

Township of Horton

Financial Report

For the year ended 31 December 2009

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

MACKILICAN & ASSOCIATES
CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Horton.

We have audited the consolidated statement of financial position of the Corporation of the Township of Horton as at 31 December 2009, and the consolidated statements of financial activities, changes 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 consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Horton as at 31 December 2009, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

MacKillican & Associates

RENFREW, Ontario.
9 September 2010.

Chartered Accountants,
Licensed Public Accountants.

Township of Horton
Consolidated Statement of Financial Position
As at 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Financial assets:		
Cash and cash equivalents	\$ 468,399	\$ 581,922
Taxes receivable	443,040	474,468
Accounts receivable	<u>291,982</u>	<u>133,754</u>
	<u>\$ 1,203,421</u>	<u>\$ 1,190,144</u>
Financial liabilities:		
Accounts payable and accrued liabilities	\$ 226,383	\$ 157,046
Deferred revenue - obligatory reserve funds (Note 5)	302,985	188,324
- other	91,496	254,156
Net long term liabilities (Note 11)	249,085	
Landfill closure and post closure costs (Note 6)	<u>120,000</u>	<u>120,000</u>
	<u>\$ 989,949</u>	<u>\$ 719,526</u>
Net financial assets	<u>\$ 213,472</u>	<u>\$ 470,618</u>
Non-financial assets:		
Tangible capital assets (net)	\$ 11,067,093	\$ 11,162,234
Inventories of supplies	<u>15,225</u>	<u>13,125</u>
	<u>\$ 11,082,318</u>	<u>\$ 11,175,359</u>
Accumulated surplus	<u>\$ 11,295,790</u>	<u>\$ 11,645,977</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets	\$ 10,676,496	\$ 11,015,997
General	14,859	45,395
Reserves and reserve funds	724,435	704,585
Unfunded - landfill closure and post closure costs (Note 2)	<u>(120,000)</u>	<u>(120,000)</u>
Total accumulated surplus	<u>\$ 11,295,790</u>	<u>\$ 11,645,977</u>

(See accompanying notes)

Township of Horton
Consolidated Statement of Financial Activities
For the year ended 31 December 2009
(with 2009 budget and 2008 actual figures for comparison)

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>2008</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 1,321,035	\$ 1,269,273	\$ 1,282,908
Government transfers:			
Ontario	985,041	573,252	444,368
Canada	639,992	193,806	2,103
Other municipalities	25,000		14,519
Other	<u>266,052</u>	<u>205,658</u>	<u>282,050</u>
	<u>\$ 3,237,120</u>	<u>\$ 2,241,989</u>	<u>\$ 2,025,948</u>
Expenditure:			
General government	\$ 519,896	\$ 490,556	\$ 446,508
Protection to persons and property	393,632	362,935	337,655
Transportation services	1,365,338	1,281,851	1,349,907
Environmental services	277,950	281,440	261,789
Health services	10,210	10,220	11,210
Recreation and cultural services	133,122	131,563	106,474
Planning and development	<u>23,400</u>	<u>33,611</u>	<u>21,568</u>
	<u>\$ 2,723,548</u>	<u>\$ 2,592,176</u>	<u>\$ 2,535,111</u>
Net surplus (deficit) for the year	\$ 513,572	\$ (350,187)	\$ (509,163)
Accumulated surplus at the beginning of the year	<u>11,645,977</u>	<u>11,645,977</u>	<u>12,155,140</u>
Accumulated surplus at the end of the year	<u>\$ 12,159,549</u>	<u>\$ 11,295,790</u>	<u>\$ 11,645,977</u>

(See accompanying notes)

Township of Horton
Consolidated Statement of Changes in Net Financial Assets
For the year ended 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Net deficit for the year	\$ (350,187)	\$ (509,163)
Amortization of tangible capital assets	830,711	826,109
Acquisition of tangible capital assets	(735,570)	(391,395)
Acquisition of inventory	<u>(2,100)</u>	<u>(13,125)</u>
Decrease in net financial assets	\$ (257,146)	\$ (87,574)
Net financial assets at the beginning of the year	<u>470,618</u>	<u>558,192</u>
Net financial assets at the end of the year	<u>\$ 213,472</u>	<u>\$ 470,618</u>

(See accompanying notes)

Township of Horton
Consolidated Statement of Cash Flows
For the year ended 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net deficit for the year	\$ (350,187)	\$ (509,163)
Add amortization which does not involve cash	<u>830,711</u>	<u>826,109</u>
	\$ <u>480,524</u>	\$ <u>316,946</u>
Net change in non cash working capital balances related to operations:		
Decrease (increase) in taxes receivable	\$ 31,428	\$ (117,391)
Increase in accounts receivable	(158,228)	(69,054)
Increase in inventory	(2,100)	(13,125)
Increase in accounts payable and accrued liabilities	<u>69,337</u>	<u>35,066</u>
	\$ <u>(59,563)</u>	\$ <u>(164,504)</u>
Cash flows from operating activities	\$ <u>420,961</u>	\$ <u>152,442</u>
Cash flows from financing activities:		
Increase in long term debt	\$ 249,085	
Increase (decrease) in deferred revenue	<u>(47,999)</u>	<u>321,793</u>
Cash flows from financing activities	\$ <u>201,086</u>	\$ <u>321,793</u>
Cash flows used for investing activities:		
Additions to tangible capital assets:		
General government	\$ (115,734)	\$ (99,279)
Protection to persons and property		(68,980)
Transportation services	(197,617)	(78,804)
Environmental services	(85,397)	(62,204)
Recreation and cultural services	<u>(336,822)</u>	<u>(82,128)</u>
Cash flows used for investing activities	\$ <u>(735,570)</u>	\$ <u>(391,395)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ (113,523)	\$ 82,840
Cash and cash equivalents at the beginning of the year	<u>581,922</u>	<u>499,082</u>
Cash and cash equivalents at the end of the year	<u>\$ 468,399</u>	<u>\$ 581,922</u>

(See accompanying notes)

Township of Horton

Notes to the Financial Statements

For the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Horton are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

Effective 1 January 2009, the Township changed its accounting and financial reporting to conform to the revised guidelines in the Public Sector Accounting Handbook on financial reporting presentation (Section PS 1200) and tangible capital asset accounting (PS 3150). Current year data is presented on the new basis. Prior year data has been restated on the same basis wherever possible, to be comparable with the current year data. The most significant change is the reporting on tangible capital assets for the first time, and the inclusion of the Consolidated Statement of Changes in Net Financial Assets.

(a) Reporting Entity

(i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. 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 or controlled by the Township. Interdepartmental and interorganizational transactions and balances between these organizations are eliminated.

(ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

(b) Accrual Basis of Accounting

Expenditures and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenditures are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

(c) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenditure, provides the change in net financial assets for the year.

Township of Horton

Notes to the Financial Statements

For the year ended 31 December 2009

(d) Tangible Capital Assets

- (i) Tangible capital assets (TCAs) are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in service date using the Consumer Price Index (CPI). Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 - 25 years
Buildings	25 - 50 years
Machinery and equipment	5 - 40 years
Vehicles	7 - 25 years
Linear assets	10 - 50 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expenditure equal to the net book value of the assets as of the date of transfer.

(iii) Inventories

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

(e) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(f) Government Transfers

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

(g) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

Township of Horton

Notes to the Financial Statements

For the year ended 31 December 2009

(h) **Deferred Revenue - Obligatory Reserve Funds**

The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and, until applied to applicable costs, are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(i) **Financial Instruments**

Financial instruments include cash, taxes receivable, accounts receivable, accounts payable and accrued liabilities and net long term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash, taxes receivable, accounts receivable and accounts payable and accrued liabilities, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

The fair value of long term debt, including the current portion, is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

(j) **Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

2. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to finance unfunded liabilities, comprised of the landfill closure and post closure liabilities.

3. TRUST FUND

Trust fund administered by the Township, totaling \$ 3,673 (2008 - \$ 3,500) is presented in a separate financial statement of trust fund financial position and financial activities. As such, balances held in trust by the Township for the benefit of others have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities.

4. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew 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:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 1,020,572	\$ 1,105,905
Payments in lieu		751
	<u>\$ 1,020,572</u>	<u>\$ 1,106,656</u>

Township of Horton

Notes to the Financial Statements

For the year ended 31 December 2009

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place because federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

- (a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	<u>2009</u>	<u>2008</u>
Gas tax revenue	\$ 183,759	\$ 100,099
Lot development charges	<u>119,226</u>	<u>88,225</u>
	<u>\$ 302,985</u>	<u>\$ 188,324</u>

- (b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

	<u>2009</u>	<u>2008</u>
Balance at the beginning of the year	\$ 188,324	\$ 120,687
Gas tax revenue received	83,410	41,705
Development charges and lot fees	40,576	39,390
Interest earned	<u>675</u>	<u>2,352</u>
	\$ 312,985	\$ 204,134
Used for general financial activities	<u>10,000</u>	<u>15,810</u>
Balance at the end of the year	<u>\$ 302,985</u>	<u>\$ 188,324</u>

6. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a ten year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

7. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Township is not aware of any claims or possible claims as at 31 December 2009.

Township of Horton

Notes to the Financial Statements

For the year ended 31 December 2009

8. BUDGET FIGURES

The operating budget approved by the Township of Horton for 2009 is reflected on the Consolidated Statement of Financial Activities. The budget established for capital investment in tangible capital assets is 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. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements.

9. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by function, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. There were no such transfers in 2009.

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2009 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.

11. NET LONG TERM LIABILITIES

The net long term liabilities represent an advance from O.S.I.F.A. for ongoing projects. Presently there is no set repayment schedule.

12. EXPENDITURES BY OBJECT

The Consolidated Statement of Financial Activities presents the consolidated expenditures by function. The following listing classifies the expenditures by object.

	<u>2009</u>	<u>2008</u>
Salaries, wages and employee benefits	\$ 716,805	\$ 669,146
Operating materials and supplies	687,388	693,137
Contracted services	351,869	332,555
Rents and financial expense	(4,817)	2,954
External transfers	10,220	11,210
Amortization	<u>830,711</u>	<u>826,109</u>
Total expenditures by object	<u>\$ 2,592,176</u>	<u>\$ 2,535,111</u>

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Horton
Schedule of General Financial Activities
For the year ended 31 December 2009
(with 2009 budget and 2008 actual figures for comparison)

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>2008</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 1,321,035	\$ 1,269,273	\$ 1,282,908
Government transfers:			
Ontario	985,041	573,252	444,368
Canada	639,992	193,806	2,103
Other municipalities	25,000		14,519
Other	<u>266,052</u>	<u>205,658</u>	<u>282,050</u>
	<u>\$ 3,237,120</u>	<u>\$ 2,241,989</u>	<u>\$ 2,025,948</u>
Expenditure:			
General government	\$ 519,896	\$ 490,555	\$ 446,508
Protection to persons and property	393,632	362,935	337,655
Transportation services	1,365,338	1,281,851	1,349,907
Environmental services	277,950	281,440	261,789
Health services	10,210	10,220	11,210
Recreation and cultural services	133,122	131,563	106,474
Planning and development	<u>23,400</u>	<u>33,611</u>	<u>21,568</u>
	<u>\$ 2,723,548</u>	<u>\$ 2,592,175</u>	<u>\$ 2,535,111</u>
Net revenue (expenditure)	<u>\$ 513,572</u>	<u>\$ (350,186)</u>	<u>\$ (509,163)</u>
Transfers:			
Transfer from (to) reserves	\$ 167,916	\$ (19,850)	\$ (68,472)
Transfer from (to) equity in tangible capital assets	<u>(726,883)</u>	<u>339,500</u>	<u>580,951</u>
Net transfers	<u>\$ (558,967)</u>	<u>\$ 319,650</u>	<u>\$ 512,479</u>
Change in general surplus	\$ (45,395)	\$ (30,536)	\$ 3,316
General surplus at the beginning of the year	<u>45,395</u>	<u>45,395</u>	<u>42,079</u>
General surplus at the end of the year	<u>\$ -</u>	<u>\$ 14,859</u>	<u>\$ 45,395</u>

(See accompanying notes)

Township of Horton
Schedule of Reserves and Reserve Funds
For the year ended 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Contributions:		
From operations	\$ <u>229,550</u>	\$ <u>153,100</u>
Transfers:		
Transfer to operations	\$ <u>209,700</u>	\$ <u>84,628</u>
Change in reserves and reserve funds balance	\$ 19,850	\$ 68,472
Reserves and reserve funds at the beginning of the year	<u>704,585</u>	<u>636,113</u>
Reserves and reserve funds at the end of the year	\$ <u><u>724,435</u></u>	\$ <u><u>704,585</u></u>
Reserves:		
Working funds	\$ 306,001	\$ 306,001
Fire equipment replacement	66,500	50,250
Landfill site	40,237	82,337
Transportation	218,397	143,397
Septage		25,000
Future equipment	61,000	77,000
Recreation	10,000	11,600
Election expense	13,500	9,000
Protection	<u>8,800</u>	
Total reserves	\$ <u><u>724,435</u></u>	\$ <u><u>704,585</u></u>

(See accompanying notes)

Township of Horton
Schedule of Tangible Capital Assets
For the year ended 31 December 2009
(with 2008 figures for comparison)

Functional classification:	2009			2008
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
General government	\$ 333,203	\$ 67,911	\$ 265,292	\$ 156,504
Protection services	756,887	296,000	460,887	491,942
Transportation services	19,304,011	10,195,314	9,108,697	9,688,544
Environmental services	178,188		178,188	92,791
Recreation and cultural services	<u>1,118,933</u>	<u>64,904</u>	<u>1,054,029</u>	<u>732,453</u>
	<u>\$ 21,691,222</u>	<u>\$ 10,624,129</u>	<u>\$ 11,067,093</u>	<u>\$ 11,162,234</u>

Segmented by asset class:	2009			2008
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 112,814		\$ 112,814	\$ 112,814
Buildings	1,706,377	\$ 172,844	1,533,533	943,286
Machinery and equipment	361,366	219,196	142,170	169,735
Vehicles	960,140	525,620	434,520	426,879
Linear assets	18,402,924	9,706,469	8,696,455	9,286,662
Construction in progress	<u>147,601</u>		<u>147,601</u>	<u>222,858</u>
	<u>\$ 21,691,222</u>	<u>\$ 10,624,129</u>	<u>\$ 11,067,093</u>	<u>\$ 11,162,234</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES
CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Horton.

We have audited the statement of financial position of the McLaren Cemetery trust fund of the Township of Horton as at 31 December 2009 and the statement of financial activities 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 McLaren Cemetery trust fund of the Township of Horton as at 31 December 2009, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Mackilligan & Associates

RENFREW, Ontario.
9 September 2010.

Chartered Accountants,
Licensed Public Accountants.

Township of Horton
McLaren Cemetery Trust Fund
Statement of Financial Position

As at 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Investments	\$ <u>3,673</u>	\$ <u>3,500</u>
<u>FUND BALANCE</u>		
Fund balance	\$ <u>3,673</u>	\$ <u>3,500</u>

Township of Horton
McLaren Cemetery Trust Fund
Statement of Financial Activities

For the year ended 31 December 2009
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Balance at the beginning of the year	\$ <u>3,500</u>	\$ <u>3,500</u>
Revenue:		
Interest earned - bank	\$ <u>173</u>	\$ <u>83</u>
Expenditure:		
Administration charges and maintenance	\$ <u>-</u>	\$ <u>83</u>
Balance at the end of the year	\$ <u>3,673</u>	\$ <u>3,500</u>

(See accompanying notes)

Township of Horton

McLaren Cemetery Trust Fund

Notes to the Financial Statements

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements of the McLaren Cemetery trust fund are the representation of management 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. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

Basis of Accounting:

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

2. CEMETERY TRUST

The Municipality has assumed the responsibility of maintaining the McLaren Cemetery.