

**CONSOLIDATED FINANCIAL REPORT**

**2009**

**TOWNSHIP OF MATACHEWAN**

**DISTRICT OF TEMISKAMING**

# TOWNSHIP OF MATACHEWAN

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2009

---

### FINANCIAL ASSETS

Cash	\$ 381,261
Taxes receivable	45,092
Accounts receivable	<u>169,913</u>
	<u>596,266</u>

### LIABILITIES

Accounts payable and accrued liabilities	<u>250,067</u>
--	----------------

### NET FINANCIAL ASSETS

346,199

### NON-FINANCIAL ASSETS

Tangible capital assets – note 10	<u>1,423,678</u>
-----------------------------------	------------------

### **ACCUMULATED SURPLUS – note 5**

**\$ 1,769,877**

---

The accompanying notes form an integral part of these financial statements.

**TOWNSHIP OF MATACHEWAN**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

**REVENUES**

Municipal taxation	\$ 181,019
Water user fees	93,763
User charges	36,225
Rents	17,246
Provincial grants - operating	398,064
Provincial grants - capital	95,160
Federal grants - capital	60,108
Other grants	5,000
Gain on sale of tangible capital assets	40,800
Investment income	3,206
Penalties and interest on taxes and water bills	16,178
Provincial Offences Act revenues	6,563
Land sales	9,951
Other	<u>16,574</u>
Total revenue	<u>979,857</u>

**EXPENDITURES**

General government	234,655
Protection to persons and property	92,895
Transportation services	67,174
Environmental services	112,646
Health services	38,258
Social and family services	74,388
Recreation and cultural services	88,886
Planning and development	<u>5,500</u>
Total expenses	<u>712,402</u>

<b>ANNUAL SURPLUS</b>	267,455
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>1,502,422</u>
<b>ACCUMULATED SURPLUS, END OF YEAR – note 5</b>	<u>\$ 1,769,877</u>

The accompanying notes form an integral part of these financial statements.

**TOWNSHIP OF MATACHEWAN**

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

<b>ANNUAL SURPLUS</b>	\$ 267,455
Acquisition of tangible capital assets	(231,003)
Amortization of tangible capital assets	54,974
Gain on sale of tangible capital assets	(40,800)
Proceeds on sale of tangible capital assets	<u>50,000</u>
Increase in net financial assets	100,626
Net financial assets, beginning of year	<u>245,573</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 346,199</b>

---

The accompanying notes form an integral part of these financial statements.

**TOWNSHIP OF MATACHEWAN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

<b>Operations</b>	
Annual surplus	\$ 267,455
Charges not affecting cash -	
Gain on sale of tangible capital assets	(40,800)
Amortization	<u>54,974</u>
	<u>281,629</u>
Other sources (uses) of cash -	
Taxes receivable	(11,576)
Accounts receivable	(4,410)
Accounts payable and accrued liabilities	<u>54,280</u>
	<u>38,294</u>
Total operations	<u>319,923</u>
<b>Capital transactions</b>	
Proceeds on sale of tangible capital assets	50,000
Acquisition of tangible capital assets	<u>(231,003)</u>
Total capital transactions	<u>(181,003)</u>
<b>Increase in cash</b>	138,920
Cash, beginning of year	<u>242,341</u>
<b>Cash, end of year</b>	<u>\$ 381,261</u>
<b>Represented by</b>	
Cash	<u>\$ 381,261</u>

The accompanying notes form an integral part of these financial statements.

# TOWNSHIP OF MATACHEWAN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2009

---

#### 1. Accounting policies

The consolidated financial statements of the Corporation of the Township of Matachewan are the representation of management and council and are prepared in accordance with the Public Sector Standards accounting principles of the Canadian Institute of Chartered Accountants as prescribed for Ontario Municipalities by the Ministry of Municipal Affairs.

Effective January 1, 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 accounting (PS 3150). Current year date is presented on the new basis. 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 Assets.

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

#### (a) Basis of consolidation

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves and changes in investment in tangible capital assets of the Township and include the activities of all committees of Council.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

#### (ii) Non-consolidated entities

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

Timiskaming District Health Unit  
District of Timiskaming Social Services Administration Board

Although these are joint local boards they run autonomously to provide those services mandated by the Province. The Township has no control over these programs or their financing. These joint local boards are not proportionately consolidated. The yearly requisitions of these boards are expensed by the Township in its statements.

#### (iii) Accounting for school board transactions

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

#### (b) Basis of accounting

- (i) Sources of financing 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.

#### (ii) 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.

# TOWNSHIP OF MATACHEWAN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2009

---

1. (c) **Tangible capital assets**

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	25 years
Buildings	50 years
Vehicles	20 years
Equipment	10 years
Furniture and fixtures	10 years
Signage	10 years
Roads	7 / 30 years
Underground networks	50 years

Full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available.

2. **Operations of school boards**

Further to note 1(a) (iii), the taxation levied on behalf of and due to the school boards is:

	<u>2009</u>	<u>2008</u>
	\$ 37,326	\$ 37,502

3. **Contributions to unconsolidated joint boards**

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

	<u>2009</u>	<u>2008</u>
Timiskaming District Health Unit (THU)	\$ 14,112	\$ 15,672
District of Timiskaming Social Services Administration Board (DTSSAB)	\$ 93,718	\$ 76,035

The Township is contingently liable for its share of the accumulated deficits and long term liabilities of these boards at the end of the year. The information as to these amounts for the 2009 year end is not available at this time. At the end of 2008 the DTSSAB was in a net surplus (considering long term debt) position of approximately \$3.5 million while the THU was in a net surplus (considering long term debt) position of approximately \$15,000. Neither year end position is expected to materially affect the Township of Matachewan.