

**CORPORATION OF THE TOWNSHIP OF AMARANTH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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Chartered Accountants  
and Business Advisors

People Count.

## AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Amaranth

We have audited the consolidated statement of financial position of the Corporation of the Township of Amaranth as at December 31, 2009 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the municipality. 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 Corporation of the Township of Amaranth as at December 31, 2009 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Fergus, Ontario  
March 10, 2010

A handwritten signature in dark ink, appearing to read 'RLB LLP'.

Chartered Accountants  
Licensed Public Accountants

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2009**

**FINANCIAL ASSETS**

	2009	2008 (restated)
Cash	\$ 0	\$ 150,938
Taxes receivable	811,350	673,850
Accounts receivable	384,043	283,103
Notes receivable (note 2)	224,038	249,171
Long term receivables (note 3)	<u>87,190</u>	<u>70,553</u>
	<u>1,506,621</u>	<u>1,427,615</u>

**LIABILITIES**

Bank overdraft	481,025	0
Accounts payable and accrued liabilities	208,319	462,767
Tile drainage loan payable (note 3)	87,190	70,553
Deferred revenue	52,506	0
Long term debt (note 4)	218,574	238,574
Landfill site closure and post-closure liability (note 9)	<u>189,442</u>	<u>139,053</u>
	<u>1,237,056</u>	<u>910,947</u>

**NET FINANCIAL ASSETS**

<u>269,565</u>	<u>516,668</u>
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**NON-FINANCIAL ASSETS**

Tangible capital assets (schedule 2)	17,481,815	17,382,950
Inventory	1,333,150	1,505,802
Prepaid expenses	<u>125,107</u>	<u>0</u>
	<u>18,940,072</u>	<u>18,888,752</u>

**ACCUMULATED SURPLUS (schedule 3)**

<u>\$ 19,209,637</u>	<u>\$ 19,405,420</u>
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**CORPORATION OF THE TOWNSHIP OF AMARANTH  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009 Actual</b>	<b>2008 Actual (restated)</b>
<b>REVENUE</b>		
Taxation revenue	\$ 2,322,622	\$ 2,095,630
Fees and user charges	373,318	339,117
Canada grants	226,406	754,416
Ontario grants	512,318	1,016,727
Other income (note 6)	341,931	147,542
Development charges	<u>46,288</u>	<u>64,050</u>
	<u><b>3,822,883</b></u>	<u><b>4,417,482</b></u>
<b>EXPENSES</b>		
General government	618,452	739,615
Protection services	638,361	586,125
Transportation services	1,893,362	1,868,229
Environmental services	393,456	374,782
Health services	5,680	6,715
Recreation and cultural services	233,113	212,479
Planning and development	<u>236,242</u>	<u>135,663</u>
	<u><b>4,018,666</b></u>	<u><b>3,923,608</b></u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u><b>\$ (195,783)</b></u>	<u><b>\$ 493,874</b></u>
<b>ACCUMULATED SURPLUS, beginning of year</b>	<b>\$ 19,405,420</b>	<b>\$ 695,372</b>
Net book value of gravel inventory recorded	0	1,662,276
Net book value of tangible capital assets recorded	<u>0</u>	<u>16,553,898</u>
As restated	19,405,420	18,911,546
Annual surplus (deficit)	<u>(195,783)</u>	<u>493,874</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u><b>\$ 19,209,637</b></u>	<u><b>\$ 19,405,420</b></u>

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009 Actual</b>	<b>2008 Actual (restated)</b>
<b>Annual surplus (deficit)</b>	\$ <u>(195,783)</u>	\$ <u>493,874</u>
Acquisition of tangible capital assets	(1,020,064)	(1,709,323)
Amortization of tangible capital assets	918,752	880,271
Gain on sale of tangible capital assets	2,447	0
Consumption of gravel inventory	172,652	156,474
Acquisition of prepaid expense	<u>(125,107)</u>	<u>0</u>
	<u>(51,320)</u>	<u>(672,578)</u>
<b>DECREASE IN NET FINANCIAL ASSETS</b>	(247,103)	(178,704)
<b>NET FINANCIAL ASSETS, beginning of year</b>	<u>516,668</u>	<u>695,372</u>
<b>NET FINANCIAL ASSETS, end of year</b>	\$ <u><u>269,565</u></u>	\$ <u><u>516,668</u></u>

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009</b>	<b>2008</b> (restated)
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ (195,783)	\$ 493,874
Items not requiring an outlay of cash		
Amortization of tangible capital assets	918,752	880,271
Loss on disposal of assets	2,447	0
Consumption of gravel inventory	<u>172,652</u>	<u>156,474</u>
	<u>898,068</u>	<u>1,530,619</u>
Net changes in non-cash working capital		
Taxes receivable	(137,500)	2,530
Accounts receivable	(100,940)	853,228
Prepaid expenses	(125,107)	0
Accounts payable and accrued liabilities	(254,448)	(370,631)
Landfill site closure and post-closure liability	50,389	15,153
Prepaid drainage receipts	0	(2,401)
Deferred revenue	<u>52,506</u>	<u>0</u>
	<u>(515,100)</u>	<u>497,879</u>
	<u>382,968</u>	<u>2,028,498</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	<u>(1,020,064)</u>	<u>(1,709,322)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Long term debt	(20,000)	0
Tile drainage payable	<u>16,637</u>	<u>(25,158)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<u>(3,363)</u>	<u>(25,158)</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Change in long-term receivables	(16,637)	25,158
Change in notes receivable	<u>25,133</u>	<u>22,359</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<u>8,496</u>	<u>47,517</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(631,963)	341,535
<b>CASH (BANK OVERDRAFT), beginning of year</b>	<u>150,938</u>	<u>(190,597)</u>
<b>(BANK OVERDRAFT) CASH, end of year</b>	<u>\$ (481,025)</u>	<u>\$ 150,938</u>

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Corporation of the Township of Amaranth are the representation of management, prepared in accordance with Canadian generally accepted accounting principles. 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.

**(a) BASIS OF CONSOLIDATION**

- (i) These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures for the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the boards and municipal enterprises which are under the control of Council. The following boards and municipal enterprises owned or controlled by Council have been consolidated:

- (a) The Shelburne District Fire Board  
Proportionate consolidation: 14% in 2009; 13.67% in 2008.
- (b) The Grand Valley and District Fire Board  
Proportionate consolidation: operating - 24.39% in 2009; 24.32% in 2008,  
capital - 28.95% in 2009; 28.46% in 2008.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of the interest income and expenditures on loans or advances between reserve funds and any other fund of the municipality.

- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Dufferin are not reflected in the municipal fund balances of these financial statements.
- (iii) Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

**(b) BASIS OF ACCOUNTING**

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.
- (ii) 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 receipt of goods or services and the creation of a legal obligation to pay.
- (iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Schedule of Accumulated Surplus.

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(c) DEFERRED REVENUE

The revenue is reported on the Consolidated Statement of Financial Activities in the year in which it is used for the specified purpose.

(d) AMOUNTS TO BE RECOVERED

Amounts to be recovered are reported in the municipal position on the Schedule of Accumulated Surplus. The balance represents the outstanding principal portion of unmatured long term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.

(e) TRUST FUNDS

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(f) 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 revenues over expenses, provides the Change in Net Financial Assets for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset are amortized on a straight-line basis over their estimated useful life as follows:

Land improvements	15 to 20 years
Buildings	25 to 50 years
Vehicles	6 to 20 years
Furniture and equipment	2 to 20 years
Road bases	60 years
Road surfaces	2 to 15 years
Bridges and infrastructure	25 to 100 years

Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

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

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.



**CORPORATION OF THE TOWNSHIP OF AMARANTH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**2. NOTES RECEIVABLE**

	<b>2009</b>	<b>2008</b>
Water loan receivable for the capital costs of upgrades to provide water service to users of the system as set out in By-Law Number 50-2006	\$ <u>224,038</u>	\$ <u>249,171</u>

The loan receivable in the amount of \$164,385 is due from 74 ratepayers, bears interest at 6% per annum and is recoverable in annual instalments of \$398, which commenced in April 2007 and will mature in April 2017. The loan receivable in the amount of \$59,653 is due from 22 ratepayers, bears interest at 7.5% per annum and is recoverable in annual instalments of \$287, which commenced in April 2007 and will mature in April 2027.

**3. TILE DRAINAGE LOANS**

	<b>2009</b>	<b>2008</b> (restated)
The township is contingently liable for long term liabilities with respect to tile drainage loans. The total amount of loans outstanding at the end of the year is	\$ 87,190	\$ 70,553
The responsibility of the tile drainage loans for payment of principal and interest charges has been assumed by individuals. At the end of the year, the outstanding principal receivable from individuals is	<u>87,190</u>	<u>70,553</u>
	<u>\$ 0</u>	<u>\$ 0</u>

Future principal payments and recoveries from individuals are as follows:

2010	\$ 13,693
2011	11,616
2012	12,351
2013	10,928
2014	11,583
Thereafter	<u>27,019</u>
	<u>\$ 87,190</u>

**4. LONG TERM DEBT**

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

	<b>2009</b>	<b>2008</b>
Water operating loan - demand instalment loan maturing by December 2021, bearing interest at prime	\$ <u>218,574</u>	\$ <u>238,574</u>

**5. AMOUNTS TO BE RECOVERED**

	<b>2009</b>	<b>2008</b>
Landfill closure and post-closure liability	\$ <u>189,442</u>	\$ <u>139,053</u>

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**6. OTHER INCOME**

	<b>2009</b>	<b>2008</b> (restated)
Penalties and interest on taxation	\$ 100,461	\$ 97,818
Licenses, permits and rents	2,600	2,600
Other fines and penalties	1,786	1,802
Investment income	22,294	40,360
Donations	2,496	2,712
Gain (loss) on sale of tangible capital assets	(2,447)	0
Parkland contributions	3,500	2,250
Other	<u>211,241</u>	<u>0</u>
	<u>\$ 341,931</u>	<u>\$ 147,542</u>

**7. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF DUFFERIN**

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Dufferin:

	<b>2009</b>	<b>2008</b> (restated)
School boards	\$ 1,245,270	\$ 1,174,691
County of Dufferin	<u>1,726,612</u>	<u>1,628,139</u>
	<u>\$ 2,971,882</u>	<u>\$ 2,802,830</u>

**8. TRUST FUNDS**

The trust funds administered by the municipality amounting to \$10,209 (2008 - \$9,663) have not been included in the consolidated statement of financial position, nor have the operations been included in the consolidated statement of financial activities. At December 31, 2009, the trust fund balances are as follows:

	<b>2009</b>	<b>2008</b> (restated)
Cemetery care funds	<u>\$ 10,209</u>	<u>\$ 9,663</u>

**9. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY**

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of this landfill, removing of ground water and leachates, and ongoing environmental monitoring, site inspections and maintenance.

The liability recorded is \$189,442 (2008 - \$139,053) and represents the present value of closure and post-closure costs based on an annual interest rate of 3%. The liability is recorded based on the capacity of the landfill used to date. The total estimated expenditures for closure and post-closure costs are \$567,476, leaving an amount to be recognized of \$378,034.

The liability is expected to be funded through budget allocations over the remaining life of the landfill.

The estimated remaining capacity of the site is approximately 39,970 tonnes, which will be filled in 50 years. Post-closure care is estimated to continue for a period of 62 years.

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**10. TANGIBLE CAPITAL ASSETS**

	<b>Net 2009</b>	<b>Net 2008 (restated)</b>
General		
Land and land improvements	\$ 1,229,413	\$ 1,216,170
Buildings	1,396,966	1,160,596
Vehicles	744,707	786,694
Furniture and equipment	205,210	242,526
Infrastructure		
Roads	6,193,711	6,108,204
Bridges and infrastructure	7,711,808	7,837,724
Assets under construction	<u>0</u>	<u>31,036</u>
	<u>\$ 17,481,815</u>	<u>\$ 17,382,950</u>

**11. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**12. SEGMENTED INFORMATION**

The Corporation of the Township of Amaranth is a diversified municipal government institution that provides a wide range of services to its citizens, including Government and Administration services, Protective Services (i.e. building inspection, fire and emergency services, bylaw enforcement, animal control), Public Works (i.e. roadways, streetlighting, sidewalks, and municipal drinking water), Environmental Services (i.e. stormwater management and source water protection), Recreation and Parks, and Planning and Community Development Services. For management reporting purposes, the government's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments and their activities are reported in these funds.

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
SCHEDULE OF SEGMENTED DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2009	2008 (restated)
<b>EXPENSES</b>									
Salaries and benefits	\$ 281,477	\$ 57,306	\$ 476,712	\$ 23,302	\$ 720	\$ 8,785	\$ 56,171	\$ 904,473	\$ 867,735
Materials	20,771	28,069	537,963	4,464	0	12,452	1,128	604,847	679,504
Contracted services	136,978	473,669	58,158	161,241	4,960	33,511	177,670	1,046,187	1,041,425
Rents and financial expenses	136,220	11,516	93,272	38,703	0	4,868	1,273	285,852	239,784
Interest on long term debt	0	0	0	7,665	0	0	0	7,665	11,594
Amortization	43,006	32,947	727,257	107,692	0	7,850	0	918,752	880,271
Other	<u>0</u>	<u>34,854</u>	<u>0</u>	<u>50,389</u>	<u>0</u>	<u>165,647</u>	<u>0</u>	<u>250,890</u>	<u>203,295</u>
	<u>\$ 618,452</u>	<u>\$ 638,361</u>	<u>\$ 1,893,362</u>	<u>\$ 393,456</u>	<u>\$ 5,680</u>	<u>\$ 233,113</u>	<u>\$ 236,242</u>	<u>\$ 4,018,666</u>	<u>\$ 3,923,608</u>

see accompanying notes

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Land and land improvements	Buildings	Vehicles	Roads	Furniture and equipment	Bridges and infrastructure	Assets under construction	2009	2008 (restated)
<b>COST</b>									
Balance, beginning of year	\$ 1,856,455	\$ 2,213,110	\$ 2,385,109	\$ 11,084,876	\$ 729,168	\$ 10,299,589	\$ 31,036	\$ 28,599,343	\$ 26,890,021
Additions during the year	38,595	287,689	92,991	580,918	15,326	4,545	0	1,020,064	1,709,322
Disposals during the year	(28,104)	0	(145,227)	(181,545)	(9,006)	(369)	0	(364,251)	0
Other	0	19,710	11,326	0	0	0	(31,036)	0	0
Balance, end of year	<u>1,866,946</u>	<u>2,520,509</u>	<u>2,344,199</u>	<u>11,484,249</u>	<u>735,488</u>	<u>10,303,765</u>	<u>0</u>	<u>29,255,156</u>	<u>28,599,343</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	640,286	1,052,515	1,598,415	4,976,672	486,641	2,461,864	0	11,216,393	10,336,123
Amortization	25,351	71,028	146,304	492,964	52,643	130,462	0	918,752	880,270
Accumulated amortization on disposals	(28,104)	0	(145,227)	(179,098)	(9,006)	(369)	0	(361,804)	0
Balance, end of year	<u>637,533</u>	<u>1,123,543</u>	<u>1,599,492</u>	<u>5,290,538</u>	<u>530,278</u>	<u>2,591,957</u>	<u>0</u>	<u>11,773,341</u>	<u>11,216,393</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>									
	<u>\$ 1,229,413</u>	<u>\$ 1,396,966</u>	<u>\$ 744,707</u>	<u>\$ 6,193,711</u>	<u>\$ 205,210</u>	<u>\$ 7,711,808</u>	<u>\$ 0</u>	<u>\$ 17,481,815</u>	<u>\$ 17,382,950</u>

see accompanying notes

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
SCHEDULE OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009	2008 (restated)
<b>SURPLUSES</b>		
Invested in tangible capital assets	\$ 17,481,815	\$ 17,382,950
Waterworks systems	8,416	(10,331)
Shelburne and District Fire Department	5,552	4,264
Grand Valley and District Fire Department	(473)	10
General revenue fund	1,257,848	1,203,354
<b>Unfunded</b>		
Landfill closure and post-closure costs	<u>(189,442)</u>	<u>(139,053)</u>
	<u>18,563,716</u>	<u>18,441,194</u>
<b>RESERVES</b>		
<b>Working Capital Reserves</b>		
Working funds	210,689	203,160
<b>Capital Reserves</b>		
Capital purposes	<u>28,619</u>	<u>245,040</u>
	<u>239,308</u>	<u>448,200</u>
<b>RESERVE FUNDS</b>		
Capital purposes	<u>406,613</u>	<u>516,026</u>
	<u>\$ 19,209,637</u>	<u>\$ 19,405,420</u>



Chartered Accountants  
and Business Advisors

People Count.

## AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Amaranth

We have audited the statement of financial position of the trust funds of the Corporation of the Township of Amaranth 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 Corporation of the Township of Amaranth 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.

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Fergus, Ontario  
March 10, 2010

Chartered Accountants  
Licensed Public Accountants

**CORPORATION OF THE TOWNSHIP OF AMARANTH  
TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2009**

	<b>A S S E T S</b>	<b>2009</b>	<b>2008</b>
Cash		\$ <u>10,209</u>	\$ <u>9,663</u>
	<b>F U N D   B A L A N C E</b>		
Fund balance		\$ <u>10,209</u>	\$ <u>9,663</u>



**CORPORATION OF THE TOWNSHIP OF AMARANTH  
TRUST FUNDS  
STATEMENT OF CONTINUITY  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009	2008
<b>BALANCE, beginning of year</b>	\$ 9,663	\$ 8,646
Plot sales	420	0
Interest earned	21	217
Care and maintenance fees	<u>105</u>	<u>800</u>
<b>BALANCE, end of year</b>	<u>\$ 10,209</u>	<u>\$ 9,663</u>

**CORPORATION OF THE TOWNSHIP OF AMARANTH - TRUST FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the trust funds of the Corporation of the Township of Amaranth are the representation of management prepared in accordance with Canadian generally accepted accounting principles. 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.

(a) BASIS OF ACCOUNTING

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.
- (ii) 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 receipt of goods or services and the creation of a legal obligation to pay.