

**CORPORATION OF THE  
TOWNSHIP OF CRAMAHE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

**CORPORATION OF THE  
TOWNSHIP OF CRAMAHE**

**CONSOLIDATED FINANCIAL STATEMENTS**

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**TABLE OF CONTENTS**

	Page Number
<b>MANAGEMENT REPORT</b>	
<b>AUDITORS' REPORT</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 15
Schedule of Tangible Capital Assets	16
Schedules of Segment Disclosure	17 - 18
<b>TRUST FUNDS</b>	
Auditors' Report	19
Statement of Financial Position	20
Statement of Continuity	21
Notes to the Financial Statements	22 - 23
<b>LOCAL BOARDS</b>	
Cramahe Township Public Library Board	24 - 33
East Colborne Cemetery Board	34 - 45



**CORPORATION OF THE TOWNSHIP OF CRAMAHE**

**For The Year Ended December 31, 2009**

**MANAGEMENT REPORT**

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

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. 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 Cramahe. 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.

Mayor  Date Jan 10/11

Treasurer  Date Jan 10/11

**The Corporation of the Township of Cramahe**

1 Toronto St., P.O. Box 357 Colborne, ON K0K 1S0 • Tel 905 355.2821 • [www.visitcramahe.ca](http://www.visitcramahe.ca)

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE**

We have audited the consolidated statement of financial position of the Corporation of the Township of Cramahe as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 06, 2010

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (note 4)	5,944,051	4,197,812
Accounts receivable	633,235	283,547
Taxes receivable	988,364	1,013,002
Inventory held for resale	979,926	1,043,014
<b>TOTAL FINANCIAL ASSETS</b>	<b>8,545,576</b>	<b>6,537,375</b>
<b>LIABILITIES</b>		
Temporary loan	-	493,802
Accounts payable	659,025	479,764
Deferred revenue - obligatory reserve funds (note 6)	525,506	649,458
Deferred revenue - other	23,553	2,351
Long term debt (note 7)	3,909,317	2,330,020
<b>TOTAL LIABILITIES</b>	<b>5,117,401</b>	<b>3,955,395</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,428,175</b>	<b>2,581,980</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 5)	13,560,207	13,156,686
<b>ACCUMULATED SURPLUS (note 9)</b>	<b>16,988,382</b>	<b>15,738,666</b>

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
<b>REVENUES</b>			
Property taxation	4,019,799	3,999,614	4,015,119
User charges	1,337,062	1,402,623	1,416,697
Government of Canada	661,190	678,543	80,819
Province of Ontario	916,100	961,217	2,041,492
Other municipalities	-	-	40,500
Penalties and interest on taxes	125,000	149,054	129,613
Investment income	100,000	28,796	104,772
Donations	-	1,809	314,608
Sale of land available for resale	43,000	291,957	629,540
Other grants	-	-	15,052
Developer contributions earned	188,838	182,781	20,815
<b>TOTAL REVENUES</b>	<b>7,390,989</b>	<b>7,696,394</b>	<b>8,809,027</b>
<b>EXPENSES</b>			
General government	793,822	855,259	832,075
Protection services	1,337,188	1,348,669	1,348,818
Transportation services	2,055,476	1,975,665	1,353,786
Environmental services	478,176	734,507	529,420
Health services	18,808	46,429	37,702
Recreation and cultural services	908,768	1,154,759	1,404,516
Planning and development	334,392	331,390	1,144,359
<b>TOTAL EXPENSES</b>	<b>5,926,630</b>	<b>6,446,678</b>	<b>6,650,676</b>
<b>ANNUAL SURPLUS</b>	<b>1,464,359</b>	<b>1,249,716</b>	<b>2,158,351</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>15,738,666</b>	<b>15,738,666</b>	<b>13,580,315</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>17,203,025</b>	<b>16,988,382</b>	<b>15,738,666</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
<b>ANNUAL SURPLUS</b>	1,464,359	1,249,716	2,158,351
Amortization of tangible capital assets	-	627,660	569,613
Acquisition of tangible capital assets	(1,016,799)	(1,085,757)	(1,435,263)
Loss on disposal of tangible capital assets	-	36,529	-
Proceeds on sale of tangible capital assets	-	18,047	-
<b>INCREASE IN NET FINANCIAL ASSETS</b>	447,560	846,195	1,292,701
<b>NET FINANCIAL ASSETS - beginning of year</b>	2,581,980	2,581,980	1,289,279
<b>NET FINANCIAL ASSETS - end of year</b>	3,029,540	3,428,175	2,581,980

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus	1,249,716	2,158,351
Increase in accounts receivable	(349,688)	(38,567)
(Increase)/decrease in taxes receivable	24,638	(259,730)
Decrease in inventory held for resale	63,088	-
Decrease in other assets	-	540,714
Increase in accounts payable	179,261	19,475
Increase/(decrease) in obligatory reserve funds	(123,952)	133,625
Increase in deferred revenue - other	21,202	2,351
Non-cash charges to operations		
Amortization of tangible capital assets	627,660	569,613
Loss on disposal of tangible capital assets	36,529	-
<b>Net increase in cash from operating transactions</b>	<b>1,728,454</b>	<b>3,125,832</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(1,085,757)	(1,435,263)
Proceeds on disposal of tangible capital assets	18,047	-
<b>Net decrease in cash from capital transactions</b>	<b>(1,067,710)</b>	<b>(1,435,263)</b>
<b>FINANCING</b>		
Long term debt incurred	1,875,087	-
Debt principal repayments	(295,790)	(280,462)
<b>Net increase/(decrease) in cash from financing transactions</b>	<b>1,579,297</b>	<b>(280,462)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,240,041</b>	<b>1,410,107</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b>3,704,010</b>	<b>2,293,903</b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>5,944,051</b>	<b>3,704,010</b>
<b>Comprised of:</b>		
Cash and short-term investments	5,944,051	4,197,812
Temporary loan	-	(493,802)
	<b>5,944,051</b>	<b>3,704,010</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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The Township of Cramahe 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:

- Cramahe Township Public Library Board
- East Colborne Cemetery Board

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

#### (b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

#### (c) 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	10 - 50 years
Buildings	10 - 50 years
Machinery and equipment	5 - 15 years
Vehicles	7 - 20 years
Roads	10 - 40 years
Water and sewer	15 - 90 years

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

Assets under construction are not amortized until put in service.

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) 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.

(e) 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 Township services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

(f) 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.

(g) Deferred Revenue

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(h) 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 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.

(i) Government Funding

Government funding is recognized in the financial statements as revenue 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.

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (j) 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 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.

#### (k) Financial Instruments

The Township's financial instruments consist of cash and short-term investments, taxes receivable, accounts receivable, accounts payable and long term debt. 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. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Township has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires municipalities and their local boards to record and amortize their tangible capital assets on their financial statements. Adjustments necessary to the 2008 financial information as a result of the Section are as follows:

#### Adjustment to 2008 Tangible Capital Assets

Assets previously expensed to December 31, 2008	\$ 23,682,615
Accumulated amortization to December 31, 2008, not previously recorded	<u>(10,525,929)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 13,156,686</u>

#### Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated	
Current fund	\$ (127,804)
Capital fund	(1,666,935)
Reserves and reserve funds	<u>4,114,409</u>
	2,319,670
Net book value of tangible capital assets at January 1, 2008	12,291,036
Long term debt related to tangible capital assets	(2,610,482)
Inventory for resale previously expensed	<u>1,580,091</u>
Opening 2008 accumulated surplus as restated	<u>\$ 13,580,315</u>

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# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY, continued

#### Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$ 1,833,415
Add: Assets capitalized but previously expensed	1,435,263
Less: Amortization expense not previously recorded	(569,613)
Cost of land sold during the year	<u>(540,714)</u>
2008 annual surplus as restated	<u>\$ 2,158,351</u>

### 3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2009, requisitions were made by the County of Northumberland 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	1,905,282	2,589,849
Taxation from other governments	9,193	8,823
Amounts requisitioned and remitted	<u>1,914,475</u>	<u>2,598,672</u>

### 4. CASH AND SHORT-TERM INVESTMENTS

Included in cash and short-term investments is a guaranteed investment certificate for \$23,315, which matures October 19, 2010 with an interest rate of 0.15% and a money market investment of \$1,376,827.

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 5. TANGIBLE CAPITAL ASSETS

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

	2009	2008
	\$	\$
General		
Land and land improvements	2,101,790	1,838,883
Buildings and facilities	3,303,610	3,445,182
Machinery and equipment	214,420	190,972
Vehicles	1,198,344	1,065,256
Infrastructure		
Roads	3,337,172	3,124,291
Water and sewer	3,404,871	3,352,802
	13,560,207	13,017,386
Assets under construction	-	139,300
	13,560,207	13,156,686

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

During the year there were no write-downs of assets (2008 - \$Nil) and no interest capitalized (2008 - \$Nil).

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

	2009	2008
	\$	\$
General government	175,732	185,061
Protection services	586,641	610,203
Transportation services	4,483,770	4,187,884
Environmental services	3,588,129	3,538,635
Health services	128,579	128,579
Recreation and cultural services	4,020,576	4,132,283
Planning and development	576,780	374,041
	13,560,207	13,156,686

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 6. 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:

	2009 \$	2008 \$
Parkland	93,191	89,368
Development charges	135,360	281,616
Gas tax revenues	296,955	278,474
	<u>525,506</u>	<u>649,458</u>

### 7. LONG TERM DEBT

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

	2009 \$	2008 \$
Long term bank loan, due September 1, 2012, repayable in blended monthly installments of \$16,715, interest rate fixed at 5.85% per annum.	1,247,471	1,371,127
Long term bank loan, due December 1, 2013, repayable in blended monthly installments of \$17,193, interest rate fixed at 3.5% per annum.	769,051	938,685
Long term loan from Community Futures, due January 1, 2017, repayable in monthly installments of \$208, interest free.	17,708	20,208
Long term bank loan, due August 4, 2019, repayable in blended semi-annual installments of \$37,000, interest rate fixed at 4.04% per annum.	500,000	-
Long term loan from CMHC, due November 1, 2024, repayable in blended annual installments of \$123,590, interest rate fixed at 3.99% per annum.	1,375,087	-
	<u>3,909,317</u>	<u>2,330,020</u>

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 7. LONG TERM DEBT, continued

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$122,883 (2008 - \$134,904).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2010	426,060	168,206	594,266
2011	444,900	149,366	594,266
2012	464,579	129,687	594,266
2013	485,185	109,081	594,266
2014	297,157	90,843	388,000
	2,117,881	647,183	2,765,064
2015 and subsequent years	1,791,436	240,065	2,031,501
	3,909,317	887,248	4,796,565

### 8. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Township does not have any obligations for landfill sites since the County of Northumberland assumed waste management responsibilities for the County in 1990. The Township has completed a settlement with the County for its landfill site in prior years.

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2009	2008
	\$	\$
<b>Surplus/(Deficit)</b>		
Township	-	(9,749)
Area rates	(20,989)	(7,547)
East Colborne Cemetery Board	10,567	10,860
Inventory held for resale	970,857	1,039,377
	<u>960,435</u>	<u>1,032,941</u>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	13,560,207	13,156,686
Long term debt	(3,909,317)	(2,330,020)
Unexpended capital/(unfunded capital)	509,648	(1,583,767)
	<u>10,160,538</u>	<u>9,242,899</u>
<b>Surplus</b>	<u>11,120,973</u>	<u>10,275,840</u>
<b>Reserves</b>		
Working funds	597,623	567,623
Sewer operations	1,480,735	1,185,461
Future capital	416,900	475,459
Waterworks operations	1,128,073	1,007,124
Community projects	12,620	14,881
Transportation services	1,499,588	1,713,038
Insurance deductible	10,943	10,793
Fire services	226,382	160,445
Workplace Safety and Insurance Board	199,482	194,482
Planning and development operations	160,189	25,250
General government operations	98,189	52,000
Library operations	5,858	5,352
<b>Total Reserves</b>	<u>5,836,582</u>	<u>5,411,908</u>
<b>Reserve Funds</b>		
Library services	30,827	50,918
	<u>16,988,382</u>	<u>15,738,666</u>

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 10. EXPENSES BY OBJECT

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

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
Salaries and benefits	1,785,025	1,746,875	1,852,254
Interest	158,894	122,883	134,904
Materials	1,237,869	1,721,727	2,072,744
Contracted services	2,588,399	1,951,965	1,312,484
Rents and financial	12,850	27,387	45,328
External transfers	143,593	143,133	122,635
Amortization	-	627,660	569,613
Cost of land sold	-	68,520	540,714
Loss on sale of assets	-	36,528	-
	5,926,630	6,446,678	6,650,676

### 11. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time 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.

Contributions required on account of current service in 2009 were \$60,212 (2008 - \$70,541).

The permanent full-time staff members not participating in the OMERS plan received a contribution to their Registered Retirement Savings Plan in lieu of the OMERS benefit.

### 12. TRUST FUNDS

Trust funds administered by the Township amounting to \$50,229 (2008 - \$50,519) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

### 13. BUDGET FIGURES

The budget, approved by the Township, for 2009 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 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.

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 14. 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 \$500,000 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 08-01.

### 15. COMMITMENTS

In 2006, the Township committed \$100,000 to the Northumberland Hills Hospital. This amount is being paid over four years from 2007 to 2010. During 2009, \$25,000 of this commitment was paid. At December 31, 2009, \$25,000 of this commitment remains to be paid.

Subsequent to year end, the Township entered into a contract for the expansion of the Colborne sewer effluent forcemain in the amount of \$2,868,012. The Township plans to finance this project with government grants, reserves and external debt already received.

Subsequent to year end, the Township entered into a contract for the reconstruction of Durham Street in the amount of \$721,794. The Township plans to finance this project with federal and provincial grants and reserves.

Subsequent to year end, the Township entered into a contract for the reconstruction of Parliament Street in the amount of \$716,722. The Township plans to finance this project with government grants and reserves.

Subsequent to year end, the Township entered into a contract for the reconstruction of Purdy Road in the amount of \$522,311. The Township plans to finance this project with provincial and federal grants and reserves.

### 16. SEGMENTED INFORMATION

The Township of Cramahe is a municipal government institution that provides a range of services to its citizens. 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.

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# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 16. SEGMENTED INFORMATION, continued

#### **Transportation Services**

The activities of the transportation function includes maintenance of the Township's roads and bridges, winter control, and street lighting.

#### **Other Environmental Services**

The environmental function is responsible for waste vouchers provided by the County of Northumberland.

#### **Health Services**

The health services function manages the operation of the East Colborne cemetery.

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

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

#### **Planning and Development**

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

### 17. COMPARATIVE FIGURES

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2009

	General				Infrastructure		Assets Under Construction	Totals
	Land and land improvements	Buildings and facilities	Machinery and equipment	Vehicles	Roads	Water and Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	2,170,458	5,091,976	303,441	2,512,014	8,873,258	4,592,168	139,300	23,682,615
Add: additions during the year	275,835	22,630	63,763	335,775	262,377	125,377	-	1,085,757
Less: disposals during the year	-	-	-	294,199	-	-	-	294,199
Internal transfers	-	-	-	-	139,300	-	(139,300)	-
Balance, end of year	2,446,293	5,114,606	367,204	2,553,590	9,274,935	4,717,545	-	24,474,173
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	331,575	1,646,794	112,469	1,446,758	5,748,967	1,239,366	-	10,525,929
Add: additions during the year	12,928	164,202	40,315	148,111	188,796	73,308	-	627,660
Less: disposals during the year	-	-	-	239,623	-	-	-	239,623
Balance, end of year	344,503	1,810,996	152,784	1,355,246	5,937,763	1,312,674	-	10,913,966
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>								
	2,101,790	3,303,610	214,420	1,198,344	3,337,172	3,404,871	-	13,560,207

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2009

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>									
Property taxation	426,464	1,116,323	1,238,151	-	5,379	4,120	783,326	425,851	3,999,614
User charges	122,775	20,181	475	1,005,622	-	2,565	217,227	33,778	1,402,623
Government transfers - operating	784,128	25,484	134,826	-	-	-	15,246	-	959,684
Government transfers - capital	-	-	557,557	121,443	-	-	1,076	-	680,076
Other municipalities	-	-	-	-	-	-	-	-	-
Penalties and interest on taxes	149,054	-	-	-	-	-	-	-	149,054
Investment income	25,345	3	-	1,747	-	1,017	684	-	28,796
Donations	-	-	-	-	-	-	1,809	-	1,809
Sale of land	68,520	-	-	-	-	-	-	223,437	291,957
Developer contributions earned	5,267	27,911	99,403	-	-	-	50,200	-	182,781
<b>Total revenues</b>	<b>1,581,553</b>	<b>1,189,902</b>	<b>2,030,412</b>	<b>1,128,812</b>	<b>5,379</b>	<b>7,702</b>	<b>1,069,568</b>	<b>683,066</b>	<b>7,696,394</b>
<b>Expenses</b>									
Salaries and benefits	466,998	265,096	455,515	95,854	-	-	385,673	77,739	1,746,875
Interest	-	-	-	-	-	-	76,931	45,952	122,883
Materials	311,604	151,958	470,370	244,693	4,926	11,229	442,234	84,713	1,721,727
Contracted services	22,305	819,470	739,767	302,400	-	-	1,548	66,475	1,951,965
Rents and financial	6,252	-	263	6,000	-	-	11	14,861	27,387
External transfers	-	63,138	9,295	-	-	35,200	18,850	16,650	143,133
Amortization	9,330	49,007	300,455	75,884	-	-	192,984	-	627,660
Cost of land sold	43,520	-	-	-	-	-	-	25,000	68,520
Internal transfers	(4,750)	-	-	4,750	-	-	-	-	-
Loss on sale of assets	-	-	-	-	-	-	36,528	-	36,528
<b>Total expenses</b>	<b>855,259</b>	<b>1,348,669</b>	<b>1,975,665</b>	<b>729,581</b>	<b>4,926</b>	<b>46,429</b>	<b>1,154,759</b>	<b>331,390</b>	<b>6,446,678</b>
<b>Net surplus/(deficit)</b>	<b>726,294</b>	<b>(158,767)</b>	<b>54,747</b>	<b>399,231</b>	<b>453</b>	<b>(38,727)</b>	<b>(85,191)</b>	<b>351,676</b>	<b>1,249,716</b>

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2008

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>									
Property taxation	428,116	1,120,651	1,242,951	-	5,400	4,136	786,363	427,502	4,015,119
User charges	26,544	91,211	9,851	974,389	-	2,535	276,887	35,280	1,416,697
Government transfers - operating	554,780	244,036	1,224,865	-	-	-	17,811	-	2,041,492
Government transfers - capital	-	-	80,819	-	-	-	-	-	80,819
Other municipalities	-	-	22,500	18,000	-	-	-	-	40,500
Penalties and interest on taxes	129,613	-	-	-	-	-	-	-	129,613
Investment income	102,041	27	-	6	-	850	1,848	-	104,772
Donations	314,608	-	-	-	-	-	-	-	314,608
Sale of land	542,254	-	-	-	-	-	-	87,286	629,540
Other grants	-	-	-	-	-	-	15,052	-	15,052
Developer contributions earned	-	-	-	-	-	-	20,815	-	20,815
<b>Total revenues</b>	<b>2,097,956</b>	<b>1,455,925</b>	<b>2,580,986</b>	<b>992,395</b>	<b>5,400</b>	<b>7,521</b>	<b>1,118,776</b>	<b>550,068</b>	<b>8,809,027</b>
<b>Expenses</b>									
Salaries and benefits	513,339	235,289	453,903	72,418	-	-	452,142	125,163	1,852,254
Interest	-	-	-	-	-	-	83,940	50,964	134,904
Materials	268,583	123,037	497,196	198,716	9,436	12,602	672,705	290,469	2,072,744
Contracted services	40,056	882,302	138,474	162,687	-	-	1,630	87,335	1,312,484
Rents and financial	5,517	-	-	6,279	-	-	35	33,497	45,328
External transfers	-	60,243	8,450	-	-	25,100	12,625	16,217	122,635
Amortization	9,330	47,947	255,763	75,134	-	-	181,439	-	569,613
Cost of land sold	-	-	-	-	-	-	-	540,714	540,714
Internal transfers	(4,750)	-	-	4,750	-	-	-	-	-
<b>Total expenses</b>	<b>832,075</b>	<b>1,348,818</b>	<b>1,353,786</b>	<b>519,984</b>	<b>9,436</b>	<b>37,702</b>	<b>1,404,516</b>	<b>1,144,359</b>	<b>6,650,676</b>
<b>Net surplus/(deficit)</b>	<b>1,265,881</b>	<b>107,107</b>	<b>1,227,200</b>	<b>472,411</b>	<b>(4,036)</b>	<b>(30,181)</b>	<b>(285,740)</b>	<b>(594,291)</b>	<b>2,158,351</b>



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## AUDITORS' REPORT

### TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE

We have audited the statement of financial position of the Trust Funds of the Corporation of the Township of Cramahe as at December 31, 2009 and the statement of continuity of the Trust Funds for the year then ended. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Township as at December 31, 2009 and the continuity of the Trust Funds for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 06, 2010

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2009

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Forestry Program \$	2009 Total \$	2008 Total \$
<b>FINANCIAL ASSETS</b>					
Cash	1,185	-	-	1,185	193
Investments (note 2)	-	40,612	9,188	49,800	48,873
Accounts receivable	-	300	129	429	564
Loans receivable (note 3)	-	-	-	-	989
	1,185	40,912	9,317	51,414	50,619
<b>LIABILITIES AND TRUST FUND BALANCES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	1,185	-	-	1,185	100
<b>FUND BALANCES</b>					
Capital	-	35,001	9,317	44,318	44,775
Income	-	5,911	-	5,911	5,744
	-	40,912	9,317	50,229	50,519
	1,185	40,912	9,317	51,414	50,619

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2009

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Forestry Program \$	2009 Total \$	2008 Total \$
<b>BALANCE - beginning of year</b>	1,082	40,368	9,069	50,519	56,381
<b>REVENUES</b>					
Investment income	2	972	248	1,222	2,521
Interment fees	-	200	-	200	100
Capital gains	-	145	-	145	-
Care and maintenance receipts	-	31	-	31	-
	2	1,348	248	1,598	2,621
<b>EXPENSES</b>					
Administration fee	144	189	-	333	343
Transfer to province	940	-	-	940	-
Transfer to operations	-	615	-	615	1,464
Donations	-	-	-	-	6,676
	1,084	804	-	1,888	8,483
<b>BALANCE - end of year</b>	-	40,912	9,317	50,229	50,519

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## TRUST FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

#### 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.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Financial Instruments

The Trust Funds' financial instruments consist of cash, investments, accounts receivable 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 market value of the investments is disclosed in Note 2. The Trust Funds are exposed to fluctuations in the market price of its investments. The Trust Funds do not have any significant concentration of credit, currency or interest rate risk.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

#### 2. INVESTMENTS

Included in investments are the following investments recorded at cost:

	Market Value	2009	2008
	\$	\$	\$
Scotiabank Bond Common Trust Fund - cost	40,106	40,612	40,068
1 year GIC maturing January 8, 2010, interest at 1.4%	-	9,188	-
1 year GIC maturing January 8, 2009, interest at 3%	-	-	8,805
	40,106	49,800	48,873

**CORPORATION OF THE TOWNSHIP OF CRAMAHE**  
**TRUST FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2009**

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**3. ONTARIO HOME RENEWAL PROGRAM LOANS**

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

There were no Ontario Home Renewal Program loans receivable at December 31, 2009. (2008 - \$989).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

**4. CEMETERY PERPETUAL CARE**

The figures reported for the cemetery perpetual care represent the trust fund activities for the Woods, Walker and East Colborne cemeteries.

**CORPORATION OF THE  
TOWNSHIP OF CRAMAHE**

**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF THE CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD, THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE**

We have audited the statement of financial position of the Cramahe Township Public Library Board of the Corporation of the Township of Cramahe as at December 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 06, 2010

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (note 5)	131,896	86,940
<b>LIABILITIES</b>		
Due to Township	89,275	27,436
<b>NET FINANCIAL ASSETS</b>	42,621	59,504
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	120,774	112,694
<b>ACCUMULATED SURPLUS (note 4)</b>	163,395	172,198

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
<b>REVENUES</b>			
Township contribution	132,275	105,756	141,236
Province of Ontario	12,669	12,669	17,422
Other income	1,200	8,971	4,615
Interest	-	129	811
<b>TOTAL REVENUES</b>	<b>146,144</b>	<b>127,525</b>	<b>164,084</b>
<b>EXPENSES</b>			
Salaries and benefits	62,624	62,340	78,843
Supplies	2,500	3,092	2,650
Maintenance and utilities	24,170	21,595	20,887
Insurance, audit and legal	4,000	3,679	7,264
Miscellaneous	4,950	5,634	3,835
Equipment and furnishings	5,000	9,750	480
Amortization	-	30,238	26,425
<b>TOTAL EXPENSES</b>	<b>103,244</b>	<b>136,328</b>	<b>140,384</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>42,900</b>	<b>(8,803)</b>	<b>23,700</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>172,198</b>	<b>172,198</b>	<b>148,498</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>215,098</b>	<b>163,395</b>	<b>172,198</b>

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	42,900	(8,803)	23,700
Amortization of tangible capital assets	-	30,238	26,425
Acquisition of tangible capital assets	(30,900)	(38,318)	(33,729)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	12,000	(16,883)	16,396
<b>NET FINANCIAL ASSETS - beginning of year</b>	59,504	59,504	43,108
<b>NET FINANCIAL ASSETS - end of year</b>	71,504	42,621	59,504

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus/(deficit)	(8,803)	23,700
Decrease in accounts receivable	-	2,774
Increase/(decrease) in due to Township	61,839	(10,100)
Increase in accounts payable	-	9,595
Non-cash charges to operations		
Amortization of tangible capital assets	30,238	26,425
<b>Net increase in cash from operating transactions</b>	<b>83,274</b>	<b>52,394</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(38,318)	(33,729)
<b>INCREASE IN CASH</b>	<b>44,956</b>	<b>18,665</b>
<b>CASH - beginning of year</b>	<b>86,940</b>	<b>68,275</b>
<b>CASH - end of year</b>	<b>131,896</b>	<b>86,940</b>

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

---

### 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 short-term investments and due to Township. It is management's opinion that the fair value of the 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
-------	---------

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 CRAMAHE

## CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Board has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires municipalities and their local boards to record and amortize their tangible capital assets on their financial statements. Adjustments necessary to the 2008 financial information as a result of the Section are as follows:

#### Adjustment to 2008 Tangible Capital Assets

Assets previously expensed to December 31, 2008	\$ 201,912
Accumulated amortization to December 31, 2008, not previously recorded	<u>(89,218)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 112,694</u>

#### Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated Current fund	\$ 43,108
Net book value of tangible capital assets at January 1, 2008	<u>105,390</u>
Opening 2008 accumulated surplus, as restated	<u>\$ 148,498</u>

#### Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$ 16,396
Add: Assets capitalized but previously expensed	33,729
Less: Amortization expense not previously recorded	<u>(26,425)</u>
2008 annual surplus as restated	<u>\$ 23,700</u>

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 3. TANGIBLE CAPITAL ASSETS

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

	2009 Books \$	2008 Books \$
<b>COST</b>		
Balance, beginning of year	201,912	168,183
Add: additions during the year	38,318	33,729
Balance, end of year	240,230	201,912
<b>ACCUMULATED AMORTIZATION</b>		
Balance, beginning of year	89,218	62,793
Add: additions during the year	30,238	26,425
Balance, end of year	119,456	89,218
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>120,774</b>	<b>112,694</b>

### 4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2009 \$	2008 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	120,774	112,694
<b>Surplus</b>	<b>120,774</b>	<b>112,694</b>
<b>Reserves</b>		
Equipment and connectivity enhancements	10,585	8,586
Castleton library	1,209	-
<b>Total Reserves</b>	<b>11,794</b>	<b>8,586</b>
<b>Reserve Funds</b>		
Literacy enhancements	30,827	50,918
	<b>163,395</b>	<b>172,198</b>

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 5. CASH AND SHORT-TERM INVESTMENTS

Included in cash and short-term investments is a guaranteed investment certificate for \$23,315, which matures October 19, 2010 with an interest rate of 0.15%.

### 6. BUDGET FIGURES

The operating budget, approved by the Board, for 2009 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.

### 7. COMPARATIVE FIGURES

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

**CORPORATION OF THE TOWNSHIP OF  
CRAMAHE**

**EAST COLBORNE CEMETERY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

## AUDITORS' REPORT

### TO THE MEMBERS OF THE EAST COLBORNE CEMETERY BOARD, THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE

We have audited the statement of financial position of the East Colborne Cemetery Board of the Corporation of the Township of Cramahe as at December 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 06, 2010

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## EAST COLBORNE CEMETERY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009	2008
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	10,867	3,902
Investments	-	7,258
<b>TOTAL FINANCIAL ASSETS</b>	<b>10,867</b>	<b>11,160</b>
<b>LIABILITIES</b>		
Due to perpetual care trust	300	300
<b>NET FINANCIAL ASSETS</b>	<b>10,567</b>	<b>10,860</b>
<b>ACCUMULATED SURPLUS (note 2)</b>	<b>10,567</b>	<b>10,860</b>

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## EAST COLBORNE CEMETERY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Actual 2009 \$	Actual 2008 \$
<b>REVENUES</b>		
Township contribution	7,553	2,446
Decoration day receipts and donations	2,665	2,335
Internment rights and sale of monuments	100	200
Investment income	819	950
<b>TOTAL REVENUES</b>	<b>11,137</b>	<b>5,931</b>
<b>EXPENSES</b>		
Administration	708	786
Maintenance	10,722	8,501
Transfer to trust	-	100
<b>TOTAL EXPENSES</b>	<b>11,430</b>	<b>9,387</b>
<b>ANNUAL DEFICIT</b>	<b>(293)</b>	<b>(3,456)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>10,860</b>	<b>14,316</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>10,567</b>	<b>10,860</b>

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## EAST COLBORNE CEMETERY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Actual 2009 \$	Actual 2008 \$
<b>ANNUAL DEFICIT</b>	(293)	(3,456)
<b>NET FINANCIAL ASSETS - beginning of year</b>	10,860	14,316
<b>NET FINANCIAL ASSETS - end of year</b>	10,567	10,860

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## EAST COLBORNE CEMETERY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009	2008
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual deficit	(293)	(3,456)
(Increase)/decrease in investments	7,258	(169)
<b>Net increase/(decrease) in cash from operating transactions</b>	<b>6,965</b>	<b>(3,625)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>6,965</b>	<b>(3,625)</b>
<b>CASH - beginning of year</b>	<b>3,902</b>	<b>7,527</b>
<b>CASH - end of year</b>	<b>10,867</b>	<b>3,902</b>

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## EAST COLBORNE CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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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

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the Board's best information and judgment. Actual results could differ from these estimates.

(c) Financial Instruments

The Board's financial instruments consist of cash, investments and amounts due to perpetual care trust. 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 Board has no significant capital assets.

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## EAST COLBORNE CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 2. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2009	2008
	\$	\$
<b>Surplus/(Deficit)</b>		
Operating surplus	10,567	10,860
	10,567	10,860

### 3. TRUST FUND

The trust fund administered by the Board amounting to \$20,417 (2008 \$20,050) has not been included in the Statement of Financial Position nor has its operations been included in the Statement of Operations and Accumulated Surplus.

## AUDITORS' REPORT

### TO THE MEMBERS OF THE EAST COLBORNE CEMETERY BOARD, THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE

We have audited the statement of financial position of the East Colborne Cemetery Board Trust Funds of the Corporation of the Township of Cramahe as at December 31, 2009 and the statement of continuity of the Trust Funds for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board's Trust Funds as at December 31, 2009 and the continuity of the Trust Funds for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 06, 2010

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## PERPETUAL CARE TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009	2008
	\$	\$
<b>FINANCIAL ASSETS</b>		
Investments (note 2)	20,117	19,750
Due from Cemetery Board	300	300
	<u>20,417</u>	<u>20,050</u>
<b>FUND BALANCES</b>		
Capital	14,506	14,306
Income	5,911	5,744
	<u>20,417</u>	<u>20,050</u>

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

# CORPORATION OF THE TOWNSHIP OF CRAMAHE

## PERPETUAL CARE TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2009

	2009	2008
	\$	\$
<b>BALANCE - beginning of year</b>	20,050	19,950
<b>REVENUES</b>		
Interest income	167	831
Interment fees	200	100
	367	931
<b>EXPENSES</b>		
Administration fee	-	53
Transfer to operations	-	778
	-	831
<b>BALANCE - end of year</b>	20,417	20,050

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

**CORPORATION OF THE TOWNSHIP OF CRAMAHE**  
**TRUST FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2009**

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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.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Financial Instruments

The Board's financial instruments consist of investments and due from Cemetery Board. The carrying value of these financial instruments other than investments, approximate their fair values due to their immediate or short-term maturity. The market value of the investment is disclosed in Note 2. The Board is exposed to fluctuations in the market price of its investments. The Board does not have any significant concentration of credit or currency risk.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

**2. INVESTMENTS**

Investments are comprised of the following:

	Market Value	2009	2008
	\$	\$	\$
Scotiastart Bond Common Trust Fund - cost	19,675	20,117	19,750
	19,675	20,117	19,750