

**CORPORATION OF THE TOWNSHIP OF  
SMITH-ENNISMORE-LAKEFIELD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

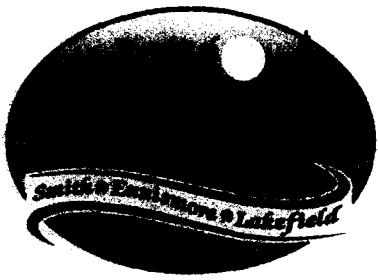
**CORPORATION OF THE TOWNSHIP OF  
SMITH-ENNISMORE-LAKEFIELD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

**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 FUND</b>	
Auditors' Report	19
Statement of Financial Position	20
Statement of Continuity	21
Notes to the Financial Statements	22
<b>LOCAL BOARDS</b>	
Smith-Ennismore-Lakefield Public Library Board	23 - 32



CORPORATION OF THE TOWNSHIP OF  
**SMITH-ENNISMORE-LAKEFIELD**

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**CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD**

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

**MANAGEMENT REPORT**

The accompanying consolidated financial statements of the Corporation of the Township of Smith-Ennismore-Lakefield 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.

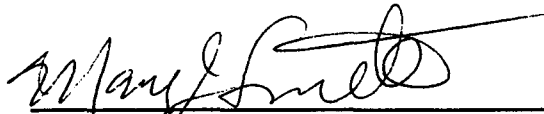
The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted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

  
\_\_\_\_\_  
MARY SMITH

Date

\_\_\_\_\_  
FEB. 22 / 11

Treasurer

  
\_\_\_\_\_  
T. LANE VANCE

Date

\_\_\_\_\_  
FEB. 22 / 11



Collins Barrow

Chartered Accountants

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Peterborough, Ontario  
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## AUDITORS' REPORT

### TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

We have audited the consolidated statement of financial position of the Corporation of the Township of Smith-Ennismore-Lakefield 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  
December 23, 2010

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

	2009 \$	Restated 2008 \$ (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash	5,667,879	6,307,368
Investments (note 4)	3,217,227	3,053,571
Accounts receivable	1,166,741	656,126
Taxes receivable	1,624,989	1,653,053
Inventories held for resale	9,645	6,517
<b>TOTAL FINANCIAL ASSETS</b>	<b>11,686,481</b>	<b>11,676,635</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,792,868	3,422,163
Deferred revenue - obligatory reserve funds (note 5)	956,553	782,793
Deferred revenue - other	1,186,456	1,293,526
Landfill closure and post-closure liability (note 6)	232,348	405,846
Employee future benefits payable (note 7)	559,969	508,187
<b>TOTAL LIABILITIES</b>	<b>4,728,194</b>	<b>6,412,515</b>
<b>NET FINANCIAL ASSETS</b>	<b>6,958,287</b>	<b>5,264,120</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	40,611,700	39,368,093
<b>ACCUMULATED SURPLUS (note 9)</b>	<b>47,569,987</b>	<b>44,632,213</b>

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

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## 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	7,537,214	7,359,339	7,121,436
User charges	3,924,248	3,925,961	3,916,498
Government of Canada	600,956	546,462	338,788
Province of Ontario	1,959,695	1,943,735	2,984,000
Other municipalities	101,300	101,065	109,014
Penalties and interest on taxes	250,000	273,004	265,568
Investment income	322,077	286,558	380,891
Donations	404,987	404,826	4,834
Gain on disposal of capital assets	-	4,414	-
Other grants	2,000	2,000	-
Contributed capital assets	-	-	395,093
Annexation proceeds	74,321	172,485	122,511
Other capital financing	57,632	203,804	-
Developer contributions earned	269,126	200,520	528,371
<b>TOTAL REVENUES</b>	<b>15,503,556</b>	<b>15,424,173</b>	<b>16,167,004</b>
<b>EXPENSES</b>			
General government	1,298,207	1,350,511	1,339,122
Protection services	3,728,164	3,697,054	3,675,879
Transportation services	864,357	3,291,225	3,065,517
Environmental services	1,884,666	2,034,704	1,949,393
Health services	15,000	46,326	206,875
Recreation and cultural services	1,694,311	1,911,739	2,261,908
Planning and development	202,019	154,840	147,748
<b>TOTAL EXPENSES</b>	<b>9,686,724</b>	<b>12,486,399</b>	<b>12,646,442</b>
<b>ANNUAL SURPLUS</b>	<b>5,816,832</b>	<b>2,937,774</b>	<b>3,520,562</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>44,632,213</b>	<b>44,632,213</b>	<b>41,111,651</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>50,449,045</b>	<b>47,569,987</b>	<b>44,632,213</b>

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

**CORPORATION OF THE TOWNSHIP OF  
SMITH-ENNISMORE-LAKEFIELD**

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

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$ (Note 2)
<b>ANNUAL SURPLUS</b>	5,816,832	2,937,774	3,520,562
Amortization of tangible capital assets	-	2,305,967	2,075,080
Acquisition of tangible capital assets	(4,389,940)	(3,550,021)	(4,354,799)
Gain on disposal of tangible capital assets	-	(4,414)	-
Proceeds on sale of tangible capital assets	-	4,861	-
<b>INCREASE IN NET FINANCIAL ASSETS</b>	1,426,892	1,694,167	1,240,843
<b>NET FINANCIAL ASSETS - beginning of year</b>	5,264,120	5,264,120	4,023,277
<b>NET FINANCIAL ASSETS - end of year</b>	6,691,012	6,958,287	5,264,120

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

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## 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	2,937,774	3,520,562
Increase in accounts receivable	(510,615)	(116,787)
(Increase)/decrease in taxes receivable	28,064	(95,737)
Increase in inventories held for resale	(3,128)	(1,685)
Increase/(decrease) in accounts payable and accrued liabilities	(1,629,295)	1,082,205
Increase/(decrease) in deferred revenue - obligatory reserve funds	173,760	(129,624)
Increase/(decrease) in deferred revenue - other	(107,070)	1,285,386
Decrease in landfill closure and post-closure liability	(173,498)	(27,308)
Increase in employee future benefits payable	51,782	43,701
Non-cash charges to operations		
Amortization of tangible capital assets	2,305,967	2,075,080
Gain on disposal of tangible capital assets	(4,414)	-
<b>Net increase in cash from operating transactions</b>	<b>3,069,327</b>	<b>7,635,793</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(3,550,021)	(4,354,799)
Proceeds on disposal of tangible capital assets	4,861	-
<b>Net decrease in cash from capital transactions</b>	<b>(3,545,160)</b>	<b>(4,354,799)</b>
<b>INVESTING</b>		
Increase in investments	(163,656)	(130,312)
<b>INCREASE/(DECREASE) IN CASH</b>	<b>(639,489)</b>	<b>3,150,682</b>
<b>CASH - beginning of year</b>	<b>6,307,368</b>	<b>3,156,686</b>
<b>CASH - end of year</b>	<b>5,667,879</b>	<b>6,307,368</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

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The Township of Smith-Ennismore-Lakefield 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:

- Smith-Ennismore-Lakefield Public Library 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:

Facilities	25 to 60 years
Roadways	5 to 60 years
Water and sewer	15 to 100 years
Vehicles and equipment	5 to 20 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

#### (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.

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# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 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 revenues represent grants, 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'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.

(i) 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.

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## 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 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 amounts recorded for employee future benefits payable depend on certain actuarial and economic assumptions.
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

#### (k) Financial Instruments

The Township's financial instruments consist of cash, investments, 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. 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	\$ 58,262,519
Accumulated amortization to December 31, 2008, not previously recorded	<u>(18,894,426)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 39,368,093</u>

**CORPORATION OF THE TOWNSHIP OF  
SMITH-ENNISMORE-LAKEFIELD**

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

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

**Adjustment to Opening 2008 Accumulated Surplus**

Accumulated surplus as previously stated	
Current fund	\$ (61,810)
Capital fund	(1,940,070)
Reserves and reserve funds	<u>6,922,797</u>
	4,920,917
Net book value of tangible capital assets at January 1, 2008	37,088,374
Landfill closure and post-closure liability	(433,154)
Employee future benefits payable	<u>(464,486)</u>
Opening 2008 accumulated surplus as restated	<u>\$ 41,111,651</u>

**Adjustment to 2008 Annual Surplus**

2008 annual surplus as previously stated	\$ 1,240,843
Add: Assets capitalized but previously expensed	4,354,799
Less: Amortization expense not previously recorded	<u>(2,075,080)</u>
2008 annual surplus as restated	<u>\$ 3,520,562</u>

**3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH**

During 2009, requisitions were made by the County of Peterborough 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	6,761,306	7,986,998
Taxation from other governments	<u>2,122</u>	<u>28,805</u>
Amounts requisitioned and remitted	<u>6,763,428</u>	<u>8,015,803</u>

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

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

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### 4. INVESTMENTS

Investments consist of cash and government bonds invested with CIBC Trust Corporation. The bonds have various maturity dates from 2011 to 2018 with interest rates ranging from 3.15% to 5.25% per annum. The investments are recorded at cost of \$3,217,227 (2008 - \$3,053,571) with a market value of \$3,261,783 (2008 - \$3,198,615).

### 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:

	2009	2008
	\$	\$
Development charges	104,030	106,610
Parkland	292,411	401,512
Gas tax	560,112	274,671
	956,553	782,793

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

The liability for landfill closure and post-closure costs of \$232,348 (2008 - \$405,846) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the two sites the Township owns. The Smith site is operating and the Ennismore site is closed. 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. The Township's practice is to cover the landfills as they are utilized with material from other Township properties. The remaining capacity of the Smith landfill site is estimated at 205,100 m<sup>3</sup> (2008 - 102,703 m<sup>3</sup>) which is 38.26% (2008 - 33.24%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$232,348 (2008 - \$405,846) as at December 31, 2009. The increase in the capacity of the Smith landfill site is due to revised estimates, as a result of new technology and processes, that determined the total site capacity volume is now 536,000 m<sup>3</sup> (2008 - 309,000 m<sup>3</sup>). The Smith landfill is expected to reach its capacity in 2025 and the Ennismore landfill was closed by the Township in 2006.

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

### 7. EMPLOYEE FUTURE BENEFITS PAYABLE

The Township provides certain employee amounts that will require funding in future periods.

	2009	2008
	\$	\$
Accrued benefit obligation	619,805	508,187
Unamortized actuarial gain	72,140	-
Unamortized plan improvements	(131,976)	-
<b>Employee future benefits payable</b>	<b>559,969</b>	<b>508,187</b>

The Township sponsors defined benefit plans to pay costs of extended health, vision benefits and dental, a plan improvement in 2009, for eligible employees after they retire. All benefits are provided upon retirement and continue for a period of 10 years, but not beyond the age of 65, at which time the benefits cease. In the event of the death of a former eligible employee, the benefits coverage continues to the surviving spouse for a period of 2 years. The plans are not funded by the Township.

The actuarial valuation as at December 31, 2009 was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees and plan improvements are amortized over the expected average remaining service life of the employee group, which is currently 10.6 years. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate	5.0%
Future health care premiums rates - first year 2010	10.0%
- decrease over 10 years	5.0%
Future dental care premiums rates	5.0%
Interest rate	5.0%

The employee future benefits expense is reported on the Consolidated Statement of Operations and Accumulated Surplus and is comprised of the following:

	2009	2008
	\$	\$
Current service costs	25,033	20,087
Amortized plan improvements	13,748	-
Interest on accrued benefit obligation	30,166	26,405
<b>Employee future benefits expense</b>	<b>68,947</b>	<b>46,492</b>

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

### 8. TANGIBLE CAPITAL ASSETS

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

	2009	2008
	\$	\$
General		
Land	5,506,490	5,506,490
Facilities	6,839,715	5,053,915
Vehicles and equipment	3,423,655	3,546,017
Infrastructure		
Roadways	12,151,074	11,988,476
Water and sewer	11,603,788	11,880,969
	39,524,722	37,975,867
Assets under construction	1,086,978	1,392,226
	40,611,700	39,368,093

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)

	2009	2008
	\$	\$
General government	2,811,847	2,108,920
Protection services	2,851,823	2,806,521
Transportation services	14,675,395	14,773,373
Environmental services	12,621,618	12,616,487
Health services	1	1
Recreation and cultural services	7,651,016	7,062,791
	40,611,700	39,368,093

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

### 9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2009	2008
	\$	\$
<b>Surplus/(Deficit)</b>		
Lakefield-Smith Community Centre	(34,319)	(46,330)
Ennismore Arena	-	(612)
Medical Incentive Program	(110,088)	(174,000)
Unfunded landfill closure and post-closure costs	(232,348)	(405,846)
Unfunded employee future benefits	(559,969)	(508,187)
Unfunded Lakefield secondary plan	(213,819)	(213,819)
	<u>(1,150,543)</u>	<u>(1,348,794)</u>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	40,611,700	39,368,093
Unfunded capital projects - detailed below	(1,354,939)	(1,580,927)
	<u>39,256,761</u>	<u>37,787,166</u>
<b>Surplus</b>	<u>38,106,218</u>	<u>36,438,372</u>
<b>Reserves</b>		
General government - operating	39,627	48,614
General government - capital	4,158,702	4,173,672
Protection to persons and property - operating	835,382	755,992
Protection to persons and property - capital	338,470	381,620
Transportation services - operating	59,416	-
Transportation services - capital	500,302	293,135
Environmental services - operating	48,254	53,945
Environmental services - capital	2,547,637	1,828,103
Health services - capital	32,425	54,718
Recreation and cultural services - operating	76,679	53,177
Recreation and cultural services - capital	365,850	277,640
Planning and development - operating	68,821	107,965
<b>Total Reserves</b>	<u>9,071,565</u>	<u>8,028,581</u>
<b>Reserve Funds</b>		
For acquisition of recreation and cultural services capital assets	334,648	109,381
Parking	57,556	55,879
<b>Total Reserve Funds</b>	<u>392,204</u>	<u>165,260</u>
	<u>47,569,987</u>	<u>44,632,213</u>

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

(b) Unfunded capital projects will be funded from future local area charges and consist of:

	2009	2008
	\$	\$
Sanitary sewer - Hague Blvd.	(10,600)	(15,386)
Sanitary sewer and waterworks - Woodland Acres	(1,219,656)	(1,283,376)
Sanitary sewer - Parr Trail	(124,683)	(282,165)
	<b>(1,354,939)</b>	<b>(1,580,927)</b>

### 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	3,571,792	3,621,985	3,404,386
Materials	1,436,542	2,970,314	3,288,458
Contracted services	4,326,464	3,199,839	3,348,038
Rents and financial	154,683	159,862	156,616
External transfers	197,243	228,432	373,864
Amortization	-	2,305,967	2,075,080
	<b>9,686,724</b>	<b>12,486,399</b>	<b>12,646,442</b>

### 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 \$163,426 (2008 - \$154,166).

### 12. TRUST FUND

Trust fund administered by the Township amounting to \$45,591 (2008 - \$45,531) has not been included in the Consolidated Statement of Financial Position nor has its 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.

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

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### 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.

### 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 overdraft or demand note. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2009-033. At December 31, 2009 there was a balance outstanding of \$Nil (2008 - \$Nil).

### 15. SEGMENTED INFORMATION

The Township of Smith-Ennismore-Lakefield 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 and emergency planning.

#### **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, winter control and street lighting.

#### **Water and Sewer**

Water and sewer services are provided to users in specified areas of the Township.

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# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

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### 15. SEGMENTED INFORMATION, continued

#### Other Environmental Services

This function is responsible for providing waste collection, and waste disposal services to ratepayers.

#### Health Services

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

#### 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.

### 16. COMPARATIVE FIGURES

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

### 17. COMMITMENTS

- (a) During the year, the Township entered into an agreement for engineering services for sanitary forcemain reconstruction in the amount of \$49,500 and as at December 31, 2009, no amounts had been paid. These costs are expected to be funded from future conditional government transfers and taxation.
- (b) The Township entered into an agreement during the year for engineering and construction services for the Lakefield Sewage Pumping Station upgrades in the amount of \$89,800 and \$595,600, respectively. As at December 31, 2009, \$67,390 and \$219,730 had been incurred respectively. These costs are expected to be funded from future conditional government transfers and taxation.
- (c) The Township entered into an agreement during the year for construction services for the Municipal office expansion and renovations in the amount of \$1,198,200 and as at December 31, 2009, \$570,919 had been incurred. These costs are expected to be funded from future unconditional government transfers and reserves.
- (d) During the year, the Township entered into an agreement for construction services for a water tower in the amount of \$100,000 and as at December 31, 2009, \$32,943 had been incurred. These costs are expected to be funded from future conditional government transfers and reserves.

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

	General			Infrastructure		Assets Under Construction	Totals
	Land	Facilities	Vehicles and Equipment	Roadways	Water and Sewer		
	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>							
Balance, beginning of year	5,506,490	7,485,458	5,896,017	22,517,556	15,464,772	1,392,226	58,262,519
Add: additions during the year	-	170,593	121,395	1,237,616	44,269	1,976,148	3,550,021
Less: disposals during the year	-	-	204,170	-	1,119	-	205,289
Internal transfers	-	1,827,670	244,858	208,868	-	(2,281,396)	-
<b>Balance, end of year</b>	<b>5,506,490</b>	<b>9,483,721</b>	<b>6,058,100</b>	<b>23,964,040</b>	<b>15,507,922</b>	<b>1,086,978</b>	<b>61,607,251</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	-	2,431,543	2,350,000	10,529,080	3,583,803	-	18,894,426
Add: additions during the year	-	212,463	488,615	1,283,886	321,003	-	2,305,967
Less: disposals during the year	-	-	204,170	-	672	-	204,842
<b>Balance, end of year</b>	<b>-</b>	<b>2,644,006</b>	<b>2,634,445</b>	<b>11,812,966</b>	<b>3,904,134</b>	<b>-</b>	<b>20,995,551</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>5,506,490</b>	<b>6,839,715</b>	<b>3,423,655</b>	<b>12,151,074</b>	<b>11,603,788</b>	<b>1,086,978</b>	<b>40,611,700</b>

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## 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	722,051	3,242,061	2,292,887	-	173,024	46,326	665,417	217,573	7,359,339
User charges	92,263	297,196	9,784	2,114,508	539,032	-	846,278	26,900	3,925,961
Government transfers - operating	471,302	365,203	306,161	26,284	-	-	125,210	-	1,294,160
Government transfers - capital	500,000	-	253,624	136,521	-	-	305,892	-	1,196,037
Other municipalities	-	88,017	13,048	-	-	-	-	-	101,065
Penalties and interest on taxes	273,004	-	-	-	-	-	-	-	273,004
Investment income	286,558	-	-	-	-	-	-	-	286,558
Donations	-	-	-	-	-	-	404,826	-	404,826
Gain on disposal of capital assets	-	-	4,862	(448)	-	-	-	-	4,414
Other grants	-	-	-	-	-	-	2,000	-	2,000
Annexation proceeds	172,485	-	-	-	-	-	-	-	172,485
Other capital financing	-	10,948	57,632	135,224	-	-	-	-	203,804
Developer contributions earned	-	11,151	39,746	-	-	-	149,623	-	200,520
<b>Total revenues</b>	<b>2,517,663</b>	<b>4,014,576</b>	<b>2,977,744</b>	<b>2,412,089</b>	<b>712,056</b>	<b>46,326</b>	<b>2,499,246</b>	<b>244,473</b>	<b>15,424,173</b>
<b>Expenses</b>									
Salaries and benefits	927,088	636,468	979,094	613	140,928	-	823,607	114,187	3,621,985
Materials	366,786	573,159	639,518	208,784	249,935	-	919,932	12,200	2,970,314
Contracted services	73,325	2,130,366	70,058	786,465	107,417	-	16,613	15,595	3,199,839
Rents and financial	47,900	13,939	-	95,389	-	-	2,634	-	159,862
External transfers	9,276	172,830	-	-	-	46,326	-	-	228,432
Amortization	12,345	131,717	1,602,555	320,181	90,216	-	148,953	-	2,305,967
Internal transfers	(86,209)	38,575	-	34,776	-	-	-	12,858	-
<b>Total expenses</b>	<b>1,350,511</b>	<b>3,697,054</b>	<b>3,291,225</b>	<b>1,446,208</b>	<b>588,496</b>	<b>46,326</b>	<b>1,911,739</b>	<b>154,840</b>	<b>12,486,399</b>
<b>Net surplus/(deficit)</b>	<b>1,167,152</b>	<b>317,522</b>	<b>(313,481)</b>	<b>965,881</b>	<b>123,560</b>	<b>-</b>	<b>587,507</b>	<b>89,633</b>	<b>2,937,774</b>

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## 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	724,991	3,143,071	2,226,920	-	173,024	32,875	633,635	186,920	7,121,436
User charges	109,868	461,241	21,720	1,926,537	548,013	-	823,729	25,390	3,916,498
Government transfers - operating	61,198	338,627	51,337	331,891	-	-	550,075	-	1,333,128
Government transfers - capital	500,151	-	792,006	-	-	-	697,503	-	1,989,660
Other municipalities	-	93,889	15,125	-	-	-	-	-	109,014
Penalties and interest on taxes	265,568	-	-	-	-	-	-	-	265,568
Investment income	380,891	-	-	-	-	-	-	-	380,891
Donations	-	-	-	-	-	-	4,834	-	4,834
Contributed capital assets	-	-	-	395,093	-	-	-	-	395,093
Annexation proceeds	122,511	-	-	-	-	-	-	-	122,511
Developer contributions earned	30,894	17,652	65,066	-	-	-	414,759	-	528,371
<b>Total revenues</b>	<b>2,196,072</b>	<b>4,054,480</b>	<b>3,172,174</b>	<b>2,653,521</b>	<b>721,037</b>	<b>32,875</b>	<b>3,124,535</b>	<b>212,310</b>	<b>16,167,004</b>
<b>Expenses</b>									
Salaries and benefits	883,625	598,019	948,503	437	122,294	-	785,301	66,207	3,404,386
Materials	374,267	537,632	513,609	217,678	311,267	-	1,328,105	5,900	3,288,458
Contracted services	97,100	2,202,431	131,557	588,421	258,240	-	7,567	62,722	3,348,038
Rents and financial	46,491	14,571	-	92,619	-	-	2,935	-	156,616
External transfers	10,732	156,257	-	-	-	206,875	-	-	373,864
Amortization	12,345	128,213	1,471,848	309,159	15,515	-	138,000	-	2,075,080
Internal transfers	(85,438)	38,756	-	33,763	-	-	-	12,919	-
<b>Total expenses</b>	<b>1,339,122</b>	<b>3,675,879</b>	<b>3,065,517</b>	<b>1,242,077</b>	<b>707,316</b>	<b>206,875</b>	<b>2,261,908</b>	<b>147,748</b>	<b>12,646,442</b>
<b>Net surplus/(deficit)</b>	<b>856,950</b>	<b>378,601</b>	<b>106,657</b>	<b>1,411,444</b>	<b>13,721</b>	<b>(174,000)</b>	<b>862,627</b>	<b>64,562</b>	<b>3,520,562</b>

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD**

We have audited the statement of financial position of the Trust Fund of the Corporation of the Township of Smith-Ennismore-Lakefield as at December 31, 2009 and the statement of continuity of the Trust Fund 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 Fund of the Township as at December 31, 2009 and the continuity of the Trust Fund for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
December 23, 2010

**CORPORATION OF THE TOWNSHIP OF  
SMITH-ENNISMORE-LAKEFIELD**

**TRUST FUND  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2009**

	2009 Ontario Home Renewal Program \$	2008 Ontario Home Renewal Program \$
<b>FINANCIAL ASSETS</b>		
Cash	5,118	5,094
Loans receivable (note 2)	7,365	7,970
Due from Township	33,108	32,467
	<b>45,591</b>	<b>45,531</b>
<b>FUND BALANCE</b>	<b>45,591</b>	<b>45,531</b>

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

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

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

	2009 Ontario Home Renewal Program \$	2008 Ontario Home Renewal Program \$
<b>BALANCE - beginning of year</b>	45,531	45,536
<b>RECEIPTS</b>		
Interest earned	120	214
<b>EXPENSES</b>		
Administration fee	60	219
<b>BALANCE - end of year</b>	45,591	45,531

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

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## TRUST FUND 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 Trust Fund financial instruments consist of cash, loans receivable and due from Township. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Fund does 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. 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.

Ontario Home Renewal Program loans receivable at December 31, 2009 are comprised of repayable loans of \$7,365 (2008 - \$7,970).

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.

**CORPORATION OF THE TOWNSHIP OF  
SMITH-ENNISMORE-LAKEFIELD**

**SMITH-ENNISMORE-LAKEFIELD PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

## AUDITORS' REPORT

### TO THE MEMBERS OF THE SMITH-ENNISMORE-LAKEFIELD PUBLIC LIBRARY BOARD, THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

We have audited the statement of financial position of the Smith-Ennismore-Lakefield Public Library Board of the Corporation of the Township of Smith-Ennismore-Lakefield 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.

Except as explained in the following paragraph, 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.

The Board derives revenue from donations and fundraising, 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 donations and fundraising revenues, assets and accumulated surplus.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations and fundraising revenue referred to in the preceding paragraph, 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  
December 23, 2010

**CORPORATION OF THE TOWNSHIP OF  
SMITH-ENNISMORE-LAKEFIELD**

**SMITH-ENNISMORE-LAKEFIELD PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2009**

	2009 \$	Restated 2008 \$ (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash	440	440
Due from the Township of Smith-Ennismore-Lakefield	515,874	251,700
Accounts receivable	-	48
<b>TOTAL FINANCIAL ASSETS</b>	<b>516,314</b>	<b>252,188</b>
<b>LIABILITIES</b>		
Deferred revenue	-	8,140
<b>NET FINANCIAL ASSETS</b>	<b>516,314</b>	<b>244,048</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	217,376	207,415
<b>ACCUMULATED SURPLUS (note 4)</b>	<b>733,690</b>	<b>451,463</b>

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

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## SMITH-ENNISMORE-LAKEFIELD 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>			
Municipal Contribution Township of Smith-Ennismore-Lakefield			
From taxation	254,027	254,027	254,027
From reserve	7,155	7,155	6,605
Development charges earned	7,638	7,638	10,968
Provincial grant	50,411	59,259	48,850
Federal grant	1,050	1,663	1,074
Other grant	2,000	2,000	-
User charges	17,561	17,802	19,601
Fundraising	36,350	48,059	35,718
Interest income	-	12,780	6,303
Donations	404,987	401,423	2,544
<b>TOTAL REVENUES</b>	<b>781,179</b>	<b>811,806</b>	<b>385,690</b>
<b>EXPENSES</b>			
Salaries and benefits	203,879	202,556	184,085
Materials, periodicals and audio	19,617	20,366	17,256
Office and administration	41,624	46,432	34,396
Insurance	3,091	3,091	2,337
Maintenance and utilities	54,580	51,176	53,456
Fundraising	5,050	3,885	4,685
Building improvements	3,500	7,255	2,250
Computer equipment and furnishings	30,000	29,182	1,515
Shelving and related design	126,059	71,301	-
Furniture	40,000	36,376	-
Moving costs	7,000	6,995	-
Amortization	-	50,964	42,557
<b>TOTAL EXPENSES</b>	<b>534,400</b>	<b>529,579</b>	<b>342,537</b>
<b>ANNUAL SURPLUS</b>	<b>246,779</b>	<b>282,227</b>	<b>43,153</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>380,339</b>	<b>380,339</b>	<b>337,186</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>627,118</b>	<b>662,566</b>	<b>380,339</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## SMITH-ENNISMORE-LAKEFIELD PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$ (Note 2)
<b>ANNUAL SURPLUS</b>	246,779	282,227	43,153
Amortization of tangible capital assets	-	50,964	42,557
Acquisition of tangible capital assets	(57,500)	(60,925)	(58,847)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	189,279	272,266	26,863
<b>NET FINANCIAL ASSETS - beginning of year</b>	244,048	244,048	217,185
<b>NET FINANCIAL ASSETS - end of year</b>	433,327	516,314	244,048

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

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## SMITH-ENNISMORE-LAKEFIELD 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	282,227	43,153
Increase in due from the Township of Smith-Ennismore-Lakefield	(264,174)	(32,970)
(Increase)/decrease in accounts receivable	48	(33)
Increase/(decrease) in deferred revenue	(8,140)	6,140
Non-cash charges to operations		
Amortization of tangible capital assets	50,964	42,557
<b>Net increase in cash from operating transactions</b>	<b>60,925</b>	<b>58,847</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(60,925)	(58,847)
<b>INCREASE IN CASH</b>	<b>-</b>	<b>-</b>
<b>CASH - beginning of year</b>	<b>440</b>	<b>440</b>
<b>CASH - end of year</b>	<b>440</b>	<b>440</b>

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

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## SMITH-ENNISMORE-LAKEFIELD PUBLIC LIBRARY 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

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 the Township of Smith-Ennismore-Lakefield and accounts receivable. 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 and periodicals	7 years
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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 SMITH-ENNISMORE-LAKEFIELD

## SMITH-ENNISMORE-LAKEFIELD 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	\$	356,746
Accumulated amortization to December 31, 2008, not previously recorded		<u>(149,331)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	\$	<u>207,415</u>

#### Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated Reserves and reserve funds		217,185
Net book value of tangible capital assets at January 1, 2008		<u>120,001</u>
Opening 2008 accumulated surplus, as restated	\$	<u>337,186</u>

#### Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$	26,863
Add: Assets capitalized but previously expensed		58,847
Less: Amortization expense not previously recorded		<u>(42,557)</u>
2008 annual surplus as restated	\$	<u>43,153</u>

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## SMITH-ENNISMORE-LAKEFIELD 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 and Periodicals \$	2008 Books and Periodicals \$
<b>COST</b>		
Balance, beginning of year	356,746	297,899
Add: additions during the year	60,925	58,847
Less: disposals during the year	46,072	-
<b>Balance, end of year</b>	<b>371,599</b>	<b>356,746</b>
<b>ACCUMULATED AMORTIZATION</b>		
Balance, beginning of year	149,331	106,774
Add: additions during the year	50,964	42,557
Less: disposals during the year	46,072	-
<b>Balance, end of year</b>	<b>154,223</b>	<b>149,331</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>217,376</b>	<b>207,415</b>

# CORPORATION OF THE TOWNSHIP OF SMITH-ENNISMORE-LAKEFIELD

## SMITH-ENNISMORE-LAKEFIELD PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2009	2008
	\$	\$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	217,376	207,415
<b>Surplus</b>	217,376	207,415
<b>Reserves</b>		
Working capital	25,552	27,649
Acquisition of capital assets	257,490	195,662
<b>Total Reserves</b>	283,042	223,311
<b>Reserve Funds</b>		
Acquisition of capital assets	233,272	20,737
	733,690	451,463

### 5. 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.

### 6. COMPARATIVE FIGURES

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