

**THE CORPORATION OF THE
TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012**

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Independent Auditors' Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Net Financial Assets	4
Consolidated Statement of Cash Flow	5
Notes to the Consolidated Financial Statements	6 - 14
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	15



INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Algonquin Highlands

We have audited the accompanying financial statements of The Corporation of the Township of Algonquin Highlands, which comprise of the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations, the change in its net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Township of Algonquin Highlands as at December 31, 2012, and the consolidated results of its operations, the consolidated change in its net financial assets and its consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards.

The financial statements for the year ended December 31, 2011 were audited by another accounting firm which have been restated.

Other Matter

The comparative financial statements as at December 31, 2011 have been restated as disclosed in note 2 to the financial statements.

Huntsville, Ontario
April 18, 2013

Pahapill and Associates Professional Corporation
Chartered Accountants
Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

	2012	2011 (Note 2)
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 3,228,973	\$ 2,703,046
Accounts receivable	1,261,906	1,337,381
	4,490,879	4,040,427
LIABILITIES		
Accounts payable and accrued liabilities	482,176	655,491
Deferred revenue (Note 5)	162,364	329,992
Municipal debt (Note 6)	413,950	462,650
Landfill closure and post-closure liability (Note 8)	1,512,726	1,476,530
	2,571,216	2,924,663
NET FINANCIAL ASSETS	1,919,663	1,115,764
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 11, Schedule 1)	8,805,133	8,956,165
Prepaid expenses	531	1,615
	8,805,664	8,957,780
ACCUMULATED SURPLUS	\$ 10,725,327	\$ 10,073,544

APPROVED ON BEHALF OF COUNCIL:

 Reeve

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget 2012 (Note 13)	Actual 2012	Actual 2011 (Note 2)
REVENUE			
Property taxes	\$ 3,811,111	\$ 3,842,744	\$ 3,704,440
User fees	966,590	1,109,587	1,025,363
Government transfers	2,016,176	1,010,078	704,979
Other municipalities	142,000	156,519	140,676
Other	215,500	257,882	264,646
TOTAL REVENUE	7,151,377	6,376,810	5,840,104
EXPENSES			
General government	864,400	791,162	792,967
Protection to persons and property	1,326,779	1,252,266	1,176,786
Transportation services	2,143,582	2,092,461	1,990,485
Environmental services	643,596	643,013	1,479,471
Health services	10,190	16,889	18,562
Recreation and culture	868,592	806,188	744,220
Planning and development	185,889	123,048	91,460
TOTAL EXPENSES	6,043,028	5,725,027	6,293,951
ANNUAL SURPLUS (DEFICIT)	1,108,349	651,783	(453,847)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	10,073,544	10,073,544	10,527,391
ACCUMULATED SURPLUS, END OF YEAR	\$ 11,181,893	\$ 10,725,327	\$ 10,073,544

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget 2012 (Note 13)	Actual 2012	Actual 2011 (Note 2)
Annual surplus (deficit)	\$ 1,108,349	\$ 651,783	\$ (453,847)
Acquisition of tangible capital assets	(945,215)	(945,215)	(978,523)
Amortization of tangible capital assets	1,009,143	1,009,143	876,703
Allocation from work in progress	85,509	85,509	567,278
Loss (gain) on sale of tangible capital assets	-	(2,310)	(88,676)
Proceeds on sale of tangible capital assets	-	3,905	286,546
Use of prepaid expenses	-	1,084	(1,389)
Increase (decrease) in net financial assets	1,257,786	803,899	208,092
Net financial assets (deficit), beginning of year	1,115,764	1,115,764	907,672
Net financial assets, end of year	\$ 2,373,550	\$ 1,919,663	\$ 1,115,764

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011 (Note 2)
Operating transactions		
Annual surplus (deficit)	\$ 651,783	\$ (453,847)
Non-cash charges to operations:		
Amortization	1,009,143	876,703
Loss (gain) on sale of tangible capital assets	(2,310)	(88,676)
	1,658,616	334,180
Changes in non-cash assets and liabilities:		
Accounts receivable	75,475	1,118,256
Accounts payable and accrued liabilities	(173,315)	36,182
Deferred revenue-general	(167,628)	63,908
Landfill closure and post closure liability	36,196	902,771
Prepaid expenses	1,084	(1,389)
	(228,188)	2,119,728
Cash provided by operating transactions	1,430,428	2,453,908
Capital transactions		
Acquisition of tangible capital assets	(945,215)	(978,523)
Allocation from work in progress	85,509	567,278
Proceeds on disposal of tangible capital asset	3,905	286,546
Cash applied to capital transactions	(855,801)	(124,699)
Investing transactions		
Cash provided by investing transactions	-	-
Financing transactions		
Increase (decrease) in municipal debt	-	(613,321)
Debt principal repayments	(48,700)	(24,350)
Cash applied to financing transactions	(48,700)	(637,671)
Net change in cash and cash equivalents	525,927	1,691,538
Cash and cash equivalents, beginning of year	2,703,046	1,011,508
Cash and cash equivalents, end of year	\$ 3,228,973	\$ 2,703,046
Cash flow supplementary information:		
Taxation and investment interest income received	\$ 190,211	\$ 206,985
Interest paid	16,846	22,243
Net interest received	\$ 173,365	\$ 184,742

The accompanying notes and schedules are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2012

The Corporation of the Township of Algonquin Highlands is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Planning Act, Building Code Act and other related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Algonquin Highlands (the "Municipality") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended in the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and reserve and reserve fund balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated entities

The following local boards are consolidated:
Algonquin Highlands Cemetery Board

Inter-organizational transactions and balances between these organizations are eliminated.

(ii) Accounting for school board and the County of Haliburton transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Haliburton are not reflected in these consolidated financial statements.

(iii) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

(b) Basis of Accounting**(i) Accrual basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. This method 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 but are held for use in the provision of Municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2012

(a) 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. Tangible capital assets received as donations are recorded at their fair value at the date of receipt. 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 - 15 years

Buildings - 40 years

Machinery, equipment and furniture - 5 to 20 years

Vehicles - 3 to 10 years

Roads - 15 to 40 years

Bridges - 15 to 40 years

Lagoon - 15 to 40 years

A full year of amortization is taken in the year of acquisition and no amortization is taken in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The Municipality has a capitalization threshold of \$5,000; individual tangible capital assets, or pooled assets of lesser value are expensed in the year of purchase.

(b) Inventories of supplies

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

(iii) Government transfers

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

(iv) Deferred revenue

The Municipality receives gas tax revenue from the Federal Government, payments in lieu of parkland and building permit fees under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended. The Municipality also defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the services are performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2012

(v) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(vi) Pensions

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

(vii) 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. Actual results could differ from these estimates. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.

2. RESTATEMENT

Effective January 1, 2009, the Municipality changed its accounting and financial reporting to conform with the revised guidelines in the Public Sector Accounting Handbook on financial statement presentation (section 1200) and tangible capital assets (section 3150). Certain capital assets had not been capitalized in the 2009 restatement.

Certain capital assets which had been classified as work in process as at December 31, 2011 should have been classified as in use with annual amortization taken as they were substantially complete throughout the year.

The effects of this restatement are as follows:

Year ended December 31, 2011

ACCUMULATED SURPLUS	
Accumulated surplus, as previously reported	10,111,362
Tangible capital assets revised	(37,818)
ACCUMULATED SURPLUS, AS RESTATED	\$ 10,073,544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2012

ANNUAL SURPLUS	
Annual surplus (deficit) as previously reported	(416,029)
Assets capitalized but previously expensed	40,917
Accumulated amortization not previously recorded	(40,917)
Transfer from work in process	(567,277)
Assets capitalized from work in process	567,277
Amortization expenses not previously recorded	(37,818)
ANNUAL SURPLUS (DEFICIT), AS RESTATED	\$ (453,847)

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HALIBURTON

Further to Note 1(a)(ii), the Municipality is required to collect property taxes and payments-in-lieu of taxes on the behalf of the school boards and the County of Haliburton. The amounts collected, remitted and outstanding are as follows:

	2012 School Boards	2012 County	2011 Total
Payable at the beginning of the year	\$ -	\$ -	\$ -
Taxation and payments-in-lieu, net of adjustments	3,326,114	2,591,296	5,741,120
Remitted during the year	(3,297,256)	(2,572,888)	(5,741,120)
Payable at the end of the year	\$ 28,858	\$ 18,408	\$ -

4. TRUST FUNDS

Trust funds administered by the Township amounting to \$98,116 (2011 \$93,322) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

5. DEFERRED REVENUE

The 2012 continuity of transactions within the obligatory reserve funds are described below:

	Balance beginning of year	Contributions received	Interest earned	Amounts taken into revenue	Balance end of year
Parkland	\$ 123,640	\$ 1,050	\$ 1,251	\$ -	\$ 125,941
Federal gas tax	186,902	60,614	1,307	(240,000)	8,823
Other	19,450	20,100	-	(11,950)	27,600
	\$ 329,992	\$ 81,764	\$ 2,558	\$ (251,950)	\$ 162,364

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2012

6. MUNICIPAL DEBT

(a) The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2012	2011
Debenture issued to Ontario Infrastructure Projects Corporation, repayable in semi-annual instalments of \$24,350 plus interest at 3.73% per annum, due May 3, 2021.	\$ 413,950	\$ 462,650
	\$ 413,950	\$ 462,650

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal	Interest
2013	\$ 48,700	\$ 15,062
2014	48,700	13,126
2015	48,700	11,322
2016	48,700	9,560
2017	48,700	7,716
2018 onwards	170,450	12,721
	\$ 413,950	\$ 69,507

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2012	2011
Principal payments	\$ 48,700	\$ 48,700
Interest	16,846	22,243
	\$ 65,546	\$ 70,943

The annual principal and interest payments required to service the Municipality's debt were within the annual debt repayment limit of \$1,092,750 prescribed by the Ministry of Municipal Affairs and Housing.

7. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$700,000 (2011 \$700,000) via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate plus 0.50% per annum. Council authorized the temporary borrowing limit by By-law 12-01, of which NIL (2011 NIL) was used at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2012

8. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

Commencing in 2001, the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants require that municipalities recognize a liability related to the closure of solid waste landfill sites. This liability encompasses all costs related to the closure and subsequent maintenance of such sites. The liability is recognized in the financial statements over the operating life of the solid waste disposal site, in proportion to its utilized capacity.

The Township is responsible for the operation and maintenance of five waste disposal sites. The total landfill closure and post-closure estimates for the usable footprints are as follows:

Total estimated expenditures for closure and post-closure care	\$1,770,120
Reported liability in current year	\$1,512,726
Total expenditures remaining to be recognized	\$257,394
Utilization/year	3,779m ³
Estimated remaining usable capacity	42,440m ³
Remaining landfill site life	115 years
Number of years required for post-closure care	25 years

9. CONTINGENT LIABILITIES

In the normal course of business, the municipality is named to lawsuits related to its operations. Management is of the view that these lawsuits are without merit and any settlement would not be material to the financial position of the municipality.

10. COMMITMENTS

In 2010 the Township entered into a contract related to the Airport Development Project in the amount of \$2,266,000. As at December 31, 2012, \$465,000 of this contract had been completed. Two thirds of the project will be funded through Federal and Provincial grants and the one third Municipal contribution will be funded through the issue of long term debt.

The Township entered into a four year service agreement for surface and groundwater monitoring and reporting for its landfill sites. Two years remain on this agreement which has annual costs of \$97,760 per year.

11. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the tangible capital assets of the Municipality by major asset class. Additional information relating to these assets is provided below.

(a) Works of art and historical artifacts

Works of art and historical artifacts owned by the Municipality are not included in the tangible capital assets reported on the Consolidated Statement of Financial Position. The Municipality owns a number of paintings and other pieces of artwork that are prominently displayed in municipal buildings as well as many historical artifacts housed at the Municipality's museum.

(b) Capitalization of interest

The Municipality has a policy of expensing borrowing costs related to the acquisition of tangible capital assets.

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2012

12. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT

The following provides a breakdown by major segment of the annual surplus (deficit) reported on the Consolidated Statement of Operations. The segments identified below correspond to the major functional categories used in the Municipality's Financial Information Return. Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment.

FOR THE YEAR ENDED DECEMBER 31, 2012

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,842,744	\$ 3,842,744
User fees	11,444	119,534	362,275	226,064	10,455	-	354,081	25,734	-	1,109,587
Government transfers	-	13,743	940,200	-	-	-	54,345	1,790	-	1,010,078
Other municipalities	5,000	15,942	122,374	-	-	-	13,203	-	-	156,519
Other	190,211	20,616	-	80	2,780	-	25,923	-	18,272	257,882
TOTAL REVENUE	206,655	169,835	1,424,849	226,144	13,235	-	447,552	27,524	3,861,016	6,376,810
EXPENSES										
Salaries, wages and benefits	588,195	423,322	687,945	149,836	12,304	-	441,368	56,767	-	2,359,737
Long-term debt charges (interest)	-	16,846	-	-	-	-	-	-	-	16,846
Operating expenses	192,682	696,031	586,456	477,508	4,585	-	321,627	60,412	-	2,339,301
Amortization	10,285	116,067	818,060	15,669	-	-	43,193	5,869	-	1,009,143
TOTAL EXPENSES	791,162	1,252,266	2,092,461	643,013	16,889	-	806,188	123,048	-	5,725,027
ANNUAL SURPLUS (DEFICIT)	\$ (584,507)	\$ (1,082,431)	\$ (667,612)	\$ (416,869)	\$ (3,654)	\$ -	\$ (358,636)	\$ (95,524)	\$ 3,861,016	\$ 651,783

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

12. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2011

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,704,440	\$ 3,704,440
User fees	8,741	150,734	235,913	225,532	15,540	-	319,016	69,887	-	1,025,363
Government transfers	-	1,859	689,100	160	-	-	13,860	-	-	704,979
Other municipalities	-	17,855	104,516	-	-	-	18,305	-	-	140,676
Other	206,985	3,375	-	-	3,441	-	50,845	-	-	264,646
TOTAL REVENUE	215,726	173,823	1,029,529	225,692	18,981	-	402,026	69,887	3,704,440	5,840,104
EXPENSES										
Salaries, wages and benefits	549,216	379,518	628,035	115,564	15,332	-	399,408	64,341	-	2,151,414
Long-term debt charges (interest)	-	13,901	8,342	-	-	-	-	-	-	22,243
Operating expenses	233,465	669,283	661,277	1,352,165	3,230	-	302,921	21,250	-	3,243,591
Amortization	10,286	114,084	692,831	11,742	-	-	41,891	5,869	-	876,703
TOTAL EXPENSES	792,967	1,176,786	1,990,485	1,479,471	18,562	-	744,220	91,460	-	6,293,951
ANNUAL SURPLUS (DEFICIT)	\$ (577,241)	\$ (1,002,963)	\$ (960,956)	\$ (1,253,779)	\$ 419	\$ -	\$ (342,194)	\$ (21,573)	\$ 3,704,440	\$ (453,847)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2012

13. BUDGET FIGURES

The budget adopted for the current year was prepared on a fund basis, and has been restated to conform with the accounting and reporting standards adopted for the current year actual results.

14. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2012 was \$129,513 (2011 \$101,528) for current service and is included as an expense on the Consolidated Statement of Operations.

15. COMPARATIVE FIGURES

Certain 2011 amounts in these financial statements have been reclassified to conform with their presentation in 2012.

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 1

	Land and Land Improvements	Buildings	Machinery, Equipment and Furniture	Vehicles	Roads and Bridges	Lagoon	Assets Under Construction	TOTAL 2012	TOTAL 2011 (Note 2)
COST									
Balance, beginning of year	\$ 2,161,126	\$ 2,192,848	\$ 665,257	\$ 3,944,372	\$ 10,072,474	\$ 137,053	\$ 908,926	\$ 20,082,056	\$ 19,968,680
Additions and betterments	21,364	-	291,641	13,012	571,734	-	47,464	945,215	978,523
Disposals and writedowns	-	-	-	(31,896)	-	-	(85,509)	(117,405)	(865,147)
BALANCE, END OF YEAR	2,182,490	2,192,848	956,898	3,925,488	10,644,208	137,053	870,881	20,909,866	20,082,056
ACCUMULATED AMORTIZATION									
Balance, beginning of year	74,416	1,114,357	336,726	2,430,418	7,159,696	10,278	-	11,125,891	10,349,188
Annual amortization	57,174	54,310	74,326	224,003	595,903	3,427	-	1,009,143	876,703
Amortization disposals	-	-	-	(30,301)	-	-	-	(30,301)	(100,000)
BALANCE, END OF YEAR	131,590	1,168,667	411,052	2,624,120	7,755,599	13,705	-	12,104,733	11,125,891
TANGIBLE CAPITAL ASSETS-NET	\$ 2,050,900	\$ 1,024,181	\$ 545,846	\$ 1,301,368	\$ 2,888,609	\$ 123,348	\$ 870,881	\$ 8,805,133	\$ 8,956,165