

**CORPORATION OF THE TOWNSHIP  
OF TUDOR AND CASHEL**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**CORPORATION OF THE TOWNSHIP  
OF TUDOR AND CASHEL**

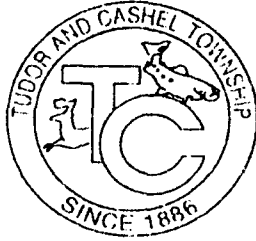
**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

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## TOWNSHIP OF TUDOR AND CASHEL

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### CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

For The Year Ended December 31, 2011

#### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Tudor and Cashel are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Tudor and Cashel. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the external auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Collins Barrow Kawarthas LLP has full and free access to Council.

Reeve Reeve Wanda Donaldson Date June 5<sup>th</sup> 2012.

Clerk-Treasurer Bernice Crocker Date June 05, 2012.

**INDEPENDENT AUDITORS' REPORT****To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Tudor and Cashel***Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Tudor and Cashel and its local boards, which comprise the consolidated statement of financial position as at December 31, 2011, the consolidated statements of operations and accumulated surplus, change in 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 consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated 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 auditors' 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 controls 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 controls. 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Township of Tudor and Cashel and its local boards as at December 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*Chartered Accountants  
Licensed Public AccountantsPeterborough, Ontario  
June 5, 2012

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2011

	2011	2010
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	904,001	463,173
Accounts receivable	49,582	84,569
Taxes receivable	216,329	277,597
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,169,912</b>	<b>825,339</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	156,219	118,103
Deferred revenue - obligatory reserve funds (note 5)	41,841	-
Deferred revenue - other (note 6)	39,767	-
Landfill closure and post-closure liability (note 7)	207,434	128,716
<b>TOTAL LIABILITIES</b>	<b>445,261</b>	<b>246,819</b>
<b>NET FINANCIAL ASSETS</b>	<b>724,651</b>	<b>578,520</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	3,173,992	3,291,553
Prepaid expenses	17,403	17,403
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>3,191,395</b>	<b>3,308,956</b>
<b>ACCUMULATED SURPLUS (note 4)</b>	<b>3,916,046</b>	<b>3,887,476</b>

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2011

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
<b>REVENUES</b>			
Property taxation	821,690	825,650	811,616
User charges	14,450	58,279	57,463
Government of Canada	-	-	36,839
Province of Ontario	377,800	371,019	559,274
Penalties and interest on taxes	26,000	37,661	42,455
Federal gas tax funding	-	-	37,533
Tax registration proceeds	4,500	50,481	14,199
<b>TOTAL REVENUES</b>	<b>1,244,440</b>	<b>1,343,090</b>	<b>1,559,379</b>
<b>EXPENSES</b>			
General government	316,554	331,044	318,224
Protection services	215,522	204,326	208,839
Transportation services	517,997	492,739	553,378
Environmental services	123,143	160,755	119,061
Health services	16,800	16,243	15,208
Recreation and cultural services	61,385	64,178	36,419
Planning and development	59,384	45,235	45,575
<b>TOTAL EXPENSES</b>	<b>1,310,785</b>	<b>1,314,520</b>	<b>1,296,704</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(66,345)</b>	<b>28,570</b>	<b>262,675</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>3,887,476</b>	<b>3,887,476</b>	<b>3,624,801</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>3,821,131</b>	<b>3,916,046</b>	<b>3,887,476</b>

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2011

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(66,345)	28,570	262,675
<b>AMORTIZATION OF TANGIBLE CAPITAL ASSETS</b>	138,345	139,496	138,346
<b>ACQUISITION OF TANGIBLE CAPITAL ASSETS</b>	(29,000)	(21,935)	(87,055)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	43,000	146,131	313,966
<b>NET FINANCIAL ASSETS - beginning of year</b>	578,520	578,520	264,554
<b>NET FINANCIAL ASSETS - end of year</b>	621,520	724,651	578,520

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2011

	2011	2010
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus/(deficit)	28,570	262,675
Decrease in accounts receivable	34,987	448,917
Decrease in taxes receivable	61,268	21,056
Increase/(decrease) in accounts payable and accrued liabilities	38,116	(179,610)
Increase in deferred revenue - obligatory reserve funds	41,841	-
Increase/(decrease) in deferred revenue - other	39,767	(104,588)
Non-cash charges to operations		
Amortization of tangible capital assets	139,496	138,346
Increase in landfill closure and post-closure liability	78,718	25,585
<b>Net increase in cash from operating transactions</b>	<b>462,763</b>	<b>612,381</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(21,935)	(87,055)
<b>INCREASE IN CASH</b>	<b>440,828</b>	<b>525,326</b>
<b>CASH - beginning of year</b>	<b>463,173</b>	<b>(62,153)</b>
<b>CASH - end of year</b>	<b>904,001</b>	<b>463,173</b>

*The accompanying notes are an integral part of these financial statements*



# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

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The Township of Tudor and Cashel 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, Municipal Affairs Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

#### (a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These financial statements include:

- Tudor and Cashel Public Library Board

All interfund assets and liabilities and revenues and expenses are eliminated.

#### (b) 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, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	30 years
Buildings	50 years
Roads and bridges	5 to 50 years
Machinery and equipment	5 to 50 years
Vehicles	2 to 12 years

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

#### (c) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

#### (d) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

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# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(f) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed and grants which have been received for which the related expenses have not been incurred. These amounts will be recognized as revenues in the fiscal year the services are performed or expenses are incurred.

(g) Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the Township upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no significant collection risk.

(h) Government Funding

Government funding is 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.

(i) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs.
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (i) Financial Instruments

The Township's financial instruments consist of cash, accounts receivable, taxes receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Township does not have any significant concentration of interest, currency or credit risk.

### 2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2011, requisitions were made by the County of Hastings and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	300,043	379,099
Taxation from other governments	1,023	2,888
<b>Amounts requisitioned and remitted</b>	<b>301,066</b>	<b>381,987</b>

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

### 3. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2011 \$	2010 \$
General		
Land	344,404	344,404
Land improvements	46,886	48,622
Buildings	424,182	436,626
Machinery and equipment	82,065	92,946
Vehicles	145,822	142,258
Infrastructure		
Roads and bridges	2,130,633	2,226,697
	<b>3,173,992</b>	<b>3,291,553</b>

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2010 - \$Nil) and no interest capitalized (2010 - \$Nil).

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

### 3. TANGIBLE CAPITAL ASSETS, continued

The allocation of tangible capital assets by segment is as follows:

	2011	2010
	\$	\$
General government	492,284	499,760
Protection services	139,514	143,686
Transportation services	2,532,341	2,636,184
Health services	1,367	1,367
Recreation and cultural services	8,486	10,556
	<b>3,173,992</b>	<b>3,291,553</b>

### 4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2011	2010
	\$	\$
<b>Surplus/(Deficit)</b>		
Township operations	522,769	339,248
Library board	1,424	98
Unfunded landfill closure and post-closure costs	(207,434)	(128,718)
	<b>316,759</b>	<b>210,628</b>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	3,173,992	3,291,553
	<b>3,490,751</b>	<b>3,502,181</b>
<b>Reserves</b>		
Working funds	169,382	159,382
General	97,190	97,190
Future capital	63,435	63,435
Roads	80,000	50,000
Fire	14,269	14,269
Library	425	425
	<b>424,701</b>	<b>384,701</b>
<b>Reserve Funds</b>		
Recreation	594	594
	<b>3,916,046</b>	<b>3,887,476</b>

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

### 5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2011	2010
	\$	\$
Federal gas tax rebate	41,841	-

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2011	2010
	\$	\$
Balance - beginning of year	-	-
Add amounts received:		
County gas tax funding received	20,921	16,544
Federal gas tax funding received	20,920	20,989
	41,841	37,533
Less transfer to operations:		
Federal gas tax fund	-	37,533
Balance - end of year	41,841	-

### 6. DEFERRED REVENUE

Deferred revenue is comprised of funding remaining from a government grant. The remaining funds are to be spent on the Healthy Communities Fund Grants Project during fiscal 2012.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

### 7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$207,434 (2010 - \$128,716) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the two sites the Township operates. The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill sites. The remaining capacity of the solid waste landfill sites is estimated at 7,512 m<sup>3</sup> (2010 - 9,307 m<sup>3</sup>) which is 66.0% (2010 - 57.99%) of the sites' total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$312,117 (2010 - \$220,581) as at December 31, 2011. The landfill sites are expected to reach their capacity in 3 and 6 years respectively.

### 8. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
Salaries and benefits	501,840	439,000	422,463
Materials	447,950	428,997	420,229
Contracted services	198,500	283,923	290,414
Rents and financial expenses	450	82	342
External transfers	23,700	23,022	24,910
Amortization	138,345	139,496	138,346
	1,310,785	1,314,520	1,296,704

### 9. BUDGET FIGURES

The budget, approved by the Township, for 2011 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. 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 current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

### 10. 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 \$250,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 01-2011. At December 31, 2011 there was no balance outstanding. (2010 - \$Nil)

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

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### 11. SEGMENTED INFORMATION

The Township of Tudor and Cashel is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

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. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

#### **General Government**

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

#### **Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

#### **Transportation Services**

The activities of the transportation function include construction and maintenance of the Township's roads and bridges and winter control.

#### **Environmental Services**

The environmental function is responsible for waste disposal and recycling services to ratepayers.

#### **Health Services**

The health services function consists of cemeteries and external transfers to the local medical centre.

#### **Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities and library services.

#### **Planning and Development**

The planning and development services function manages commercial, industrial and residential development within the Township.

### 12. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2011

			General			Infrastructure	Totals
	Land	Land	Buildings	Machinery and	Vehicles	Roads and	
	\$	Improvements	\$	Equipment	\$	Bridges	\$
		\$		\$		\$	
<b>COST</b>							
Balance, beginning of year	344,404	52,094	640,517	510,639	559,677	4,788,787	6,896,118
Add: additions during the year	-	-	-	412	21,523	-	21,935
Less: disposals during the year	-	-	-	1,198	-	-	1,198
Balance, end of year	344,404	52,094	640,517	509,853	581,200	4,788,787	6,916,855
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	-	3,472	203,891	417,693	417,419	2,562,090	3,604,565
Add: additions during the year	-	1,736	12,444	11,293	17,959	96,064	139,496
Less: disposals during the year	-	-	-	1,198	-	-	1,198
Balance, end of year	-	5,208	216,335	427,788	435,378	2,658,154	3,742,863
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>344,404</b>	<b>46,886</b>	<b>424,182</b>	<b>82,065</b>	<b>145,822</b>	<b>2,130,633</b>	<b>3,173,992</b>



# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2011

	General Government \$	Protection Services \$	Transportation Services \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	28,430	196,775	381,881	124,914	7,210	41,255	45,185	825,650
User charges	14,929	18,967	7,014	10,112	-	7,207	50	58,279
Government transfers - operating	353,300	-	-	-	-	5,305	-	358,605
Government transfers - capital	-	3,381	-	-	9,033	-	-	12,414
Penalties and interest on taxes	37,661	-	-	-	-	-	-	37,661
Tax registration proceeds	50,481	-	-	-	-	-	-	50,481
<b>Total revenues</b>	<b>484,801</b>	<b>219,123</b>	<b>388,895</b>	<b>135,026</b>	<b>16,243</b>	<b>53,767</b>	<b>45,235</b>	<b>1,343,090</b>
<b>Expenses</b>								
Salaries and benefits	167,895	-	196,077	42,573	-	4,088	28,367	439,000
Materials	105,977	63,264	162,296	18,780	8,632	53,180	16,868	428,997
Contracted services	49,614	123,479	9,000	99,402	-	2,428	-	283,923
Rents and financial expenses	82	-	-	-	-	-	-	82
External transfers	-	13,411	-	-	7,611	2,000	-	23,022
Amortization	7,476	4,172	125,366	-	-	2,482	-	139,496
<b>Total expenses</b>	<b>331,044</b>	<b>204,326</b>	<b>492,739</b>	<b>160,755</b>	<b>16,243</b>	<b>64,178</b>	<b>45,235</b>	<b>1,314,520</b>
<b>Net surplus/(deficit)</b>	<b>153,757</b>	<b>14,797</b>	<b>(103,844)</b>	<b>(25,729)</b>	<b>-</b>	<b>(10,411)</b>	<b>-</b>	<b>28,570</b>

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2010

	General Government \$	Protection Services \$	Transportation Services \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	114,692	197,550	276,824	118,100	17,400	38,600	48,450	811,616
User charges	11,545	28,739	4,888	4,876	-	7,005	410	57,463
Government transfers - operating	397,000	-	-	-	-	5,501	-	402,501
Government transfers - capital	-	10,000	178,266	-	-	5,346	-	193,612
Penalties and interest on taxes	42,455	-	-	-	-	-	-	42,455
Federal gas tax funding	-	-	37,533	-	-	-	-	37,533
Tax registration proceeds	14,199	-	-	-	-	-	-	14,199
<b>Total revenues</b>	<b>579,891</b>	<b>236,289</b>	<b>497,511</b>	<b>122,976</b>	<b>17,400</b>	<b>56,452</b>	<b>48,860</b>	<b>1,559,379</b>
<b>Expenses</b>								
Salaries and benefits	169,115	-	182,126	37,199	-	4,345	29,678	422,463
Materials	105,214	59,450	182,505	27,215	5,727	24,221	15,897	420,229
Contracted services	36,078	131,788	65,533	54,647	-	2,368	-	290,414
Rents and financial expenses	342	-	-	-	-	-	-	342
External transfers	-	13,429	-	-	9,481	2,000	-	24,910
Amortization	7,475	4,172	123,214	-	-	3,485	-	138,346
<b>Total expenses</b>	<b>318,224</b>	<b>208,839</b>	<b>553,378</b>	<b>119,061</b>	<b>15,208</b>	<b>36,419</b>	<b>45,575</b>	<b>1,296,704</b>
<b>Net surplus/(deficit)</b>	<b>261,667</b>	<b>27,450</b>	<b>(55,867)</b>	<b>3,915</b>	<b>2,192</b>	<b>20,033</b>	<b>3,285</b>	<b>262,675</b>

**CORPORATION OF THE TOWNSHIP  
OF TUDOR AND CASHEL**

**TUDOR AND CASHEL PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**INDEPENDENT AUDITORS' REPORT****To the Members of the Tudor and Cashel Public Library Board, the Members of Council,  
Inhabitants and Ratepayers of the Corporation of the Township of Tudor and Cashel**T. 705.742.3418  
F. 705.742.9775[www.collinsbarrowkawarthas.com](http://www.collinsbarrowkawarthas.com)*Report on the Financial Statements*

We have audited the accompanying financial statements of the Tudor and Cashel Public Library Board of the Corporation of the Township of Tudor and Cashel, which comprise the statement of financial position as at December 31, 2011, the statements of operations and accumulated surplus, change in 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' 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 auditors' 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 controls 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 controls. 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.

Except as noted in the following paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*

The Board derives revenue from user charges and other income, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to user charges and other income, assets and accumulated surplus.

*Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Tudor and Cashel Public Library Board as at December 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*Chartered Accountants  
Licensed Public AccountantsPeterborough, Ontario  
June 5, 2012

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2011

	2011	2010
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	2,525	437
Accounts receivable	-	5,346
Due From Township	-	1,539
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,525</b>	<b>7,322</b>
<b>LIABILITIES</b>		
Due From Township	676	-
Accounts payable	-	6,799
<b>TOTAL LIABILITIES</b>	<b>676</b>	<b>6,799</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,849</b>	<b>523</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	8,488	10,557
<b>ACCUMULATED SURPLUS (note 3)</b>	<b>10,337</b>	<b>11,080</b>

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2011

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
<b>REVENUES</b>			
Municipal contribution	1,500	1,500	2,952
Province of Ontario	3,505	5,305	10,847
User charges and other income	-	499	294
<b>TOTAL REVENUES</b>	<b>5,005</b>	<b>7,304</b>	<b>14,093</b>
<b>EXPENSES</b>			
Salaries and benefits	4,264	4,088	4,345
Other supplies	636	1,477	2,732
Amortization	3,485	2,482	3,483
<b>TOTAL EXPENSES</b>	<b>8,385</b>	<b>8,047</b>	<b>10,560</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(3,380)</b>	<b>(743)</b>	<b>3,533</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>11,080</b>	<b>11,080</b>	<b>7,547</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>7,700</b>	<b>10,337</b>	<b>11,080</b>

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2011

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(3,380)	(743)	3,533
<b>AMORTIZATION OF TANGIBLE CAPITAL ASSETS</b>	3,485	2,481	3,483
<b>ACQUISITION OF TANGIBLE CAPITAL ASSETS</b>	-	(412)	(6,712)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	105	1,326	304
<b>NET FINANCIAL ASSETS - beginning of year</b>	523	523	219
<b>NET FINANCIAL ASSETS - end of year</b>	628	1,849	523

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2011

	2011	2010
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus/(deficit)	(743)	3,533
(Increase)/decrease in accounts receivable	5,346	(5,346)
(Increase)/decrease in due from Township	1,539	(4,539)
Increase in due from township	676	-
Increase/(decrease) in accounts payable	(6,799)	6,799
Non-cash charges to operations		
Amortization of tangible capital assets	2,481	3,483
<b>Net increase in cash from operating transactions</b>	<b>2,500</b>	<b>3,930</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(412)	(6,712)
<b>INCREASE/(DECREASE) IN CASH</b>	<b>2,088</b>	<b>(2,782)</b>
<b>CASH - beginning of year</b>	<b>437</b>	<b>3,219</b>
<b>CASH - end of year</b>	<b>2,525</b>	<b>437</b>

*The accompanying notes are an integral part of these financial statements*



# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2011

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(c) Financial Instruments

The Board's financial instruments consist of cash and accounts payable. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Board does not have any significant concentration of credit, currency or interest rate risk.

(d) 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, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Furniture and equipment	7 to 15 years

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

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2011

### 2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Books \$	Furniture and Equipment \$	2011 Totals \$	2010 Totals \$
<b>COST</b>				
Balance, beginning of year	38,345	53,590	91,935	87,095
Add: additions during the year	412	-	412	6,712
Less: disposals during the year	1,198	-	1,198	1,872
<b>Balance, end of year</b>	<b>37,559</b>	<b>53,590</b>	<b>91,149</b>	<b>91,935</b>
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	32,439	48,939	81,378	79,767
Add: additions during the year	1,794	687	2,481	3,483
Less: disposals during the year	1,198	-	1,198	1,872
<b>Balance, end of year</b>	<b>33,035</b>	<b>49,626</b>	<b>82,661</b>	<b>81,378</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>4,524</b>	<b>3,964</b>	<b>8,488</b>	<b>10,557</b>

### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2011 \$	2010 \$
<b>Surplus</b>		
Operating fund balance	1,424	98
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	8,488	10,557
<b>Surplus</b>	<b>9,912</b>	<b>10,655</b>
<b>Reserve Funds</b>		
Future capital	425	425
	<b>10,337</b>	<b>11,080</b>

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2011

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### 4. BUDGET FIGURES

The operating budget, approved by the Board, for 2011 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. 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 current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.