

**The Corporation of the
Municipality of Red Lake
Consolidated Financial Statements
For the year ended December 31, 2009**

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Auditors' Report

**To the Members of Council,
Inhabitants and Ratepayers of
The Corporation of the Municipality of Red Lake**

We have audited the consolidated statement of financial position of The Corporation of the Municipality of Red Lake as at December 31, 2009 and the consolidated statements of financial activities, changes in net debt and changes in financial position 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 consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Municipality of Red Lake as at December 31, 2009 and the results of its financial activities and changes in net debt and financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Kenora, Ontario
June 15, 2010

**The Corporation of the Municipality of Red Lake
Consolidated Statement of Financial Position**

December 31	2009	2008
		(Note 1)
Financial Assets		
Cash (Note 2)	\$ 2,677,182	\$ 2,303,401
Short term investments (Note 3)	243,617	276,296
Taxes receivable	1,552,691	1,122,946
Trade and other receivables	3,049,748	1,531,739
Long term investments (Note 3)	135,000	135,000
	7,658,238	5,369,382
Financial Liabilities		
Bank indebtedness (Note 4)	1,899,083	-
Accounts payable and accrued liabilities	2,181,174	438,700
Deferred revenue	423,959	1,351,463
Landfill closure and post closure liability (Note 5)	669,157	636,141
Long term liabilities (Note 6)	10,378,210	4,353,571
Employee benefits payable	6,496	6,496
	15,558,079	6,786,371
Net Debt	(7,899,841)	(1,416,989)
Non-financial assets		
Prepaid expenses and other assets	151,746	276,673
Tangible Capital Assets (Note 7)	42,789,965	35,860,379
	42,941,711	36,137,052
Accumulated Surplus	\$ 35,041,870	\$ 34,720,063

Approved by:





**The Corporation of the Municipality of Red Lake
Consolidated Statement of Financial Activities**

For the year ended December 31	Budget	2009	2008
	(Note 8)		(Note 1)
Revenue			
Taxation	\$ 6,038,951	\$ 6,090,186	\$ 5,699,657
Fees and user charges	3,622,273	3,267,526	3,653,409
Canada Grants	5,443,554	410,958	442,800
Ontario Grants	10,119,084	5,107,679	3,549,821
Other income (Note 11)	994,580	646,743	730,799
	26,218,442	15,523,092	14,076,486
Expenditures			
General government	1,357,528	1,492,977	1,466,398
Protection services	2,269,328	2,152,002	2,208,377
Transportation services	2,316,541	3,225,992	2,860,503
Environmental services	2,330,746	3,569,841	2,857,412
Health services	362,462	511,952	472,940
Social and family services	2,105,880	2,105,022	2,063,797
Recreation and cultural services	1,390,901	1,768,746	1,646,754
Planning and development	396,700	374,753	348,838
Total expenditures	12,530,086	15,201,285	13,925,019
Annual Surplus	13,688,356	321,807	151,467
Accumulated surplus (deficit), beginning of year as previously stated		34,720,063	(595,159)
Prior period adjustment (Note 1)		-	35,163,755
Accumulated surplus, beginning of year, restated		34,720,063	34,568,596
Accumulated surplus, end of year		\$ 35,041,870	\$ 34,720,063

The accompanying summary of significant accounting policies and notes are an integral part to these financial statements.

The Corporation of the Municipality of Red Lake
Consolidated Statement of Changes in Net Debt

For the year ended December 31	2009	2008
		(Note 1)
Annual surplus	\$ 321,807	\$ 151,467
Acquisition of tangible capital assets	(8,820,353)	(2,249,099)
Amortization of tangible capital assets	1,890,766	1,552,475
Net change in prepaid expenses	124,928	(111,918)
Net change in net debt	(6,482,852)	(657,075)
Net Debt, beginning of year	(1,416,989)	(759,914)
Net Debt, end of year	\$(7,899,841)	\$(1,416,989)

The accompanying summary of significant accounting policies and notes are an integral part to these financial statements.

The Corporation of the Municipality of Red Lake
Consolidated Statement of Changes in Financial Position

For the year ended December 31	2009	2008
		(Note 1)
Cash flows from operating activities		
Annual surplus for the year	\$ 321,807	\$ 151,467
Adjustment for Amortization	1,890,766	1,552,475
Changes in non-cash balances		
Taxes receivable	(429,745)	(174,263)
Trade and other receivables	(1,518,009)	(128,891)
Accounts payable and accrued liabilities	1,742,475	(319,731)
Prepaid expenses and other assets	124,927	(111,920)
Deferred revenue	(927,504)	897,272
Landfill closure and post closure liability	33,016	16,141
	1,237,733	1,882,550
Cash flows from financing activities		
Long term debt issued	6,617,398	1,345,116
Long term debt repaid	(592,759)	(483,438)
Bank indebtedness	1,899,083	(174,054)
	7,923,722	687,624
Cash flows from capital transactions		
Acquisition of tangible capital assets	(8,820,353)	(2,249,099)
Net change in cash and cash equivalents	341,102	321,075
Cash and cash equivalents, beginning of year	2,579,697	2,258,622
Cash and cash equivalents, end of year	\$ 2,920,799	\$ 2,579,697
Represented by:		
Cash	\$ 2,677,182	\$ 2,303,401
Temporary investments	243,617	276,296
Balance, end of year	\$ 2,920,799	\$ 2,579,697

The accompanying summary of significant accounting policies and notes are an integral part to these financial statements.

The Corporation of the Municipality of Red Lake

Summary of Significant Accounting Policies

December 31, 2009

Management Responsibility

The consolidated financial statements of the Corporation of The Municipality of Red Lake are the representations of management. They have been prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

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

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

- Red Lake Public Library Board
- Red Lake Regional Heritage Centre and Archives Board

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 consolidated financial statements.

The following boards are not consolidated:

Kenora District Services Board
District of Kenora Home for the Aged
Northwestern Health Unit

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.

Government Transfers

Government transfers are recognized in the year in which the events give 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.

The Corporation of the Municipality of Red Lake

Summary of Significant Accounting Policies

December 31, 2009

Revenue Recognition

Revenues are recognized as follows:

- a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.
- b) Fees and user charges are recognized on a quarterly basis as services are provided.
- c) Other revenues are recorded when collected or when collection is reasonably assured.

Investments

Investment income earned on current fund, reserves and reserve fund are reported as revenue in the period earned. Investments are recorded at the lower of cost and market value.

Deferred revenue

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

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.

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
Machinery and equipment	15 to 25 years
Vehicles	8 years
Roads, sidewalks and streetlights	10 to 20 years
Water and sewer infrastructure	30 to 50 years
Furniture and equipment	8 to 15 years
Land improvements and leaseholds	15 to 30 years

The Corporation of the Municipality of Red Lake

Summary of Significant Accounting Policies

December 31, 2009

Use of Estimates and Measurement Uncertainty

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 reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

In particular, management's estimate for the Landfill Liability, as described in Note 5, is subject to measurement uncertainty. The estimate is based on assumptions and calculations contained in an engineer's report, modified as necessary for the passage of time and actual use of the landfill site. Actual results could differ significantly from those estimates because of the uncertainty related to future cost estimates and future use of the landfill site.

In addition, estimates were involved using valuation techniques to arrive at cost for tangible capital assets where historical cost information was not available.

Pensions and Employee Benefits

Pension Plan

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement Fund (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.

Sick Leave

The collective Bargaining Agreement between the Municipality and the Union provides for sick leave credits for its employees. Unused sick leave credits do not accumulate from year to year.

Vacation

Employees are required to take their vacation time before December 31 each year. No banking of unused vacation time is allowed.

Financial Instruments

The Municipality's financial instruments consist of cash and temporary investments, taxes receivable, trade and other receivables, long term investments, bank indebtedness, accounts payable and accrued liabilities, and long term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial statements.

The fair values of these financial instruments approximate their carrying values.

The Corporation of the Municipality of Red Lake

Notes to Consolidated Financial Statements

December 31, 2009

1. Change in Accounting Policy

On January 1, 2009, the Municipality adopted the 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, 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 and accumulated surplus	<u>\$ 35,860,379</u>
<u>Statement of Operations</u>	
Decrease in expenses and annual surplus	<u>\$ 696,624</u>
Increase in Opening Accumulated Surplus	<u>\$ 35,163,755</u>

2. Cash

	2009	2008
Unrestricted cash	\$ 383,282	\$ 428,605
Restricted cash	<u>2,293,900</u>	<u>1,874,796</u>
	<u>\$ 2,677,182</u>	<u>\$ 2,303,401</u>

3. Investments

The short term investments include guaranteed investment certificates and treasury bills bearing interest rates of .15%, maturing 2010.

The long term investments represent Northern Ontario Grow Bonds with a fixed interest rate of 4%, maturing 2010.

4. Bank Indebtedness

The Corporation of the Municipality of Red Lake has a revolving credit facility with the Canadian Imperial Bank of Commerce for \$2,000,000. Advances under this facility are due on demand and bear interest at prime, payable monthly.

The Municipality also has a revolving bridge facility of \$4,000,000 to provide bridge financing for approved government grants. Each draw is subject to a \$500,000 minimum, with interest at prime payable monthly. At December 31, 2009, the bridge facility had not been utilized.

The Corporation of the Municipality of Red Lake

Notes to Consolidated Financial Statements

December 31, 2009

5. Landfill Closure and Post Closure Liability

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

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

The Municipality operates one primary landfill site. The site has capacity of approximately 200,000 metric tons with approximately 47,700 metric tons of remaining capacity. At current average fill rates, the site has a remaining operating life of approximately six years.

It is estimated that the total net present value of the cost to close and maintain the landfill site is approximately \$819,268. At December 31, 2009, an amount of \$669,157 (2008 - \$636,141) with respect to landfill closure and post-closure liabilities has been accrued. The liability was estimated using a discount factor of 5.19% and an inflation rate of 4.45%. The Municipality has established a reserve to contribute to the cost of closing and maintaining the landfill site.

The Municipality is currently reviewing future solid waste disposal options which may extend the operating life of the landfill.

6. Long Term Liabilities

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

	2009	2008
OSIFA - Ontario Municipal Economic Infrastructure Financing Authority advances, repayable semi annually at \$109,147 until 2016 and \$81,281 thereafter, plus interest at 2.31% and 2.37%, maturing 2021	\$ 2,340,859	\$ 2,559,175
Demand instalment loans, interest at prime, refinanced in 2009	-	1,794,396
Demand instalment loan, principal draw amounts repayable in \$110,966 quarterly payments plus interest payable monthly at prime rate, maturing August 2014 (Loan # - 6026451)	2,108,353	-
Demand instalment loan, principal draw amounts repayable in \$16,116 quarterly payments plus interest payable monthly at prime rate, maturing May 2014 (Loan # -6026354)	257,856	-
Demand instalment loan, principal draw amounts repayable in \$3,635 quarterly payments plus interest payable monthly at prime rate, maturing May 2020 (Loan # - 6026052)	145,390	-
Brought forward	\$ 4,852,458	\$ 4,353,571

The Corporation of the Municipality of Red Lake
Notes to Consolidated Financial Statements

December 31, 2009

6. Long Term Liabilities - continued

	2009	2008
Brought forward	\$ 4,852,458	\$ 4,353,571
Demand instalment loan, principal draw amounts repayable in \$39,509 quarterly payments plus interest payable monthly at prime rate, maturing May 2030 (Loan # - 6026257)	3,160,733	-
Demand instalment loan, principal draw amounts repayable in \$14,509 quarterly payments plus interest payable monthly at prime rate, maturing May 2030 (Loan # - 6026559)	1,160,750	-
Demand instalment loan, principal draw amounts repayable in \$15,054 quarterly payments plus interest payable monthly at prime rate, maturing May 2030 (Loan # - 6026656)	1,204,269	-
	\$ 10,378,210	\$ 4,353,571

Principal payments for the next five fiscal years are as follows:

2010	\$ 839,805
2011	1,017,451
2012	1,017,451
2013	1,017,451
2014	874,252

7. Tangible Capital Assets

Capital assets consist of the following:

	2009		2008	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 331,100	\$ -	\$ 331,100	\$ -
Buildings	28,421,170	6,378,669	28,047,174	5,802,530
Machinery and equipment	4,116,832	1,569,306	3,493,776	1,368,612
Vehicles	446,915	249,877	393,725	210,564
Roads, sidewalks and streetlights	12,377,747	7,322,944	8,451,980	6,998,221
Water and sewer infrastructure	17,115,003	7,609,202	14,485,024	7,238,846
Furniture and equipment	2,218,367	1,366,318	2,098,321	1,117,213
Land improvements and leaseholds	2,870,671	611,524	1,776,352	481,087
	67,897,805	25,107,840	59,077,452	23,217,073
Net book value	\$ 42,789,965		\$ 35,860,379	

The Municipality holds various works of art and historical treasures pertaining to the Red Lake Regional Heritage Centre. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

The Corporation of the Municipality of Red Lake Notes to Consolidated Financial Statements

December 31, 2009

8. Budget Amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the consolidated statement of financial activities for comparative purposes. The 2009 budget amounts for the Corporation of The Municipality of Red Lake approved by Council have been restated to conform to the basis of preparation of the revenues and expenditures on the consolidated statement of financial activities.

Budget per bylaw	\$ (189,420)
Add:	
Capital expenditures	22,232,363
Budgeted payments of long-term debt	728,637
Less:	
Budgeted proceeds from long-term debt	(9,083,224)
Budget per statement of financial activities	<u>\$ 13,688,356</u>

9. Accumulated Surplus

The Municipality's accumulated surplus on the consolidated statement of financial position consists of the following:

	Municipality of Red Lake	Red Lake Public Library Board	Red Lake Regional Heritage Centre	2009	2008
Current	\$ (43,309)	\$ 10,107	\$ 49,314	\$ 16,112	\$ (17,855)
Reserves and Reserve Funds	3,359,659	86,553	124,243	3,570,455	3,231,110
Investment in capital assets	31,455,303	-	-	31,455,303	31,506,808
	<u>\$ 34,771,653</u>	<u>\$ 96,660</u>	<u>\$ 173,557</u>	<u>\$ 35,041,870</u>	<u>\$ 34,720,063</u>

Reserves funds set aside for specific purpose by Council:

Working funds	\$ 331,823	\$ 93,309
Water system	827,104	827,104
Sewer system	255,779	255,779
Police services	105,122	105,122
	<u>1,519,828</u>	<u>1,281,314</u>

The Corporation of the Municipality of Red Lake
Notes to Consolidated Financial Statements

December 31, 2009

9. Accumulated Surplus - continued

	2009	2008
Reserves set aside for specific purpose by Council:		
Parks	43,355	43,172
Medical Centre	45,630	45,437
Water	550,859	548,534
Sewer	164,406	163,794
Recreation Facility	9,163	9,150
Fire	82,162	81,815
Sick leave	20,569	20,482
Norseman royalties	7,586	7,554
Cemetery maintenance	1,416	1,410
Waste disposal	252,585	262,071
Airport	239,728	113,709
Public works	218,451	217,528
General government	37,104	36,947
Library	86,693	87,714
MTO Roads and Bridges	24,434	24,330
Community in bloom	7,898	7,867
Museum	251,449	271,173
Planning	7,139	7,109
	2,050,627	1,949,796
Reserves and reserve funds, end of year	\$ 3,570,455	\$ 3,231,110

10. Pension Agreements

The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2007 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The Corporation of the Municipality of Red Lake paid \$172,366 for employer contributions to the plan in fiscal 2009 (2008 - \$140,066).

The Corporation of the Municipality of Red Lake
Notes to Consolidated Financial Statements

December 31, 2009

11. Other Income

	2009	2008
Penalties and interest	\$ 220,845	\$ 155,179
Investment income	7,984	71,049
Licences, and permits	259,661	347,781
Donations and other	158,253	156,790
	\$ 646,743	\$ 730,799

12. Trust Funds

The trust funds administered by the municipality amounting to \$150,588 (2008 - \$144,098) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2009, the trust fund balances are as follows:

	2009	2008
Woodland Cemetery Perpetual Care	\$ 67,113	\$ 63,384
Red Lake Cemetery Perpetual Care	71,865	69,146
Memorial Trust Fund	2,834	2,823
Health Care Trust	6,710	6,686
Election Trust	2,066	2,059
	\$ 150,588	\$ 144,098

13. Contractual Obligations and Commitments

Sewer and Water

The Municipality has entered into an agreement with a third party for water and waste water services. The cost under this agreement is expected to be approximately \$1,515,000 for 2010. The agreement expires 2017.

Waste Disposal

The Municipality is under an agreement with a third party for waste disposal services. The 2010 estimated cost is \$208,000.

Airport Services

The Municipality has an agreement with a company to provide management services for the operation of the Red Lake Airport. The proposed agreement provides for a management fee of \$50,000 plus a share of surplus funds based on a formula.

Policing

The Municipality is committed to municipal policing services with the Provincial Government for a five year period ending 2012. The estimated cost for 2010 is approximately \$2,047,000.

The Corporation of the Municipality of Red Lake Notes to Financial Statements

December 31, 2009

13 Contractual Obligations and Commitments - continued

Airport Terminal Building

At year end the municipality was committed to the construction of a new Airport Terminal Building. The estimated cost of the project including parking lot and road upgrades is \$7.35 million with grants of \$2,050,000 approved. To date, \$90,755 has been spent on the project.

Highway Commercial Development

The municipality is committed to a new highway commercial development project estimated at \$3.8 million with approved funding of \$1.5 million. As at December 31, 2009, expenditures totalled \$2,497,000.

Fifth Street Upgrades

At as December 31, 2009 the municipality was committed to road upgrades to Fifth Street with an estimated cost of \$2.1 million. To date, \$7,552 was spent on the project. The project is partially financed with grants approved at \$1.4 million.

14. Contingencies

The municipality is contingently liable for deficits for joint boards including District of Kenora Home for the Aged, Kenora District Services Board and the Northwestern Health Unit. No provision has been made for these deficits, if any, as the method of settlement has not yet been determined.

A claim has been filed against the organization for incidents which arose in the ordinary course of business. In the opinion of management and legal council, the outcome of the claim will not be significant. Should any loss result from the resolution of the claim, such losses will be expensed to operations in the year of resolution.

15. Operations and School Boards

Taxation, other revenues and requisitions for the school boards amounting to \$1,830,347 (2008 - \$1,924,746) are not reflected in these financial statements.

16. Public Sector Salary Disclosure

The following is provided in connection with salary disclosure requirements as defined in the Public Sector Salary Disclosure Act, 1996,

	<u>Salary</u>	<u>Benefits</u>
Brian Anderson, Chief Administrative Officer	\$104,462	\$ 380

The Corporation of the Municipality of Red Lake

Notes to Consolidated Financial Statements

December 31, 2009

17. Segmented Information

The Corporation of the Municipality of Red Lake is a diversified municipal government institution that provides a wide range of services to its citizens including police, fire, ambulance, solid waste, sewer and water and recreation. For management reporting purposes the Municipality's operations and activities are organized and reported by Funds.

The Municipality services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

General Government encompasses all the Municipality's administration including Council, the Administrator's office, finance and administration and human resources.

Protection Services

Protection is comprised of police and fire services. The mandate of the municipal policing is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire Service department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires.

Public Works and Transportation

The Public Works and Transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of parks and open space, and street lighting

Environmental

The Municipality reports water, wastewater and solid waste disposal services in the Environmental Fund. These services include providing drinking water to the citizens of Red Lake, collecting and treating wastewater, and providing collection disposal and waste minimization programs and facilities for solid waste. Garbage collection operations are also reported in this Fund.

Health Services

Health services includes contributions to the Northwestern Health Unit and the Kenora District Services Board for ambulance services.

Social and Family Services

The Social and Family Services segment provides Ontario Works services, day care services and includes contributions to the District of Kenora Home for the Aged and to the Kenora District Services Board for social housing.

Recreation and Cultural Services

Recreation and cultural services is responsible for the community centres and the provision of recreation and leisure services such as fitness and aquatic programs. The operations of the Red Lake Library Board and the Red Lake Regional Heritage Centre and Archives Board are also in this segment.

Planning and Development

Recreation and cultural services is responsible for the community centres and the provision of recreation and leisure services such as fitness and aquatic programs. The operations of the Red Lake Library Board and the Red Lake Regional Heritage Centre and Archives Board are also in this segment.

**The Corporation of the Municipality of Red Lake
Notes to Consolidated Financial Statements**

December 31, 2009

17. Segmented Information, con't

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of the segmented financial information.

Taxation revenues have been apportioned based on percentage of expenditures with the exception of water and sewer services which no taxation revenue has been allocated . Revenue from the Ontario Municipal Partnership Fund is reported in General Government and has not been allocated.

The Corporation of the Municipality of Red Lake

Schedule 1 - Schedule of Segmented Information

	General Government		Protection Services		Public Works Transportation		Environmental Services		Health Services		Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
For the year ended December 31, 2009																	
Revenue																	
Taxation	\$ 746,202	\$ 1,075,588	\$ 1,612,377	\$ 276,695	\$ 255,878	\$ 1,052,107	\$ 884,033	\$ 187,306	\$ 6,090,186								
Fees and user charges	40,719	98,479	706,846	1,838,506	23,060	439,520	110,496	9,900	3,267,526								
Canada Grants	-	-	29,002	-	-	-	1,146	380,810	410,958								
Ontario Grants	2,000,800	53,364	105,000	1,227,545	-	885,279	109,648	726,043	5,107,679								
Other Income	573,386	-	-	-	-	-	73,357	-	646,743								
	3,361,107	1,227,431	2,453,225	3,342,746	278,938	2,376,906	1,178,680	1,304,059	15,523,092								
Expenditures																	
Wages and Benefits	871,344	265,634	976,311	138,588	29,994	1,087,787	848,786	254,194	4,472,638								
Long Term Debt Interest	-	6,398	35,863	83,000	1,197	2,517	-	7,888	136,863								
Materials	179,378	136,274	695,199	198,006	16,329	73,331	458,453	34,411	1,791,381								
Contracted Services	287,850	1,634,087	758,711	2,145,518	31,952	113,988	156,675	34,277	5,163,008								
Rents and Financial Expenses	110,348	34,497	84,381	188,820	11,571	65,417	120,318	8,277	623,629								
External Transfers	7,666	-	-	-	385,524	707,556	-	22,254	1,123,000								
Amortization	36,392	75,112	675,527	815,909	35,385	54,476	184,513	13,452	1,890,766								
	1,492,978	2,152,002	3,225,992	3,569,841	511,952	2,105,022	1,766,745	374,753	15,201,285								
Excess net revenue (expense)	\$ 1,868,129	\$ (924,571)	\$ (772,767)	\$ (227,095)	\$ (233,014)	\$ 271,884	\$ (590,065)	\$ 929,306	\$ 321,807								
For the year ended December 31, 2008																	
Revenue																	
Taxation	\$ 731,409	\$ 1,101,492	\$ 1,426,759	\$ 179,364	\$ 235,893	\$ 1,029,379	\$ 821,367	\$ 173,994	\$ 5,699,657								
Fees and user charges	60,517	86,759	646,649	2,031,011	-	422,332	369,375	36,766	3,653,409								
Canada Grants	9,268	-	421,891	-	-	-	11,641	-	442,800								
Ontario Grants	2,038,489	63,026	335,319	23,481	-	922,907	166,599	-	3,549,821								
Other Income	589,008	-	-	-	-	-	141,791	-	730,799								
	3,428,691	1,251,277	2,830,618	2,233,856	235,893	2,374,618	1,510,773	210,760	14,076,486								
Expenditures																	
Wages and Benefits	827,108	181,228	862,022	129,530	3,209	1,004,955	782,922	200,785	3,991,759								
Long Term Debt Interest	6,409	-	38,936	62,584	-	-	-	-	107,929								
Materials	225,589	141,432	691,908	151,916	12,102	76,918	268,992	23,078	1,591,935								
Contracted Services	225,728	1,779,256	678,895	1,811,337	13,239	121,200	84,426	82,840	4,796,921								
Rents and Financial Expenses	151,684	44,788	34,079	32,116	946	24,440	27,696	31,089	346,838								
External Transfers	-	-	-	-	414,390	791,555	331,217	-	1,537,162								
Amortization	29,880	61,673	554,663	669,929	29,054	44,729	151,501	11,046	1,552,475								
	1,466,398	2,208,377	2,860,503	2,857,412	472,940	2,063,797	1,646,754	348,838	13,925,019								
Excess net revenue (expense)	\$ 1,962,293	\$ (957,100)	\$ (29,885)	\$ (623,556)	\$ (237,047)	\$ 310,821	\$ (135,981)	\$ (138,078)	\$ 151,467								

* Includes revenue from the Ontario Municipal Partnership Fund.