

**The Corporation of the
Township of Lake of the
Woods
Financial Statements
For the year ended
December 31, 2009**

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Lake of the Woods
Financial Statements
For the year ended December 31, 2009**

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Auditors' Report

**To the Mayor and Councilors of
The Corporation of the Township of Lake of the Woods**

We have audited the statement of financial position of the Corporation of the Township of Lake of the Woods as at December 31, 2009, and the statements of operations, change in net financial assets 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 financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Lake of the Woods as at December 31, 2009, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO CANADA LLP

Chartered Accountants, Licenced Public Accountants

Fort Frances, Ontario
January 22, 2010

The Corporation of the Township of Lake of the Woods Statement of Financial Position

December 31	2009	2008
		Restated (see Note 1)
Financial assets		
Taxes receivable	\$ 61,302	\$ 69,935
Accounts receivable	195,789	28,165
Portfolio investments (Note 2)	753,179	865,455
	1,010,270	963,555
Liabilities		
Bank indebtedness	13,993	6,938
Accounts payable and accrued liabilities	17,130	40,753
Deferred revenue (Note 3)	174,664	267,756
Solid waste closure and post-closure liabilities (Note 4)	36,173	30,133
	241,960	345,580
Net financial assets	768,310	617,975
Non-financial assets		
Tangible capital assets (Note 5)	2,341,066	2,335,110
Tangible capital assets under construction	417,427	120,484
	2,758,493	2,455,594
Accumulated surplus (Note 6)	\$ 3,526,803	\$ 3,073,569

Contingent liabilities (Note 9)

_____ Treasurer

_____ Mayor

The Corporation of the Township of Lake of the Woods Statement of Operations

For the year ended December 31	Budget 2009	2009	2008
	(Note 12)		Restated (see Note 1)
Revenue			
Taxation	\$ 455,320	\$ 461,526	\$ 458,393
Government grants - Federal	36,813	95,628	10,527
Government grants - Provincial	860,937	811,784	691,851
User fees and service charges	8,300	7,625	8,475
Permits, licenses and fines	16,293	34,168	57,887
Investment income	15,826	12,084	37,036
Municipal grants	12,656	31,244	13,883
Other income (Note 7)	20,504	27,378	-
	<u>1,426,649</u>	<u>1,481,437</u>	<u>1,278,052</u>
Expenses			
General government	125,363	115,660	111,759
Protection services	133,255	123,768	114,230
Transportation services	314,403	281,036	273,648
Environmental services	68,267	71,093	73,028
Health services	149,404	146,424	131,166
Social and family services	143,774	143,774	153,086
Social housing	65,246	65,246	60,004
Recreation and cultural services	77,461	73,653	77,043
Planning and development	8,334	7,549	6,349
	<u>1,085,507</u>	<u>1,028,203</u>	<u>1,000,313</u>
Annual surplus	<u>341,142</u>	<u>453,234</u>	<u>277,739</u>
Accumulated surplus, beginning of year, as previously stated	3,073,569	3,073,569	464,013
Change in accounting policy (Note 1)	-	-	2,331,817
Accumulated surplus, beginning of year, restated	<u>3,073,569</u>	<u>3,073,569</u>	<u>2,795,830</u>
Accumulated surplus, end of year	<u>\$ 3,414,711</u>	<u>\$ 3,526,803</u>	<u>\$ 3,073,569</u>

**The Corporation of the Township of Lake of the Woods
Statement of Change in Net Financial Assets**

<u>For the year ended December 31</u>	<u>Budget 2009</u>	<u>2009</u>	<u>2008</u>
	(Note 12)		Restated (see Note 1)
Annual surplus	\$ 341,142	\$ 453,234	\$ 277,739
Acquisition of tangible capital assets	(467,560)	(130,017)	(125,631)
Amortization of tangible capital assets	123,911	123,911	122,338
Gain on disposal of tangible capital assets	-	(1,000)	-
Proceeds on sale of tangible capital assets	-	1,150	-
Acquisition of assets under construction	-	(296,943)	(120,484)
	<u>(2,507)</u>	<u>150,335</u>	<u>153,962</u>
Net change in net financial assets	(2,507)	150,335	153,962
Net financial assets, beginning of year	617,975	617,975	464,013
Net financial assets, end of year	\$ 615,468	\$ 768,310	\$ 617,975

The Corporation of the Township of Lake of the Woods Statement of Cash Flows

<u>For the year ended December 31</u>	<u>2009</u>	<u>2008</u>
		Restated (see Note 1)
Operating transactions		
Annual surplus	\$ 453,234	\$ 277,739
Items not involving cash		
Amortization	123,911	122,338
Gain on disposal of tangible capital assets	(1,000)	-
Changes in non-cash operating balances		
Taxes receivable	8,633	(6,418)
Accounts receivable	(167,624)	58,965
Accounts payable and accrued liabilities	(23,623)	19,720
Deferred revenue	(93,092)	267,756
Solid waste closure and post-closure liabilities	6,040	5,344
	<u>306,479</u>	<u>745,444</u>
Capital transactions		
Acquisition of tangible capital assets	(426,960)	(246,115)
Proceeds on sale of tangible capital assets	1,150	-
	<u>(425,810)</u>	<u>(246,115)</u>
Investing transactions		
Acquisition of portfolio investments	<u>112,276</u>	<u>(477,321)</u>
Net change in cash and cash equivalents (bank indebtedness)	(7,055)	22,008
Cash and cash equivalents (bank indebtedness), beginning of year	<u>(6,938)</u>	<u>(28,946)</u>
Cash and cash equivalents (bank indebtedness), end of year	\$ (13,993)	\$ (6,938)

The Corporation of the Township of Lake of the Woods

Summary of Significant Accounting Policies

December 31, 2009

**Management
Responsibility**

The financial statements of the Corporation of the Township of Lake of the Woods are the representations of management. They have been prepared in accordance with Canadian accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Basis of Consolidation

The statements reflect the assets, liabilities, revenues and expenditures of all municipal organizations, committees, and boards which are owned or controlled by Council.

A government partnership exists where the Municipality has shared control over the board or entity. The Municipality's pro-rata share of the assets, liabilities, revenues and expenditures are reflected in the financial statements using the proportionate consolidation method. No proportionate interest or government partnerships are reflected in the financial statements.

The following boards are not consolidated:

Northwestern Health Unit
Rainy River District Social Services Administration Board

Government business enterprises and partnerships are separate legal entities which do not rely on the Municipality for funding. Investments in government business enterprises are accounted for using the modified equity method. No government business enterprises are reflected in the financial statements.

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 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. 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. Accumulated surplus 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.

The Corporation of the Township of Lake of the Woods Summary of Significant Accounting Policies

December 31, 2009

**Cash and Cash
Equivalents**

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

**Long-term
Investments**

Long-term investments are recorded at the lower of cost and market value.

**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:

Buildings	20 to 50 years
Roads	10 to 80 years
Machinery and equipment	10 to 20 years
Vehicles	10 to 20 years
Furniture and equipment	10 years
Computer hardware and software	5 to 10 years

**Revenue
Recognition**

The Municipality prepares property tax billings based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC), in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be easily estimated. Government grants are recognized when approved to the extent the related expenditures have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

The Corporation of the Township of Lake of the Woods Summary of Significant Accounting Policies

December 31, 2009

Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements 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 amount can be made.
School Boards	The Municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards 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 continuity and balance sheet.
Solid Waste Landfills	The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.
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.

The Corporation of the Township of Lake of the Woods Notes to 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	\$ 2,331,817
Increase in accumulated surplus	\$ 2,331,817
<u>Statement of Operations</u>	
Increase (decrease) in revenue	
Grants - Federally	\$ (196)
Total decrease in revenue	(196)
Increase (decrease) in expenses	
General government	530
Protection services	12,266
Transportation services	(21,742)
Environmental services	5,344
Recreational and cultural services	(105,126)
Planning and development	(9,705)
Total decrease in expenses	(118,433)
Increase in annual surplus	\$ 118,237

**The Corporation of the Township of Lake of the Woods
Notes to Financial Statements**

December 31, 2009

2. Portfolio Investments

	2009	2008
		Restated (see Note 1)
Bonds	\$ 122,651	\$ 120,866
Money market	630,528	744,589
	\$ 753,179	\$ 865,455

The income from portfolio investments for the year was \$9,133 (2008 - \$25,263). The market value of the Municipality's marketable securities was \$756,509 (2008 - \$866,565).

3. Deferred Revenue

	Opening balance restated (See Note 1)	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Federal gas tax	\$ 196	\$ 21,445	\$ 51	\$ -	\$ 21,692
Infrastructure programs	267,560	-	-	(114,588)	152,972
	\$ 267,756	\$ 21,445	\$ 51	\$ (114,588)	\$ 174,664

Federal Gas Tax

The Federal Government advances the Municipality funding related to gasoline tax. This funding must be spent on approved infrastructure projects. The funding can be deferred for a maximum of 3 years.

Infrastructure Programs

These programs relate to various capital grants that are required to be spent on infrastructure. Until the funding has been spent on infrastructure it has not been earned and therefore, has been deferred.

The Corporation of the Township of Lake of the Woods

Notes to Financial Statements

December 31, 2009

4. Solid Waste Closure and Post-Closure Liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Municipality's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$36,173 (2008 - \$30,133) and reflects a discount rate of 8.0% (2008 - 8.0%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The Morson landfill is expected to reach its capacity in 18 years and the estimated remaining capacity is 17,138 cubic metres which is 48% (2008 - 47%) of the site's total capacity. The total undiscounted estimated future expenditures for closure and post-closure care are \$290,000 (2008 - \$290,000) leaving an amount to be recognized of \$255,294 (2008 - \$261,076). The estimated length of time needed for post-closure care is 25 years.

The Bergland landfill is expected to reach its capacity in 54 years and the estimated remaining capacity is 12,717 cubic metres which is 64% (2008 - 68%) of the site's total capacity. The total undiscounted estimated future expenditures for closure and post-closure care are \$280,000 (2008 - \$280,000) leaving an amount to be recognized of \$278,533 (2008 - \$278,791). The estimated length of time needed for post-closure care is 25 years.

**The Corporation of the Township of Lake of the Woods
Notes to Financial Statements**

December 31, 2009

5. Tangible Capital Assets

	Roads and						2009	
	Land	Buildings	Equipment	bridges	Culverts	Vehicles	Other	Total
Cost, beginning of year	\$ 295,089	\$ 1,089,185	\$ 287,259	\$ 1,235,915	\$ 416,366	\$ 211,674	\$ 70,393	\$ 3,605,881
Additions	-	-	-	107,537	-	-	22,480	130,017
Disposals	-	-	-	-	-	(6,000)	-	(6,000)
Cost, end of year	295,089	1,089,185	287,259	1,343,452	416,366	205,674	92,873	3,729,898
Accumulated amortization, beginning of year	-	215,678	198,738	615,707	147,383	60,119	33,146	1,270,771
Amortization	-	21,279	15,664	61,955	10,411	11,984	2,618	123,911
Disposals	-	-	-	-	-	(5,850)	-	(5,850)
Accumulated amortization, end of year	-	236,957	214,402	677,662	157,794	66,253	35,764	1,388,832
Net carrying amount, end of year	\$ 295,089	\$ 852,228	\$ 72,857	\$ 665,790	\$ 258,572	\$ 139,421	\$ 57,109	\$ 2,341,066

**The Corporation of the Township of Lake of the Woods
Notes to Financial Statements**

December 31, 2009

5. Tangible Capital Assets (continued)

	2008							
	Land	Buildings	Equipment	Roads and bridges	Culverts	Vehicles	Other	Total
Cost, beginning of year	\$ 295,089	\$ 1,089,185	\$ 287,259	\$ 1,110,284	\$ 416,366	\$ 211,674	\$ 70,393	\$ 3,480,250
Additions	-	-	-	125,631	-	-	-	125,631
Cost, end of year	295,089	1,089,185	287,259	1,235,915	416,366	211,674	70,393	3,605,881
Accumulated amortization, beginning of year	-	194,399	181,844	557,030	136,972	47,098	31,090	1,148,433
Amortization	-	21,279	16,894	58,677	10,411	13,021	2,056	122,338
Accumulated amortization, end of year	-	215,678	198,738	615,707	147,383	60,119	33,146	1,270,771
Net carrying amount, end of year	\$ 295,089	\$ 873,507	\$ 88,521	\$ 620,208	\$ 268,983	\$ 151,555	\$ 37,247	\$ 2,335,110

The net book value of tangible capital assets not being amortized because they are under construction is \$417,427 (2008 - \$120,484). These items are recognized separately as tangible capital assets under construction in the statement of financial position.

The Corporation of the Township of Lake of the Woods Notes to Financial Statements

December 31, 2009

6. Accumulated Surplus (Deficit)

The Municipality segregates its accumulated surplus in the following categories:

	2009	2008
		Restated (see Note 1)
Investment in tangible capital assets	\$ 2,341,066	\$ 2,335,110
Investment in tangible capital assets under construction	417,427	120,484
Current funds	215,003	84,608
Reserve funds		
Replacement of equipment	275,755	271,395
Landfill closures	62,336	40,984
Recreation	31,389	31,121
Working capital reserve	220,000	220,000
Unfunded		
Landfill closures	(36,173)	(30,133)
	\$ 3,526,803	\$ 3,073,569

7. Other Income

	2009	2008
		Restated (see Note 1)
Gain on sale of capital assets	\$ 1,000	\$ -
Donations	24,349	-
Parkland revenue	2,029	-
	\$ 27,378	\$ -

8. Expenses by Object

	2009	2008
		Restated (see Note 1)
Salaries, wages and employee benefits	\$ 170,614	\$ 159,743
Materials	127,718	128,729
Contracted services	179,934	194,924
Rents and financial expenses	75,702	56,037
Contributions to other organizations	350,324	338,542
Amortization	123,911	122,338
	\$ 1,028,203	\$ 1,000,313

The Corporation of the Township of Lake of the Woods

Notes to Financial Statements

December 31, 2009

9. Contingent Liability

A lawsuit has been filed against the Corporation for incidents which arose in the ordinary course of business. An initial assessment found the Municipality liable for a portion of the incidents. Should any more losses result from the resolution of this claim, such loss will be charged to the general fund in the year of resolution.

10. Pension Agreement

The Municipality makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), a multi-employer plan, on behalf of 2 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. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of the Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2009 was \$12,013 (2008 - \$11,890) for current service. The OMERS Board rate was 6.3% to 9.5% depending on income level for 2009 (2008 - 6.5% to 9.6% depending on income level).

11. Commitments

As a result of the restructuring of Rainycrest Home for the Aged, the Corporation has agreed to annual contributions to Riverside Health Care Facilities, Inc. for support of Long-Term Care Programs and Services, until the period ending December 31, 2016.

The committed annual payments for the next five years and thereafter are as follows:

2010	\$46,456
2011	\$39,819
2012	\$33,182
2013	\$26,546
2014	\$19,910
Thereafter	\$19,910

**The Corporation of the Township of Lake of the Woods
Notes to Financial Statements**

December 31, 2009

12. Budget

The Financial Plan (Budget) By-Law adopted by Council on June 2, 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 represent the Financial Plan adopted by Council on June 2, 2009, with adjustments as follows:

	2009
Financial Plan (Budget) Bylaw surplus for the year	\$ (2,507)
Add:	
Capital expenditures	467,560
Less:	
Amortization	(123,911)
Budget surplus per statement of operations	\$ 341,142

13. Operations of School Boards

During the year, the following taxation revenue was raised and remitted:

	2009	2008
School boards	\$ 207,432	\$ 209,847

14. Trust Funds

The trust funds administered by the Municipality amounting to \$79,803 (2008 - \$58,120) have not been included in the statement of financial position nor have the operations been included in the statement of financial activities.

15. Contributions to Unconsolidated Boards

The following contributions were made by the Municipality to these boards.

	2009	2008
Northwestern Health Unit	\$ 16,734	\$ 16,734
Rainy River District Social Services Administration Board	280,498	262,078
	\$ 297,232	\$278,812

The Corporation of the Township of Lake of the Woods

Notes to Financial Statements

December 31, 2009

16. Comparatives

Certain prior year balances have been reclassified to reflect changes in current year's presentation.

17. Segmented Information

The Corporation of the Township of Lake of the Woods is a diversified municipal government institution that provides a wide range of services to its citizens. The management of the Municipality considers decisions based on separate service areas. These service areas are: general government, protection services, transportation services, environmental services, health services, social and family services, social housing, recreation and cultural services and planning and development.

Descriptions of the services and funds that management bases their decisions on, are as follows:

General Government

General government consists of governance, corporate management and program support. These categories relate to operations of all of the various programs and services that the Municipality offers to its citizens.

Protection Services

Protection is comprised of police services and fire protection. Police service is contracted out to the Ontario Provincial Police. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. The members of the fire department consist of volunteers.

Transportation Services

The transportation services area provides construction and maintenance of roadways throughout the Municipality.

Environmental Services

Environmental services consists of maintenance of the two waste disposal facilities located within the municipal borders.

Health Services

Health services are comprised of public health services and ambulance service. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

Social and Family Services

Social and family services are comprised of general assistance, childcare and assistance to the aged. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

Social Housing

The Municipality contributes to a local board, which provides social housing if the citizens of the Corporation of the Township of Lake of the Woods require the service.

**The Corporation of the Township of Lake of the Woods
Notes to Financial Statements**

December 31, 2009

17. Segmented Information (continued)

Recreation and Cultural Services

This service area consists of various small recreation programs. Also, the Municipality contributes to the library board of another Municipality in order to ensure a library is available to the citizens of the Municipality.

Planning and Development

This services relates to zoning issues as well as planning of various municipal maintenance projects.

The Corporation of the Township of Lake of the Woods Notes to Financial Statements

December 31, 2009

17. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Family Services	Social and Services	Social Housing	Recreation and Cultural Services	Planning and Development	2009 Total
Revenue											
Taxation	\$ 82,588	\$ 44,780	\$ 26,275	\$ 21,049	\$ 96,396	\$ 95,207	\$ 59,958	\$ 1,213	\$ 34,060	\$ 461,526	
Fees and user charges	-	-	1,100	-	5,325	-	-	-	1,200	7,625	
Conditional grants	-	24,005	215,456	-	-	-	-	-	70,951	310,412	
Unconditional grants	106,830	57,925	33,987	27,227	124,692	123,154	77,558	1,569	44,058	597,000	
Municipal grants	-	-	7,044	24,200	-	-	-	-	-	31,244	
Other	13,176	7,144	4,192	3,358	15,379	15,189	9,566	193	5,433	73,630	
	202,594	133,854	288,054	75,834	241,792	233,550	147,082	73,976	84,751	1,481,437	
Expenses											
Wages and benefits	62,590	5,591	79,779	19,464	1,251	-	-	-	1,939	170,614	
Materials	9,790	27,748	59,318	190	-	-	-	-	29,729	127,718	
Contracted services	25,525	70,873	11,757	44,995	3,419	-	-	-	6,606	179,934	
Rents and financial	17,490	7,993	38,101	6,444	450	-	-	-	5,224	75,702	
External transfers	-	-	-	-	141,304	143,774	65,246	-	-	350,324	
Amortization	265	11,563	92,081	-	-	-	-	-	20,002	123,911	
	115,660	123,768	281,036	71,093	146,424	143,774	65,246	73,653	7,549	1,028,203	
Net surplus	\$ 86,934	\$ 10,086	\$ 7,018	\$ 4,741	\$ 95,368	\$ 89,776	\$ 81,836	\$ 273	\$ 77,202	\$ 453,234	

The Corporation of the Township of Lake of the Woods

Notes to Financial Statements

December 31, 2009

17. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning and Development	2008 Restated (see Note 1) Total
Revenue	\$ 59,247	\$ 54,436	\$ 95,105	\$ 33,551	\$ 69,606	\$ 80,994	\$ 32,638	\$ 28,052	\$ 4,764	\$ 458,393
Taxation fees and user charges	-	-	750	-	6,675	-	-	-	1,050	8,475
Conditional grants	-	-	10,527	-	-	-	-	3,043	-	13,570
Unconditional grants	57,970	53,261	194,589	32,827	68,104	79,246	31,933	147,930	22,948	688,808
Municipal grants	-	-	10,783	3,100	-	-	-	-	-	13,883
Other	8,128	7,468	22,887	6,211	9,549	11,111	4,477	24,437	655	94,923
	125,345	115,165	334,641	75,689	153,934	171,351	69,048	203,462	29,417	1,278,052
Expenses										
Wages and benefits	60,027	4,137	71,935	19,482	1,131	-	-	3,030	-	159,742
Materials	11,079	27,679	56,901	667	-	-	-	26,366	694	123,366
Contracted services	25,056	62,562	30,340	47,072	4,132	-	-	20,107	5,656	194,925
Rent and financial	15,066	7,586	24,932	5,807	452	-	-	7,538	-	61,381
External transfers	-	-	-	-	125,451	153,086	60,004	-	-	338,541
Amortization	530	12,266	89,540	-	-	-	-	20,002	-	122,338
	111,758	114,230	273,648	73,028	131,166	153,086	60,004	77,043	6,350	1,000,313
Net surplus	\$ 13,587	\$ 935	\$ 60,993	\$ 2,661	\$ 22,768	\$ 18,265	\$ 9,044	\$ 126,419	\$ 23,067	\$ 277,739



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The Corporation of the Township of Lake of the Woods

Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Lake of the Woods

We have audited the balance sheet of the Trust Funds of the Corporation of the Township of Lake of the Woods as at December 31, 2009, and the statement of continuity of the Trust Funds 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 financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Lake of the Woods as at December 31, 2009, and the continuity of the Trust Funds for the year then ended in accordance with Canadian accounting principles disclosed in Note 1 to the financial statements.

BDO CANADA LLP

Chartered Accountants, Licensed Public Accountants

Fort Frances, Ontario
January 22, 2010

**The Corporation of the Township of Lake of the Woods
Trust Funds
Balance Sheet**

December 31	SKRR Stewartship Council	Cemetery Perpetual Care	2009	2008
Assets				
Investments	\$ 25,065	\$ 59,220	\$ 84,285	\$ 58,120
Other receivable	184	-	184	-
	<u>\$ 25,249</u>	<u>\$ 59,220</u>	<u>\$ 84,469</u>	<u>\$ 58,120</u>
Liabilities				
Accounts payable	\$ 4,666	\$ -	\$ 4,666	\$ -
Balance - capital	20,583	59,220	79,803	58,120
	<u>\$ 25,249</u>	<u>\$ 59,220</u>	<u>\$ 84,469</u>	<u>\$ 58,120</u>

**The Corporation of the Township of Lake of the Woods
Trust Funds
Statement of Continuity**

December 31	SKRR Stewartship Council	Cemetery Perpetual Care	2009	2008
Balance, beginning of year	\$ -	\$ 58,120	\$ 58,120	\$ 57,709
Revenue				
Care and maintenance fees	-	910	910	950
Grants	25,000	-	25,000	-
Sales	4,557	-	4,557	-
Interest earned	65	1,100	1,165	3,877
	<u>29,622</u>	<u>2,010</u>	<u>31,632</u>	<u>4,827</u>
Expenditures				
Transferred to revenue fund	-	910	910	950
Other expenses	9,039	-	9,039	-
Return to province and administration fee	-	-	-	3,466
	<u>9,039</u>	<u>910</u>	<u>9,949</u>	<u>4,416</u>
Balance, end of year	<u>\$ 20,583</u>	<u>\$ 59,220</u>	<u>\$ 79,803</u>	<u>\$ 58,120</u>

**The Corporation of the Township of Lake of the Woods
Trust Funds
Notes to Financial Statements**

December 31, 2009

1. Summary of Significant Accounting Policies

Management Responsibility	The financial statements of the Township of Lake of the Woods Trust Funds is the representation of management and has been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgement and review.
Accrual Basis of Accounting	<p>Sources of financing and expenditures are reported on the accrual basis of accounting.</p> <p>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 receipts of goods or services and the creation of a legal obligation to pay.</p>

2. Nature of Trust Funds

The Cemetery Care and Maintenance Trust Fund was established in accordance with the Cemeteries Act for the care and maintenance of certain cemetery grounds.

The SKRR Stewardship Council Trust Fund is a Ministry of Natural Resources sponsored organization with the objective to encourage projects that focus on preserving and protecting species at risk.

3. Statement of Changes in Financial Position

A statement of changes in financial position has not been provided since the sources and uses of cash are readily apparent from the information included in the financial statements.