

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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

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

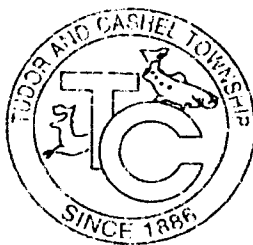
CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

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TOWNSHIP OF TUDOR AND CASHEL

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

For The Year Ended December 31, 2012

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

Wanda Donaldson

Date

Sept 27, 2013

Clerk-Treasurer

Bernice Crocker

Date

Sept 13, 2013

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 board, which comprise the consolidated statement of financial position as at December 31, 2012, 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 board as at December 31, 2012 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
September 03, 2013

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION At December 31, 2012

	2012	2011
	\$	\$
FINANCIAL ASSETS		
Cash	716,870	904,001
Accounts receivable	108,883	49,582
Taxes receivable	310,346	216,329
TOTAL FINANCIAL ASSETS	1,136,099	1,169,912
LIABILITIES		
Accounts payable and accrued liabilities	140,543	156,219
Deferred revenue - obligatory reserve funds (note 5)	23,996	41,841
Deferred revenue - other (note 6)	20,685	39,767
Landfill closure and post-closure liability (note 7)	242,490	207,434
TOTAL LIABILITIES	427,714	445,261
NET FINANCIAL ASSETS	708,385	724,651
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	3,357,425	3,173,992
Prepaid expenses	17,403	17,403
TOTAL NON-FINANCIAL ASSETS	3,374,828	3,191,395
ACCUMULATED SURPLUS (note 4)	4,083,213	3,916,046

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, 2012

	Budget 2012 \$	Actual 2012 \$	Actual 2011 \$
REVENUES			
Property taxation	854,192	878,116	825,650
User charges	28,842	50,389	58,279
Province of Ontario	341,305	341,305	371,019
Penalties and interest on taxes	27,000	32,817	37,661
Investment income	-	8,045	-
Gain on sale of capital assets	-	6,595	-
Federal gas tax earned	62,761	62,761	-
Tax registration proceeds	4,500	6,712	50,481
TOTAL REVENUES	1,318,600	1,386,740	1,343,090
EXPENSES			
General government	307,996	303,332	331,044
Protection services	235,472	209,337	204,326
Transportation services	528,970	474,205	492,739
Environmental services	117,117	143,454	160,755
Health services	15,550	15,744	16,243
Recreation and cultural services	56,282	52,361	64,178
Planning and development	38,104	21,140	45,235
TOTAL EXPENSES	1,299,491	1,219,573	1,314,520
ANNUAL SURPLUS	19,109	167,167	28,570
ACCUMULATED SURPLUS - beginning of year	3,916,046	3,916,046	3,887,476
ACCUMULATED SURPLUS - end of year	3,935,155	4,083,213	3,916,046

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, 2012

	Budget 2012 \$	Actual 2012 \$	Actual 2011 \$
ANNUAL SURPLUS	19,109	167,167	28,570
Amortization of tangible capital assets	139,496	163,285	139,496
Acquisition of tangible capital assets	(340,000)	(346,718)	(21,935)
Gain on disposal of tangible capital assets	-	(6,595)	-
Proceeds on sale of tangible capital assets	-	6,595	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(181,395)	(16,266)	146,131
NET FINANCIAL ASSETS - beginning of year	724,651	724,651	578,520
NET FINANCIAL ASSETS - end of year	543,256	708,385	724,651

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, 2012

	2012	2011
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	167,167	28,570
(Increase)/decrease in accounts receivable	(59,301)	34,987
(Increase)/decrease in taxes receivable	(94,017)	61,268
Increase/(decrease) in accounts payable and accrued liabilities	(15,676)	38,116
Increase/(decrease) in deferred revenue - obligatory reserve funds	(17,845)	41,841
Increase/(decrease) in deferred revenue - other	(19,082)	39,767
Non-cash charges to operations		
Amortization of tangible capital assets	163,285	139,496
Increase in landfill closure and post-closure liability	35,056	78,718
Gain on sale of capital assets	(6,595)	-
Net increase in cash from operating transactions	152,992	462,763
CAPITAL		
Acquisition of tangible capital assets	(346,718)	(21,935)
Proceeds on disposal of tangible capital assets	6,595	-
Net decrease in cash from capital transactions	(340,123)	(21,935)
INCREASE/(DECREASE) IN CASH	(187,131)	440,828
CASH - beginning of year	904,001	463,173
CASH - end of year	716,870	904,001

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, 2012

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.

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

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, 2012

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) 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 2012, 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	337,093	428,738
Taxation from other governments	783	2,763
Amounts requisitioned and remitted	337,876	431,501

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:

	2012 \$	2011 \$
General		
Land	344,404	344,404
Land improvements	45,150	46,886
Buildings	427,152	424,182
Machinery and equipment	72,152	82,065
Vehicles	319,331	145,822
Infrastructure		
Roads and bridges	2,149,236	2,130,633
	3,357,425	3,173,992

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

During the year there were no write-downs of assets (2011 - \$Nil) and no interest capitalized (2011 - \$Nil).

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

3. TANGIBLE CAPITAL ASSETS, continued

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

	2012	2011
	\$	\$
General government	495,397	492,284
Protection services	135,342	139,514
Transportation services	2,717,934	2,532,341
Health services	1,367	1,367
Recreation and cultural services	7,385	8,486
	3,357,425	3,173,992

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2012	2011
	\$	\$
Surplus/(Deficit)		
Township operations	723,159	522,769
Library board	(178)	1,424
Unfunded landfill closure and post-closure costs	(242,490)	(207,434)
	480,491	316,759
Invested in Capital Assets		
Tangible capital assets - net book value	3,357,425	3,173,992
Surplus	3,837,916	3,490,751
Reserves		
Working funds	179,382	169,382
General	64,896	97,190
Future capital	-	63,435
Roads	-	80,000
Fire	-	14,269
Library	425	425
Total Reserves	244,703	424,701
Reserve Funds		
Recreation	594	594
	4,083,213	3,916,046

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

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:

	2012	2011
	\$	\$
Federal gas tax	23,996	41,841

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

	2012	2011
	\$	\$
Balance - beginning of year	41,841	-
Add amounts received:		
County gas tax funding received	23,996	20,921
Federal gas tax funding received	20,920	20,920
	44,916	41,841
Less transfer to operations:		
Federal gas tax earned	62,761	-
Balance - end of year	23,996	41,841

6. DEFERRED REVENUE - OTHER

Deferred revenue - other 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 2013.

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$242,490 (2011 - \$207,434) 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 5,717 m³ (2011 - 7,512 m³) which is 25.8% (2011 - 34%) of the sites' total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$324,602 (2011 - \$312,117) as at December 31, 2012. 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 2012 \$	Actual 2012 \$	Actual 2011 \$
Salaries and benefits	473,604	454,587	439,000
Materials	461,841	359,668	428,997
Contracted services	200,500	219,170	283,923
Rents and financial	150	84	82
External transfers	23,900	22,779	23,022
Amortization	139,496	163,285	139,496
	<u>1,299,491</u>	<u>1,219,573</u>	<u>1,314,520</u>

9. BUDGET FIGURES

The budget, approved by the Township, for 2012 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated 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 2012-04. At December 31, 2012 there was no balance outstanding (2011 - \$Nil)

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

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.

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2012

	Land \$	Land Improvements \$	General Buildings \$	Machinery and Equipment \$	Vehicles \$	Infrastructure Roads and Bridges \$	Totals \$
COST							
Balance, beginning of year	344,404	52,094	640,517	509,853	581,200	4,788,787	6,916,855
Add: additions during the year	-	-	16,225	1,542	201,546	127,405	346,718
Less: disposals during the year	-	-	-	416	100,000	-	100,416
Balance, end of year	344,404	52,094	656,742	510,979	682,746	4,916,192	7,163,157
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	5,208	216,335	427,788	435,378	2,658,154	3,742,863
Add: additions during the year	-	1,736	13,255	11,455	28,037	108,802	163,285
Less: disposals during the year	-	-	-	416	100,000	-	100,416
Balance, end of year	-	6,944	229,590	438,827	363,415	2,766,956	3,805,732
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	344,404	45,150	427,152	72,152	319,331	2,149,236	3,357,425

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2012

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	65,113	157,000	463,987	112,117	(4,450)	46,245	38,104	878,116
User charges	7,526	23,052	7,856	4,506	-	5,799	1,650	50,389
Government transfers - operating	318,000	-	-	913	-	3,305	-	322,218
Government transfers - capital	-	-	-	-	19,087	-	-	19,087
Penalties and interest on taxes	32,817	-	-	-	-	-	-	32,817
Investment income	8,045	-	-	-	-	-	-	8,045
Gain on sale of capital assets	-	-	6,595	-	-	-	-	6,595
Federal gas tax earned	-	-	62,761	-	-	-	-	62,761
Tax registration proceeds	6,712	-	-	-	-	-	-	6,712
Total revenues	438,213	180,052	541,199	117,536	14,637	55,349	39,754	1,386,740
Expenses								
Salaries and benefits	187,708	-	190,803	52,212	-	4,326	19,538	454,587
Materials	96,731	64,782	126,234	20,286	9,657	40,376	1,602	359,668
Contracted services	10,676	126,391	8,731	70,956	-	2,416	-	219,170
Rents and financial	84	-	-	-	-	-	-	84
External transfers	100	13,992	-	-	6,087	2,600	-	22,779
Amortization	8,033	4,172	148,437	-	-	2,643	-	163,285
Total expenses	303,332	209,337	474,205	143,454	15,744	52,361	21,140	1,219,573
Net surplus/(deficit)	134,881	(29,285)	66,994	(25,918)	(1,107)	2,988	18,614	167,167

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 \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
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
Total revenues	484,801	219,123	388,895	135,026	16,243	53,767	45,235	1,343,090
Expenses								
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	82	-	-	-	-	-	-	82
External transfers	-	13,411	-	-	7,611	2,000	-	23,022
Amortization	7,476	4,172	125,366	-	-	2,482	-	139,496
Total expenses	331,044	204,326	492,739	160,755	16,243	64,178	45,235	1,314,520
Net surplus/(deficit)	153,757	14,797	(103,844)	(25,729)	-	(10,411)	-	28,570

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

TUDOR AND CASHEL PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2012

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

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, 2012, 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 revenue, 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 revenue, 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, 2012 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 Accountants

Peterborough, Ontario
September 03, 2013

CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2012

	2012	2011
	\$	\$
FINANCIAL ASSETS		
Cash	975	2,525
LIABILITIES		
Due from Township	675	676
Accounts payable	53	-
TOTAL LIABILITIES	728	676
NET FINANCIAL ASSETS	247	1,849
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	7,385	8,488
ACCUMULATED SURPLUS (note 3)	7,632	10,337

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, 2012

	Budget 2012 \$	Actual 2012 \$	Actual 2011 \$
REVENUES			
Municipal contribution	1,500	1,500	1,500
Province of Ontario	3,305	3,305	5,305
User charges and other income	200	711	499
TOTAL REVENUES	5,005	5,516	7,304
EXPENSES			
Salaries and benefits	4,264	4,326	4,089
Other supplies	636	1,252	1,477
Amortization	2,482	2,643	2,481
TOTAL EXPENSES	7,382	8,221	8,047
ANNUAL DEFICIT	(2,377)	(2,705)	(743)
ACCUMULATED SURPLUS - beginning of year	10,337	10,337	11,080
ACCUMULATED SURPLUS - end of year	7,960	7,632	10,337

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, 2012

	Budget 2012 \$	Actual 2012 \$	Actual 2011 \$
ANNUAL DEFICIT	(2,377)	(2,705)	(743)
Amortization of tangible capital assets	2,481	2,643	2,481
Acquisition of tangible capital assets	-	(1,540)	(412)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	104	(1,602)	1,326
NET FINANCIAL ASSETS - beginning of year	1,849	1,849	523
NET FINANCIAL ASSETS - end of year	1,953	247	1,849

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, 2012

	2012	2011
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual deficit	(2,705)	(743)
(Increase)/decrease in accounts receivable	-	5,346
Increase/(decrease) in due from (to) Township	(1)	2,215
Increase/(decrease) in accounts payable	53	(6,799)
Non-cash charges to operations		
Amortization of tangible capital assets	2,643	2,481
Net increase/(decrease) in cash from operating transactions	(10)	2,500
CAPITAL		
Acquisition of tangible capital assets	(1,540)	(412)
INCREASE/(DECREASE) IN CASH	(1,550)	2,088
CASH - beginning of year	2,525	437
CASH - end of year	975	2,525

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, 2012

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, due from Township 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, 2012

2. TANGIBLE CAPITAL ASSETS

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

	Books \$	Furniture and Equipment \$	2012 Totals \$	2011 Totals \$
COST				
Balance, beginning of year	37,559	53,590	91,149	91,935
Add: additions during the year	1,540	-	1,540	412
Less: disposals during the year	416	-	416	1,198
Balance, end of year	38,683	53,590	92,273	91,149
ACCUMULATED AMORTIZATION				
Balance, beginning of year	33,035	49,626	82,661	81,378
Add: additions during the year	2,127	516	2,643	2,481
Less: disposals during the year	416	-	416	1,198
Balance, end of year	34,746	50,142	84,888	82,661
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,937	3,448	7,385	8,488

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2012 \$	2011 \$
Surplus/(Deficit)		
Operations	(178)	1,424
Invested In Capital Assets		
Tangible capital assets - net book value	7,385	8,488
Surplus	7,207	9,912
Reserve Funds		
Future capital	425	425
	7,632	10,337

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, 2012

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2012 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.