

**CORPORATION OF THE
TOWN OF COLLINGWOOD**

COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2009

CORPORATION OF THE TOWN OF COLLINGWOOD

DECEMBER 31, 2009

CONTENTS

Auditors' Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Net Debt	4
Consolidated Statement of Cash Flow	5
Notes to the Consolidated Financial Statements	6
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	21
Schedule 2 - Consolidated Schedule of Segmented Tangible Capital Assets 2009	22
Schedule 3 - Consolidated Schedule of Segmented Tangible Capital Assets 2008	23
Schedule 4 - Consolidated Schedule of Segmented Revenues and Expenses 2009 Actual	24
Schedule 5 - Consolidated Schedule of Segmented Revenues and Expenses 2008 Actual	25
Schedule 6 - Consolidated Schedule of Segmented Revenues and Expenses 2009 Budget	26

GAVILLER & COMPANY LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Collingwood:

We have audited the consolidated statement of financial position of the **Town of Collingwood** as at December 31, 2009, and the consolidated statements of operations, change in net debt and cash flow for the year then ended. These financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2009 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Gaviller & Company LLP

Licensed Public Accountants
Collingwood, Ontario
February 25, 2010

CORPORATION OF THE TOWN OF COLLINGWOOD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2009	2008
	\$	\$ Restated (Note 3)
Financial assets		
Cash and temporary investments (Note 4)	21,621,727	38,279,714
Taxes receivable	4,608,832	3,295,029
Accounts receivable (Note 19)	9,220,926	8,547,093
Long-term receivable (Note 5)	7,070,852	7,443,002
Note receivable - Hydro companies (Note 19)	1,710,169	1,710,169
Investment in government business enterprises - Hydro companies (Note 19)	10,596,320	10,125,584
	54,828,826	69,400,591
Liabilities		
Accounts payable and accruals	10,662,502	8,470,370
Demand loan (Note 6)	974,076	1,270,373
Accrued interest payable	170,547	224,582
Employee future benefits (Note 13)	1,086,735	1,016,983
Developer deposits	9,534,112	10,416,131
Deferred revenue (Note 8)	22,770,437	24,853,077
Deferred revenue - obligatory reserve funds (Note 10)	7,865,698	6,544,061
Long-term (Note 7)	28,010,232	34,145,840
	81,074,339	86,941,417
Net debt	(26,245,513)	(17,540,826)
Non-financial assets		
Tangible capital assets - net (Schedule 1 and Note 16)	161,526,123	142,423,455
Prepaid expenses	1,062,610	456,851
	162,588,733	142,880,306
Accumulated surplus (Note 11)	136,343,220	125,339,480

Approved _____ Mayor

_____ Date

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

CONSOLIDATED STATEMENT OF OPERATIONS AS AT DECEMBER 31

	Budget 2009	Actual 2009	Actual 2008
	\$	\$	\$
	(Note 15)		Restated (Note 3)
Revenues			
Net municipal taxation (Note 14)	21,388,171	21,719,798	19,709,176
Payments in lieu of taxation	90,166	132,039	142,821
User charges	13,567,274	13,841,363	14,644,911
Government transfers	227,148	358,612	746,381
Other municipalities	888,660	1,153,037	665,928
Contributions from obligatory reserve funds	320,319	275,469	312,838
Investment income	375,000	495,543	326,638
Penalties and interest on taxes	325,000	568,591	511,781
Gain (loss) on disposal of tangible capital asset	150,000	(583,136)	761,410
Other (Note 12)	2,869,546	3,355,459	3,404,345
	40,201,284	41,316,775	41,226,229
Expenses			
General government	4,446,422	3,720,790	3,334,042
Protection to persons and property	9,716,213	9,524,108	7,876,910
Transportation services	7,015,521	6,932,304	6,818,235
Environmental services	10,674,453	11,501,914	10,731,293
Housing services	236,500	205,172	388,671
Recreational and cultural services	6,442,656	6,536,215	7,367,354
Planning and development	2,244,232	1,920,636	2,133,166
	40,775,997	40,341,139	38,649,671
Net revenues (expenses)	(574,713)	975,636	2,576,558
Other			
Grants and transfers related to capital			
Government transfers	5,120,000	5,133,909	824,754
Contributions from obligatory reserve funds	4,146,897	1,664,548	4,471,957
Contributions from developers	930,000	820,850	-
Contributed tangible capital assets (Note 16)	-	1,481,361	2,079,236
Other	374,654	456,700	747,362
Income from government business enterprise - Hydro companies (Note 19)	659,442	470,736	289,076
	11,230,993	10,028,104	8,412,385
Annual surplus	10,656,280	11,003,740	10,988,943
Accumulated surplus, beginning of year		125,339,480	114,350,537
Accumulated surplus, end of year (Note 11)		136,343,220	125,339,480

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT FOR THE YEAR ENDED DECEMBER 31

	Budget 2009	Actual 2009	Actual 2008
	\$	\$	\$
	(Note 15)		Restated (Note 3)
Annual surplus	10,656,280	11,003,740	10,988,943
Acquisition of tangible capital assets	(25,916,039)	(25,150,622)	(18,849,641)
Amortization of tangible capital assets	5,955,437	6,836,739	6,328,446
Loss (gain) on disposal of tangible capital assets	(150,000)	583,136	(761,410)
Proceeds on disposal of tangible capital assets	150,000	109,440	898,058
Contributed tangible capital assets	-	(1,481,361)	(2,079,236)
Change in prepaid expenses	-	(605,759)	66,177
Change in net debt	(9,304,322)	(8,704,687)	(3,408,663)
Net debt, beginning of year		(17,540,826)	(14,132,163)
Net debt, end of year		(26,245,513)	(17,540,826)

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

CONSOLIDATED STATEMENT OF CASH FLOW AS AT DECEMBER 31

	2009	2008
	\$	\$ Restated (Note 3)
Cash flows from (for):		
Operating activities		
Annual surplus	11,003,740	10,988,943
Non-cash items:		
Amortization	6,836,739	6,328,446
Amortization on debenture debt discount	5,665	5,665
Loss (gain) on disposal of tangible capital assets	583,136	(761,410)
Contributed tangible capital assets	(1,481,361)	(2,079,236)
Investment in government business enterprise - Hydro companies	(470,736)	(289,076)
Employee future benefits	69,752	(221,168)
	16,546,935	13,972,164
Changes in:		
Taxes receivable	(1,313,803)	(69,155)
Accounts receivable	2,114,272	(4,187,599)
Accounts payable and accruals	291,468	819,160
Accrued interest payable	(54,035)	120,190
Developer deposits	(882,019)	9,421,915
Property held for resale	-	131,725
Prepaid expenses	(605,758)	66,177
	16,097,060	20,274,577
Capital activities		
Proceeds on disposal of tangible capital assets	109,440	898,058
Acquisition of tangible capital assets	(25,150,622)	(18,886,290)
Deferred revenue - obligatory reserve funds	1,321,637	1,161,349
Accounts receivable - tangible capital assets	(2,788,105)	607,834
Accounts payable - tangible capital assets	1,900,664	(752,769)
	(24,606,986)	(16,971,818)
Investing activities		
Long-term receivable	372,150	(7,443,002)
Financing activities		
Long-term liabilities issued	-	13,450,203
Long-term liabilities repaid	(6,141,274)	(1,599,970)
Demand loan repaid	(296,297)	(283,142)
Deferred revenue	(2,082,640)	24,156,398
	(8,520,211)	35,723,489
Net change in cash from financing	(8,520,211)	35,723,489
Net change in cash position	(16,657,987)	31,583,246
Cash and cash equivalents, beginning of year	38,279,714	6,696,468
Cash and cash equivalents, end of year	21,621,727	38,279,714

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

1. Nature of operations

The Town of Collingwood ("the Municipality") is a lower-tier municipality located in the County of Simcoe, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes, such as the Municipal Act, Municipal Affairs Act and related legislation.

2. Summary of significant accounting policies

The consolidated financial statements of the municipality are the representation of management prepared in accordance with local government accounting standards established 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 municipality and the changes thereto. The consolidated statement of financial position includes all the assets and liabilities of the municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Effective January 1, 2009, the municipality changed its accounting and financial reporting to conform to the revised guidelines in the Public Sector Accounting Handbook on financial reporting presentation (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 changes are the reporting of tangible capital assets for the first time and the inclusion of the Consolidated Statement of Change in Net Debt.

(a) Basis of consolidation

These consolidated financial statements reflect assets, liabilities, revenues and expenses of the municipality. They include the activities of all committees of Council and the following organizations which are accountable to, and owned or controlled by the municipality:

Corporation of the Town of Collingwood Museum Board
Corporation of the Town of Collingwood Public Library Board
Corporation of the Town of Collingwood Business Improvement Area
Collingwood Elvis Festival Board
Collingwood Airport Services Board
Collingwood Economic Development and Stability Board
Collingwood Public Utilities Service Board

In addition, the consolidated financial statements include the operations of COLLUS Energy Corp., COLLUS Solutions Corp., COLLUS Power Corp. and Collingwood Utility Services Corp. as disclosed in Note 19. These business enterprises are accounted for using the modified equity method. Under this method, the business enterprises' accounting principles are not adjusted to conform with those of the municipality, and inter-organizational transactions are not eliminated.

Excluded are Funds Held in Trust which are administered by the municipality and reported on separately. All interfund assets and liabilities and sources of financing and expenses have been eliminated.

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

2. Summary of significant accounting policies (continued)

(b) Basis of accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses 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.

(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 2009 annual surplus, provides the consolidated change in net debt for the year.

(i) 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	- 10 to 20 years
Buildings	- 15 to 40 years
Machinery and equipment	- 3 to 20 years
Vehicles	- 5 to 15 years
Linear assets	- 10 to 75 years

Work in progress is not amortized until the asset is available for productive use.

(ii) Contributed tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(d) Deferred revenue

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the 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 TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

2. Summary of significant accounting policies (continued)

(e) County and school boards

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

(f) Government transfers

Government transfers are recognized in the consolidated financial statements as revenues 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) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates exist in tangible capital assets with regard to historical costs and useful lives. Other significant estimates include amortization and employee future benefits. Actual results could differ from those estimates.

(h) Segment disclosures

The municipality adopted the Public Sector Accounting Board standard requiring financial information to be provided on a segmented basis (PSAB 2700). Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Municipal taxation revenue is allocated based on the percentage of total budgeted expenditures.

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

3. Change in accounting policies

The municipality has implemented Sections 1200 and 3150 of the PSAB handbook. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. Tangible capital assets were formerly expensed as acquired.

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The municipality applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, the Toronto Non-Residential Construction Price Index or Consumer Price Index was used to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

Accumulated surplus:	\$
Current fund	432,000
Capital fund	(7,211,949)
Contributed surplus - Collingwood public utilities service board (CPUSB)	602,769
Earned surplus - CPUSB	11,138,255
Obligatory reserve fund - CPUSB	1,408,080
Reserves	16,751,933
Reserve funds	100,972
Equity in government business enterprises - Hydro companies	10,125,584
Amounts to be recovered from future revenues	(30,083,174)
<hr/>	
Accumulated surplus, as previously reported	3,264,470
Restatement of obligatory reserve fund - CPUSB	74,167
Remove obligatory reserve fund from surplus - CPUSB	(1,408,080)
Net book value of tangible capital assets recorded	108,032,396
Net book value of tangible capital assets recorded - CPUSB	17,046,509
Long-term liabilities not previously recorded - CPUSB	(1,612,286)
Other - CPUSB	(57,696)
<hr/>	
Accumulated surplus, as restated	125,339,480

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

3. Change in accounting policies (continued)

Annual surplus:

Net expenditures, as previously reported	(1,203,082)
Income from hydro companies	289,076
Assets capitalized but previously expensed	13,988,441
Amortization expense not previously recorded	(4,490,905)
Contributed assets not previously recorded	1,529,236
Gain on disposal of capital assets	761,410
Proceeds on disposal of capital assets previously recorded as revenue	(823,058)
CPUSB capital assets reallocated, previously expensed	1,555,994
CPUSB capital project revenue, previously recorded as revenue	(3,838,147)
Other	(990)
Subtotal	7,767,975
Collingwood public utilities service board	
Net revenues, as previously reported	623,494
Amortization expense adjustment	(688,247)
Capital grants and transfers previously netted against assets	3,226,658
Other	59,063
Subtotal	3,220,968
Annual surplus, as restated	10,988,943

Also in 2009, the Collingwood public utilities service board was consolidated on a line by line basis for the first time and 2008 figures restated.

4. Cash and temporary investments

Cash and temporary investments consist of the following:

	2009	2008
	\$	\$
Unrestricted (cash deficiency)	(1,455,062)	14,882,776
Restricted	23,076,789	23,396,938
	21,621,727	38,279,714

Cash includes Guaranteed Investment Certificates, one in the amount of \$55,000 bearing interest at 2.05% per annum due March 26, 2010, one in the amount of \$66,000 bearing interest at 0.5% per annum due August 13, 2010, one in the amount of \$3,000,000 bearing interest at 4.64% per annum due December 6, 2010, one in the amount of \$2,275,000 bearing interest at 4.40% per annum due December 29, 2011, one in the amount of \$2,000,000 bearing interest at 3.75% per annum due January 16, 2012, one in the amount of \$2,000,000 bearing interest at 3.39% per annum due February 28, 2011, one in the amount of \$2,000,000 bearing interest at 3.34% per annum due May 28, 2013, one in the amount of \$2,000,000 bearing interest at 3.67% per annum due May 28, 2014, and one in the amount of \$5,000,000 bearing interest at 0.35% per annum due September 17, 2010. Temporary investments are recorded at cost which approximates fair market value. The guaranteed investment certificates in the amounts of \$55,000 and \$66,000 belong to the Library Board.

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

5. Long-term receivable

Benefiting land owners of water and sewer servicing completed in south Collingwood had the option to pay for their share of the cost in full in 2008 or finance over 20 years at 5.25% per annum with annual repayments commencing in 2009. Annual payments totaling \$372,150 will be included on their property tax bills until 2028.

6. Demand loan

The Collingwood public utilities service board's demand loan payable to CIBC bears 4.55% interest, is due December 2012 and is payable in monthly blended principal and interest payments of \$28,998.

Principal payments due within each of the next three years based on negotiated repayment terms is as follows:

	\$	
2010		310,064
2011		324,469
2012		339,543

7. Long-term liabilities

(a) Long-term liabilities consist of the following:

	2009	2008
	\$	\$
Total long-term liabilities incurred by the municipality and outstanding at the end of the year amount to	28,010,232	31,145,840

(b) Principal payments for the next 5 years and thereafter are as follows:

	\$ Tax Supported	\$ User Fee	\$ Other
2010	541,916	1,282,866	353,827
2011	566,241	1,345,844	353,827
2012	592,618	1,212,368	353,827
2013	620,507	1,273,070	353,827
2014	456,703	486,249	353,827
Thereafter	6,200,782	6,708,381	4,953,552
Total	<u>8,978,767</u>	<u>12,308,778</u>	<u>6,722,687</u>
Overall total			<u>28,010,232</u>

The above long-term liabilities issued in the name of the municipality have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

7. Long-term liabilities (continued)

(c) Interest is payable at rates ranging from 4.70% to 6.65% per annum.

(d) The Town also has an operating line of credit available for use in the amount of \$6,000,000, with interest rate of prime less 0.75%. At December 31, 2009, the balance for the line of credit was \$NIL (2008 - \$NIL).

8. Deferred revenue

Deferred revenue includes unspent provincial funding of \$11,128,381 (2008 - \$13,121,385) for capital improvements. Also included in deferred revenue is \$10,817,483 (2008 - \$10,997,367) of special charges to benefiting land owners for water and sewer servicing completed in south Collingwood. This revenue will be recognized over 20 years until 2028 which is the same period over which the construction costs of the project have been financed.

9. Trust funds

Trust funds administered by the municipality amounting to \$600 (2008 - \$600) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. In the current year there were no transactions in the trust accounts. The trust funds are not audited. The trust funds are comprised of the following:

	2009	2008
	\$	\$
Cultural Trusts	600	600

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

10. 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 as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the restricted deferred revenue balances is comprised of the following:

	2009	2008
	\$	\$
Deferred revenue, beginning of year, as originally stated	6,560,528	5,369,127
Prior period adjustment- new deposits adjusted	(26,800)	(11,251)
Prior period adjustment- investment income	10,333	24,836
Deferred revenue, beginning of year as restated	6,544,061	5,382,712
New deposits:		
Federal government	521,156	260,579
Provincial government	162,974	335,188
Private sources	2,635,618	5,082,593
Investment income	35,367	213,458
Capital and other transfers	(1,940,017)	(4,526,465)
Development charge credits utilized	(93,461)	(155,103)
Interest on interfund borrowing	-	(48,901)
Deferred revenue, end of year	7,865,698	6,544,061
Obligatory Reserve Funds:		
Recreational Land	69,168	69,168
Development Charges Act	7,537,059	6,175,345
Building Code Act	239,472	238,280
Other Provincial Funding	19,999	61,268
	7,865,698	6,544,061

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

11. Accumulated surplus

The accumulated surplus consists of individual fund surplus, reserves and reserve funds as follows:

	2009	2008
	\$	\$
Current fund surplus:		
General area taxation	13,226	431,173
Collingwood public utilities service board	(1,728,942)	(1,177,735)
Business Improvement Area	(329)	(329)
Total current fund surplus	(1,716,045)	(746,891)
Investment in tangible capital assets:		
Net book value of tangible capital assets	161,526,123	142,423,455
Tangible capital assets financed by long-term liabilities	(28,010,232)	(34,145,840)
Unfinanced capital expenditures	(21,637,030)	(7,928,168)
Total investment in tangible capital assets	111,878,861	100,349,447
Unfunded liabilities:		
Accrued interest payable	-	(224,582)
Employee future benefits	(166,315)	(1,016,983)
Total unfunded liabilities	(166,315)	(1,241,565)
Reserves set aside for specific purposes by Council:		
Working capital	908,672	848,672
Contingencies	151,850	102,850
Post employment benefits	920,420	-
Sick leave	-	661,521
Current purposes	3,166,090	4,060,985
Acquisition of capital assets	10,502,395	11,077,905
Total reserves	15,649,427	16,751,933
Reserve funds set aside for specific purposes by Council:		
Acquisition of capital assets	100,972	100,972
Investment in government business enterprises:		
Hydro companies	10,596,320	10,125,584
Total accumulated surplus	136,343,220	125,339,480

Subsequent to year end, the municipality issued \$19,669,658 (2008 - \$NIL) in new long-term liabilities to fund the unfinanced capital expenditures.

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

11. Accumulated surplus (continued)

The accumulated surplus of the Collingwood public utilities service board consists of the following:

	2009	2008
	\$	\$
Net book value of tangible capital assets	32,898,365	33,674,840
Tangible capital assets financed by long-term liabilities	(4,362,927)	(5,142,877)
Current deficit	(1,728,942)	(1,177,735)
Unfunded employee future benefits	(166,315)	(161,354)
Total accumulated surplus	26,640,181	27,192,874

12. Other revenues

Other revenues consist of the following:

	2009	2008
	\$	\$
Licences and permits	587,683	559,697
Facility rentals	744,027	476,452
Fines	130,726	70,817
Donations	13,220	104,657
Revenue and expense recoveries from Government Business Enterprises (Note 19)	641,987	619,000
Miscellaneous	323,191	511,890
Miscellaneous - Collingwood public utilities service board	914,625	1,061,832
	3,355,459	3,404,345

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

13. Employee future benefits

(a) Retirement benefits

The employees of the Corporation of the Town of Collingwood participate in the Ontario Municipal Employees Retirement Savings Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Corporation cannot be identified. The municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS during the year totaled \$721,930 (2008 -\$607,950).

The Town of Collingwood pays certain post retirement benefits on behalf of its retired employees for extended health and dental benefits. The municipality recognizes these post retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2009 of \$1,086,735 and the net periodic benefit cost for 2009 were determined by an actuarial valuation using a discount rate of 5.0%. The accrued benefit obligation for the Town's employees at December 31, 2009 is based on an actuarial report dated March 18, 2010. The accrued benefit obligation for the Collingwood public utilities service board employees at December 31, 2009 is based on an actuarial report dated August 24, 2009. Actuarial valuations will be prepared every third year (every other year for Collingwood public utilities service board) or when there are significant changes.

Information about the Town of Collingwood's defined benefit plan is as follows:

	2009	2008
	\$	\$
Accrued benefit obligation, beginning of year	1,016,983	964,161
Current service cost	52,514	72,526
Interest cost	54,467	43,376
Past service cost	4,378	4,378
Actuarial gain	(3,589)	(14,673)
Benefits paid for the period	(38,018)	(52,785)
Projected accrued benefit obligation, end of year	1,086,735	1,016,983

The projected accrued benefit obligation consists of:

	2009	2008
	\$	\$
Town	920,420	855,629
Collingwood public utilities service board	166,315	161,354
Total employee future benefits	1,086,735	1,016,983

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

13. Employee future benefits (continued)

The main actuarial assumptions employed for the valuation are as follows:

(i) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 2.0% in 2009. The Collingwood public utilities service board study assumes 2.1%

(ii) Interest (discount) rate

The obligation as at December 31, 2009, of the present value of future liabilities and the expense was determined using an annual discount rate of 5.0%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 3.0%. The Collingwood public utilities service board study assumes 2.0% real rate of return.

(iii) Medical costs

Medical costs were assumed to increase at the CPI rate plus a further increase of 9.0% in 2009 graded down to 5.0% in 2015 and thereafter. The Collingwood public utilities service board study assumes a further increase of 8.0% in 2009 that is downgraded to 5.0% in 2011.

(iv) Dental costs

Dental costs were assumed to increase at the CPI rate plus a further increase of 5.0% in 2009 to 2012 and thereafter.

(b) Workplace safety and insurance

In common with other Schedule 2 employers, the municipality funds its obligations to the Workplace Safety and Insurance Board ("WSIB") on a "pay-as-you-go" basis. December 31, 2004 was the first period for which a WSIB accrued benefit was required to be reported. At December 31, 2009, the municipality's accrued benefit liability related to future payments on WSIB is based on the 2004 WSIB calculation. The amount of the accrual is \$NIL for both 2009 and 2008. No independent actuarial valuation is considered necessary.

14. Net municipal taxation

Net municipal taxation consists of:

	2009	2008
	\$	\$
Taxation revenue	41,782,985	39,016,415
Amount levied and remitted to School Boards	(11,068,376)	(10,952,047)
Amount levied and remitted to the County of Simcoe	(8,994,811)	(8,355,192)
Net municipal taxation	21,719,798	19,709,176

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

15. Budget amounts

The operating budget approved by Council, for 2009 is reflected on the consolidated statement of operations. The budgets 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 the current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The budget figures have not been audited.

The following is a reconciliation of the budget approved by Council:

	Budget 2009	Actual 2009
	\$	\$
Annual surplus	10,656,280	11,003,740
Net transfers from reserves	1,254,167	1,102,506
Capital acquisitions and disposals	(25,916,039)	(25,939,407)
Amortization	5,955,438	6,836,739
Proceeds from long-term liabilities issue	8,969,624	-
Long-term liabilities principal repayments	(2,446,011)	(6,135,608)
Change in unfunded liabilities	15,717	(1,075,250)
Change in investment in hydro companies	(659,442)	(470,736)
Collingwood public utilities service board closing operating deficit	2,116,002	1,728,942
Subtotal	(54,264)	(12,949,074)
Capital projects not funded	799,999	13,708,862
Prior year Collingwood public utilities service board operating deficit	(1,177,735)	(1,177,735)
Prior year current fund surplus	431,173	431,173
General area taxation surplus (deficit)	(827)	13,226

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

16. Tangible capital assets

Schedules 1, 2 and 3 provide information on the tangible capital assets of the municipality by major asset class and 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.

- (a) Work in progress
Work in progress with a value of \$25,531,138 (2008 - \$11,494,541) has not been amortized. Amortization of these assets will commence when the asset is put into service.
- (b) Contributed tangible capital assets
Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$1,481,361 (2008 - \$2,079,236).
- (c) Tangible capital assets disclosed at nominal values
Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.
- (d) Works of art and historical treasures
The Library Board owns two special book collections. Due to their historical or valuable nature, they are not included in the Library's regular collection for circulation to the public. As such, these collections are also not included in tangible capital assets.

17. Commitments

In the ordinary course of business the Town is committed to construction contracts totaling \$6,031,576, and the work will be completed after December 31, 2009.

18. Contingencies

- (a) In the ordinary course of business, various claims and lawsuits are brought against the municipality. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the municipality pursuant to claims, lawsuits or expropriations will be charged to the year of settlement.
- (b) The Town's landfill site was taken over by the County of Simcoe and, as compensation, the County will accept Town waste at a below market rate value of \$79 per tonne. Based on maximum tonnes to be accepted by the County this reduced rate is estimated to last until 2029.

CORPORATION OF THE TOWN OF COLLINGWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

19. Government business enterprises - Hydro companies

The operations of various hydro companies operating as the Collingwood Utility Services Corp. are included in the Consolidated Statement of Operations, accounted for on a modified equity basis.

	2009	2008
	\$	\$
Total assets	21,604,430	25,677,133
Total liabilities	11,008,110	15,551,549
Net assets	10,596,320	10,125,584
Common shares	5,101,640	5,101,640
Contributed capital	2,966,014	2,966,014
Accumulated income	2,528,666	2,057,930
Investment in government business enterprise	10,596,320	10,125,584
Total revenues	30,560,927	29,697,770
Total expenditures	30,090,191	29,408,694
Net revenues for the year and change in fund balance	470,736	289,076

The note receivable from the Collingwood Utility Services Corp. bears interest at 7.25% and is due on demand. Also at December 31, 2009, the amount due from the Collingwood Utility Services Corp. is \$1,944,754 (2008 - \$3,257,181) which is included in accounts receivable.

20. Future accounting pronouncements

In February 2010, the CICA issued Section PS 3510, "Tax Revenue", which establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements. The section is effective for fiscal years beginning on or after January 1, 2013, earlier adoption is encouraged. The new standard is not expected to have a material effect on the consolidated financial statements.

CORPORATION OF THE TOWN OF COLLINGWOOD

SCHEDULE 1 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Linear Assets	2009 Total	2008 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	22,252,771	11,160,612	33,377,491	34,994,693	7,587,455	111,311,238	220,684,260	200,736,479
Additions	1,481,361	1,638,190	5,999,967	758,303	424,589	16,329,573	26,631,983	21,381,086
Disposals	(691,246)	(71,137)	(104,324)	(200,781)	(413,903)	(1,202,796)	(2,684,187)	(1,433,305)
Balance, end of year	23,042,886	12,727,665	39,273,134	35,552,215	7,598,141	126,438,015	244,632,056	220,684,260
Accumulated amortization								
Balance, beginning of year	-	5,037,634	10,345,068	16,174,457	3,872,668	42,830,978	78,260,805	73,229,016
Amortization	-	509,795	677,895	2,210,167	672,900	2,765,981	6,836,738	6,328,446
Disposals	-	(71,137)	(102,993)	(200,781)	(413,903)	(1,202,796)	(1,991,610)	(1,296,657)
Balance, end of year	-	5,476,292	10,919,970	18,183,843	4,131,665	44,394,163	83,105,933	78,260,805
Net book value, end of year	23,042,886	7,251,373	28,353,164	17,368,372	3,466,476	82,043,852	161,526,123	142,423,455
Work in progress included in cost	-	1,321,071	10,523,494	199,305	-	13,487,268	25,531,138	11,494,541

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

SCHEDULE 2 CONSOLIDATED SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2009

	General Government	Fire	Other Protective	Transportation	Environmental	Recreation and Cultural	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	15,277,789	3,425,802	4,563,577	57,249,600	116,601,457	23,291,536	274,499	220,684,260
Additions	1,823,321	128,069	-	13,494,074	4,251,070	6,935,449	-	26,631,983
Disposals	(794,249)	(152,568)	-	(1,506,804)	-	(230,566)	-	(2,684,187)
Balance, end of year	16,306,861	3,401,303	4,563,577	69,236,870	120,852,527	29,996,419	274,499	244,632,056
Accumulated amortization								
Balance, beginning of year	1,159,426	1,758,877	30,636	27,129,753	40,158,433	7,986,979	36,701	78,260,805
Amortization	230,484	167,075	20,587	1,899,576	3,771,252	729,238	18,526	6,836,738
Disposals	(103,003)	(163,994)	-	(1,505,473)	-	(219,140)	-	(1,991,610)
Balance, end of year	1,286,907	1,761,958	51,223	27,523,856	43,929,685	8,497,077	55,227	83,105,933
Net book value, end of year	15,019,954	1,639,345	4,512,354	41,713,014	76,922,842	21,499,342	219,272	161,526,123

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2008

	General Government	Fire	Other Protective	Transportation	Environmental	Recreation and Cultural	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	13,177,174	2,837,689	4,582,625	54,919,854	106,152,803	19,006,815	59,519	200,736,479
Additions	2,609,654	713,808	(19,048)	3,128,317	10,448,654	4,284,721	214,980	21,381,086
Disposals	(509,039)	(125,695)	-	(798,571)	-	-	-	(1,433,305)
Balance, end of year	15,277,789	3,425,802	4,563,577	57,249,600	116,601,457	23,291,536	274,499	220,684,260
Accumulated amortization								
Balance, beginning of year	1,322,871	1,729,471	17,024	26,120,617	36,717,032	7,298,349	23,652	73,229,016
Amortization	210,650	153,397	13,612	1,807,707	3,441,401	688,630	13,049	6,328,446
Disposals	(374,095)	(123,991)	-	(798,571)	-	-	-	(1,296,657)
Balance, end of year	1,159,426	1,758,877	30,636	27,129,753	40,158,433	7,986,979	36,701	78,260,805
Net book value, end of year	14,118,363	1,666,925	4,532,941	30,119,847	76,443,024	15,304,557	237,798	142,423,455

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	General Government	Police	Fire	Other Protective	Transportation	Environmental	Recreation and Cultural	Planning and Development	Other and Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Net municipal taxation	3,441,908	4,527,699	2,941,217	1,227,229	3,263,799	-	4,613,581	1,650,042	54,323	21,719,798
Payments in lieu of taxation	20,924	27,525	17,880	7,461	19,841	-	28,047	10,031	330	132,039
User charges	118,532	1,030	17,245	4,828	734,195	12,022,660	805,425	137,448	-	13,841,363
Government transfers	2,530	50,735	1,829	-	11,499	-	165,199	126,820	-	358,612
Other municipalities	16,351	460,551	15,384	218	208,818	405,581	-	-	46,134	1,153,037
Contributions from obligatory reserve funds	-	-	-	27,495	162,974	-	85,000	-	-	275,469
Investment income	479,785	-	-	-	-	15,758	-	-	-	495,543
Penalties and interest on taxes	568,591	-	-	-	-	-	-	-	-	568,591
Gain (loss) on disposal of tangible capital assets	(594,058)	-	6,675	-	3,692	-	555	-	-	(583,136)
Other	642,419	22,337	11,850	523,378	389,461	1,039,477	693,537	-	33,000	3,355,459
	4,696,982	5,089,877	3,012,080	1,790,609	4,794,279	13,483,476	6,391,344	1,924,341	133,787	41,316,775
Expenses										
Salaries, wages and employee benefits	1,754,838	34,194	3,119,610	594,997	2,148,439	2,451,689	3,230,530	1,113,389	-	14,447,686
Interest on long-term liabilities	351,568	-	-	321,547	123,280	1,070,354	26,266	1,630	-	1,894,645
Materials and supplies	1,248,495	89,946	257,601	131,883	1,168,532	4,025,964	2,519,908	773,766	144,315	10,360,410
Contracted services	66,752	4,392,445	48,000	7,577	1,058,615	55,000	-	-	-	5,628,389
Rents, financial expenses and external transfers	68,653	20,628	106,090	211,928	533,862	127,655	30,273	13,325	60,857	1,173,271
Amortization	230,484	-	167,075	20,587	1,899,576	3,771,252	729,238	18,526	-	6,836,738
	3,720,790	4,537,213	3,698,376	1,288,519	6,932,304	11,501,914	6,536,215	1,920,636	205,172	40,341,139
Net revenues (expenses)	976,192	552,664	(686,296)	502,090	(2,138,025)	1,981,562	(144,871)	3,705	(71,385)	975,636
Other										
Grants and transfers related to capital										
Government transfers	-	-	-	-	3,674,360	1,329,372	130,177	-	-	5,133,909
Contributions from obligatory reserve funds	-	-	-	-	828,656	137,418	698,474	-	-	1,664,548
Contributed tangible capital assets	1,481,361	-	-	-	-	-	-	-	-	1,481,361
Contributions from developers	-	-	-	-	-	588,446	232,404	-	-	820,850
Other	-	-	10,200	-	251,738	1,000	193,762	-	-	456,700
Income from hydro companies	-	-	-	-	-	-	-	-	470,736	470,736
	1,481,361	-	10,200	-	4,754,754	2,056,236	1,254,817	-	470,736	10,028,104
Annual surplus (deficit)	2,457,553	552,664	(676,096)	502,090	2,616,729	4,037,798	1,109,946	3,705	399,351	11,003,740

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

SCHEDULE 5 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2008

	General Government	Police	Fire	Other Protective	Transportation	Environmental	Recreation and Cultural	Planning and Development	Other and Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Net municipal taxation	2,536,525	3,962,470	2,667,772	1,060,394	3,308,475	115,552	3,883,248	2,144,595	30,145	19,709,176
Payments in lieu of taxation	18,381	28,714	19,332	7,684	23,975	837	28,140	15,541	217	142,821
User charges	95,233	1,479	26,242	6,087	947,393	12,182,140	1,141,329	245,008	-	14,644,911
Government transfers	-	10,466	-	-	1,104	-	597,349	137,462	-	746,381
Other municipalities	-	246,860	-	-	73,255	332,814	12,999	-	-	665,928
Contributions from obligatory reserve funds	37,468	-	-	25,305	174,265	-	75,800	-	-	312,838
Investment income	245,133	-	-	-	-	81,505	-	-	-	326,638
Penalties and interest on taxes	511,781	-	-	-	-	-	-	-	-	511,781
Gain (loss) on disposal of tangible capital assets	686,565	-	(155)	-	75,000	-	-	-	-	761,410
Other	427,845	18,154	-	483,731	422,897	1,061,832	899,281	90,605	-	3,404,345
	4,558,931	4,268,143	2,713,191	1,583,201	5,026,364	13,774,680	6,638,146	2,633,211	30,362	41,226,229
Expenses										
Salaries, wages and employee benefits	1,641,423	36,853	1,786,545	566,946	1,954,878	2,391,164	2,968,708	1,046,930	-	12,393,447
Interest on long-term liabilities	77,208	6,835	-	336,608	17,845	914,868	31,237	42,421	-	1,427,022
Materials and supplies	1,323,413	82,492	274,071	155,487	1,838,525	3,769,338	3,619,361	1,029,211	388,671	12,480,569
Contracted services	27,028	4,102,535	-	6,336	579,047	52,331	7,921	-	-	4,775,198
Rents, financial expenses and external transfers	54,320	18,298	135,598	201,297	620,233	162,191	51,497	1,555	-	1,244,989
Amortization	210,650	-	153,397	13,612	1,807,707	3,441,401	688,630	13,049	-	6,328,446
	3,334,042	4,247,013	2,349,611	1,280,286	6,818,235	10,731,293	7,367,354	2,133,166	388,671	38,649,671
Net revenues (expenses)	1,224,889	21,130	363,580	302,915	(1,791,871)	3,043,387	(729,208)	500,045	(358,309)	2,576,558
Other										
Grants and transfers related to capital										
Government transfers	-	-	-	-	761,004	-	63,750	-	-	824,754
Contributions from obligatory reserve funds	-	-	140,000	-	1,107,539	2,702,167	522,251	-	-	4,471,957
Contributed tangible capital assets	1,529,236	-	-	-	-	550,000	-	-	-	2,079,236
Other	-	-	-	-	153,458	-	593,904	-	-	747,362
Income from hydro companies	-	-	-	-	-	-	-	-	289,076	289,076
	1,529,236	-	140,000	-	2,022,001	3,252,167	1,179,905	-	289,076	8,412,385
Annual surplus (deficit)	2,754,125	21,130	503,580	302,915	230,130	6,295,554	450,697	500,045	(69,233)	10,988,943

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF COLLINGWOOD

SCHEDULE 6 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES BUDGET FOR THE YEAR ENDED DECEMBER 31, 2009

	General Government	Police	Fire	Other Protective	Transportation	Environmental	Recreation and Cultural	Planning and Development	Other and Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Net municipal taxation	3,326,576	4,375,985	2,842,663	1,186,107	3,154,435	-	4,458,990	1,990,911	52,503	21,388,170
Payments in lieu of taxation	14,024	18,448	11,984	5,000	13,298	-	18,798	8,393	221	90,166
User charges	62,000	50,500	21,000	140,300	1,039,000	11,374,594	759,880	120,000	-	13,567,274
Government transfers	-	30,000	-	-	-	-	87,148	110,000	-	227,148
Other municipalities	-	175,000	-	-	208,000	505,660	-	-	-	888,660
Contributions from obligatory reserve funds	25,000	-	-	27,495	180,000	-	87,824	-	-	320,319
Investment income	350,000	-	-	-	-	25,000	-	-	-	375,000
Penalties and interest on taxes	325,000	-	-	-	-	-	-	-	-	325,000
Gain (loss) on disposal of tangible capital assets	150,000	-	-	-	-	-	-	-	-	150,000
Other	354,576	17,000	500	638,823	457,000	727,600	626,548	-	47,500	2,869,547
	4,607,176	4,666,933	2,876,147	1,997,725	5,051,733	12,632,854	6,039,188	2,229,304	100,224	40,201,284
Expenses										
Salaries, wages and employee benefits	1,857,506	41,400	2,605,880	786,054	1,783,515	2,452,872	3,137,789	1,130,160	-	13,795,176
Interest on long-term liabilities	437,087	-	-	320,292	100,457	1,068,553	26,265	25,667	-	1,978,321
Materials and supplies	1,701,376	108,738	270,340	243,465	2,085,450	4,081,070	2,502,191	1,050,880	150,000	12,193,510
Contracted services	96,565	4,683,370	48,000	19,000	803,200	55,000	-	-	-	5,705,135
Rents, financial expenses and external transfers	65,900	23,100	139,500	232,940	347,800	174,730	58,948	19,000	86,500	1,148,418
Amortization	287,988	-	170,048	24,086	1,895,099	2,842,228	717,463	18,525	-	5,955,437
	4,446,422	4,856,608	3,233,768	1,625,837	7,015,521	10,674,453	6,442,656	2,244,232	236,500	40,775,997
Net revenues (expenses)	160,754	(189,675)	(357,621)	371,888	(1,963,788)	1,958,401	(403,468)	(14,928)	(136,276)	(574,713)
Other										
Grants and transfers related to capital Government transfers	-	-	-	-	5,000,000	-	120,000	-	-	5,120,000
Contributions from obligatory reserve funds	-	-	-	-	2,122,047	1,261,600	763,250	-	-	4,146,897
Contributions from developers	-	-	-	-	55,000	875,000	-	-	-	930,000
Other	-	-	-	-	100,000	-	274,654	-	-	374,654
Income from hydro companies	-	-	-	-	-	-	-	-	659,442	659,442
	-	-	-	-	7,277,047	2,136,600	1,157,904	-	659,442	11,230,993
Annual surplus (deficit)	160,754	(189,675)	(357,621)	371,888	5,313,259	4,095,001	754,436	(14,928)	523,166	10,656,280

The accompanying notes are an integral part of
these financial statements