 610,846</u>	<u>\$ 118,296</u>
Transfers:			
Transfer to Library	\$ (106,748)	\$ (106,748)	\$ (104,925)
Transfer from (to) reserves	324,770	(68,481)	(692,241)
Transfer from (to) equity in tangible capital assets	<u>(261,009)</u>	<u>(26,267)</u>	<u>257,357</u>
Net transfers	<u>\$ (42,987)</u>	<u>\$ (201,496)</u>	<u>\$ (539,809)</u>
Change in general surplus	\$ 155,331	\$ 409,350	\$ (421,513)
General surplus (deficit) at the beginning of the year	<u>(119,948)</u>	<u>(119,948)</u>	<u>301,565</u>
General surplus (deficit) at the end of the year	<u>\$ 35,383</u>	<u>\$ 289,402</u>	<u>\$ (119,948)</u>

(See accompanying notes)

Township of Madawaska Valley
Schedule of Reserves and Reserve Funds

For the year ended 31 December 2009
 (with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Contributions:		
From operations	\$ 111,985	\$ 826,891
Transfers:		
To tangible capital asset acquisitions	(35,254)	(215,500)
Reserves and reserve funds at the beginning of the year	<u>3,903,174</u>	<u>3,291,783</u>
Reserves and reserve funds at the end of the year	<u>\$ 3,979,905</u>	<u>\$ 3,903,174</u>
Reserves:		
Working funds	\$ 869,119	\$ 869,119
Fire	173,171	164,000
Roadways, sidewalks and streetlighting	299,426	387,155
Replacement of equipment	43,000	62,150
Recreation and culture	321,917	298,675
Building	30,000	30,000
Sick leave	42,000	42,000
Emergency plan	21,500	37,628
Wastewater system	315,177	315,177
Water system	103,488	96,388
Economic development	210,208	111,067
Waste management	<u>1,550,892</u>	<u>1,489,815</u>
Total reserves	<u>\$ 3,979,905</u>	<u>\$ 3,903,174</u>

(See accompanying notes)

Township of Madawaska Valley
Schedule of Tangible Capital Assets

As at 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>			<u>2008</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Value</u>
Segmented by asset class:					
Land	\$ 603,696		\$ 603,696	\$	589,158
Buildings	8,271,934	\$ 2,634,623	5,637,311	5,779,866	5,779,866
Linear assets	21,999,043	8,429,563	13,569,480	13,678,688	13,678,688
Machinery and equipment	660,035	271,685	388,350	410,388	410,388
Vehicles	3,589,408	1,600,037	1,989,371	1,749,407	1,749,407
Capital work in progress	<u>1,131,279</u>		<u>1,131,279</u>		
Total assets	<u>\$ 36,255,395</u>	<u>\$ 12,935,908</u>	<u>\$ 23,319,487</u>	<u>\$</u>	<u>\$ 22,207,507</u>
Functional classification:					
General government (administration)	\$ 419,177	\$ 128,746	\$ 290,431	\$	309,553
Protection services (POA/Emergency)	1,119,917	667,890	452,027	468,377	468,377
Transportation services (Roads)	21,432,004	7,740,763	13,691,241	13,758,651	13,758,651
Environmental services	9,931,429	2,607,805	7,323,624	6,041,370	6,041,370
Recreation and cultural services	<u>3,352,868</u>	<u>1,790,704</u>	<u>1,562,164</u>	<u>1,629,556</u>	<u>1,629,556</u>
Total assets	<u>\$ 36,255,395</u>	<u>\$ 12,935,908</u>	<u>\$ 23,319,487</u>	<u>\$</u>	<u>\$ 22,207,507</u>

(See accompanying notes)

Township of Madawaska Valley
Schedule of Waterworks Financial Activities

For the year ended 31 December 2009
(with 2009 budget and 2008 actual figures for comparison)

	2009	2009	2008
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
User charges	\$ 507,874	\$ 444,156	\$ 356,343
Late payment charges	1,500	1,282	1,577
Debt retirement	23,000	23,174	23,066
Other revenue	3,100	4,283	3,922
Ontario grant	<u>37,897</u>	<u>37,897</u>	<u> </u>
	\$ <u>573,371</u>	\$ <u>510,792</u>	\$ <u>384,908</u>
Expenditures:			
Amortization	\$ 111,703	\$ 111,703	\$ 111,703
Long term debt interest	38,000	31,348	38,369
Operating charges - Ontario Clean Water Agency	217,000	220,867	216,113
Materials and supplies	128,681	137,401	102,927
Wages and benefits	<u>19,470</u>	<u>20,616</u>	<u>19,275</u>
	\$ <u>514,854</u>	\$ <u>521,935</u>	\$ <u>488,387</u>
Net revenue (expenditure) for the year	\$ <u>58,517</u>	\$ <u>(11,143)</u>	\$ <u>(103,472)</u>
Financing and transfers:			
Transfer from equity in tangible capital assets	\$ 13,703	\$ 35,775	\$ 85,771
Transfer to reserves	<u>(60,000)</u>	<u>(7,100)</u>	<u> </u>
	\$ <u>(46,297)</u>	\$ <u>28,675</u>	\$ <u>85,771</u>
Change in surplus (deficit) during the year	\$ 12,220	\$ 17,532	\$ (17,708)
Surplus (deficit) at the beginning of the year	<u>(12,220)</u>	<u>(12,220)</u>	<u>5,488</u>
Surplus (deficit) at the end of the year	\$ <u> </u>	\$ <u>5,312</u>	\$ <u>(12,220)</u>

(See accompanying notes)

Township of Madawaska Valley
Schedule of Wastewater Financial Activities

For the year ended 31 December 2009
(with 2009 budget and 2008 actual figures for comparison)

	2009 <u>Budget</u>	2009 <u>Actual</u>	2008 <u>Actual</u>
Revenues:			
User charges	\$ 394,650	\$ 405,816	\$ 412,132
Late payment charges	1,500	2,592	1,500
Debt retirement	7,600	7,684	7,633
Other revenue	5,050	47,493	1,780
Ontario grant	<u>1,970,786</u>	<u>1,131,279</u>	<u>19,500</u>
	\$ <u>2,379,586</u>	\$ <u>1,594,864</u>	\$ <u>442,545</u>
Expenditures:			
Amortization	\$ 38,126	\$ 38,126	\$ 37,736
Long term debt interest	3,300	3,350	5,595
Operating charges - Ontario Clean Water Agency	214,000	216,444	211,786
Material and supplies	139,000	125,929	101,636
Wages and benefits	<u>19,500</u>	<u>20,463</u>	<u>19,774</u>
	\$ <u>413,926</u>	\$ <u>404,312</u>	\$ <u>376,527</u>
Net revenue for the year	\$ <u>1,965,660</u>	\$ <u>1,190,552</u>	\$ <u>66,018</u>
Financing and transfers:			
Transfer from (to) equity in tangible capital assets	\$ (1,965,660)	\$ (1,107,559)	\$ 6,201
Transfer to reserves	<u> </u>	<u> </u>	<u>(134,000)</u>
	\$ <u>(1,965,660)</u>	\$ <u>(1,107,559)</u>	\$ <u>(127,799)</u>
Change in surplus (deficit) during the year	\$ -	\$ 82,993	\$ (61,781)
Surplus at the beginning of the year	<u>93,574</u>	<u>93,574</u>	<u>155,355</u>
Surplus at the end of the year	\$ <u>93,574</u>	\$ <u>176,567</u>	\$ <u>93,574</u>

(See accompanying notes)