CORPORATION OF THE TOWNSHIP OF AMARANTH

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

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Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements
We have audited the accompanying financial statements of the Corporation of the Township of Amaranth, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter
We draw attention to note 11 to the financial statements which describes the restatement of certain 2009 balances presented for comparative purposes. Our opinion is not qualified in respect of this matter.

RLLP.

Fergus, Ontario
June 15, 2011

Chartered Accountants
Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

FINANCIAL ASSETS

	2010	2009
		(note 11)
Cash	$ 495,516	$ 0
Taxes receivable	701,753	811,350
Accounts receivable	301,542	384,043
Notes receivable (note 2)	198,695	224,038
Long term receivables (note 3)	73,497	87,190
	1,771,003	1,506,621

LIABILITIES

Bank overdraft	0	481,025
Accounts payable and accrued liabilities	387,110	208,319
Tile drainage loan payable (note 3)	73,497	87,190
Deferred revenue	522,819	52,506
Deferred revenue - Obligatory reserve funds (schedule 3)	230,925	351,590
Long term debt (note 4)	198,574	218,574
Landfill site closure and post-closure liability (note 9)	112,964	105,467
	1,525,889	1,504,671
NET FINANCIAL ASSETS	245,114	1,950

NON-FINANCIAL ASSETS

Tangible capital assets (schedule 2)	17,360,879	17,561,267
Inventory	1,243,150	1,333,150
Prepaid expenses	0	125,107
	18,604,029	19,019,524
ACCUMULATED SURPLUS (schedule 4)	$ 18,849,143	$ 19,021,474

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget	2010 Actual	2009 Actual (note 11)
REVENUE			
Taxation revenue	$ 2,563,178	$ 2,605,885	$ 2,322,622
Fees and user charges	227,780	365,441	373,318
Canada grants	15,000	15,650	226,406
Ontario grants	339,440	351,786	512,318
Other income (note 6)	208,300	225,660	341,931
Obligatory reserve fund revenue recognized (schedule 3)	319,967	319,967	75,178
	3,673,665	3,884,389	3,851,773
EXPENSES			
General government	630,451	712,161	618,452
Protection services	683,762	627,019	638,361
Transportation services	1,734,721	1,840,437	1,891,282
Environmental services	263,092	368,498	309,481
Health services	6,220	8,152	5,680
Recreation and cultural services	344,038	347,040	233,113
Planning and development	132,487	153,413	236,242
	3,794,771	4,056,720	3,932,611
ANNUAL DEFICIT	$ (121,106)	$ (172,331)	$ (80,838)
ACCUMULATED SURPLUS, beginning of year		$ 19,021,474	$ 19,102,312
Annual deficit		(172,331)	(80,838)
ACCUMULATED SURPLUS, end of year		$ 18,849,143	$ 19,021,474

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget	2010 Actual	2009 Actual (note 11)
Annual deficit	$ (121,106)	$ (172,331)	$ (80,838)
Acquisition of tangible capital assets	(817,387)	(737,533)	(1,020,064)
Amortization of tangible capital assets	918,752	931,511	916,672
Loss on disposal of assets	0	6,410	2,447
Consumption of gravel inventory	0	90,000	172,652
Acquisition of prepaid expense	0	0	(125,107)
Use of prepaid expense	0	125,107	0
	101,365	415,495	(53,400)
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	$ (19,741)	243,164	(134,238)
NET FINANCIAL ASSETS, beginning of year		1,950	136,188
NET FINANCIAL ASSETS, end of year		$ 245,114	$ 1,950

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009 (note 11)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus (deficit)	$ (172,331)	$ (80,838)
Items not requiring an outlay of cash		
Amortization of tangible capital assets	931,511	916,672
Loss on disposal of assets	6,410	2,447
Consumption of gravel inventory	90,000	172,652
	855,590	1,010,933
Net changes in non-cash working capital		
Taxes receivable	109,597	(137,500)
Accounts receivable	82,501	(100,940)
Decrease (increase) in prepaid expenses	125,107	(125,107)
Accounts payable and accrued liabilities	178,791	(254,448)
Landfill site closure and post-closure liability	7,497	(33,586)
Deferred revenue	470,313	52,506
Deferred revenue - Obligatory reserve funds	(120,665)	(28,890)
	853,141	(627,965)
	1,708,731	382,968
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(737,533)	(1,020,064)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Long term debt	(20,000)	(20,000)
Tile drainage payable	(13,693)	16,637
	(33,693)	(3,363)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Change in long-term receivables	13,693	(16,637)
Change in notes receivable	25,343	25,133
	39,036	8,496
NET INCREASE (DECREASE) IN CASH	976,541	(631,963)
(BANK OVERDRAFT) CASH, beginning of year	(481,025)	150,938
CASH (BANK OVERDRAFT), end of year	$ 495,516	$ (481,025)

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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: 14.5% in 2010; 14% in 2009.

(b) The Grand Valley and District Fire Board
Proportionate consolidation: operating - 24.12% in 2010; 24.39% in 2009, capital - 29.23% in 2010; 28.95% in 2009.

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.

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.

2. NOTES RECEIVABLE

	2010	2009 (note 11)
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	$ 198,695	$ 224,038

The loan receivable in the amount of $140,882 is due from 72 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 $57,813 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

	2010	2009 (note 11)
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	$ 73,497	$ 87,190
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	73,497	87,190
	$ 0	$ 0

Future principal payments and recoveries from individuals are as follows:

2011	$ 11,616
2012	12,351
2013	10,928
2014	11,583
2015	11,583
Thereafter	15,436
	$ 73,497

4. LONG TERM DEBT

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

	2010	2009 (note 11)
Water operating loan - demand instalment loan maturing by December 2021, bearing interest at prime	$ 198,574	$ 218,574

5. AMOUNTS TO BE RECOVERED

	2010	2009 (note 11)
Landfill closure and post-closure liability	$ 112,964	$ 105,467

6. OTHER INCOME

	2010	2009 (note 11)
Penalties and interest on taxation	$ 102,028	$ 100,461
Licenses, permits and rents	100	2,600
Other fines and penalties	1,603	1,786
Investment income	16,574	22,294
Donations	2,827	2,496
Gain (loss) on sale of tangible capital assets	(6,410)	(2,447)
Parkland contributions	0	3,500
Other	108,938	211,241
	$ 225,660	$ 341,931

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:

	2010	2009 (note 11)
School boards	$ 1,319,038	$ 1,245,270
County of Dufferin	1,795,749	1,726,612
	$ 3,114,787	$ 2,971,882

8. TRUST FUNDS

The trust funds administered by the municipality amounting to $11,625 (2009 - $10,209) 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, 2010, the trust fund balances are as follows:

	2010	2009 (note 11)
Cemetery care funds	$ 11,625	$ 10,209

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 $112,964 (2009 - $105,467) 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 $325,404, leaving an amount to be recognized of $212,440.

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 39,171 tonnes, which will be filled in 49 years. Post-closure care is estimated to continue for a period of 62 years.

10. TANGIBLE CAPITAL ASSETS

	Net 2010	Net 2009 (note 11)
General		
Land and land improvements	$ 1,204,258	$ 1,229,414
Buildings	1,308,499	1,396,966
Vehicles	869,717	744,707
Furniture and equipment	207,879	205,210
Infrastructure		
Roads	6,024,633	6,116,541
Bridges and infrastructure	7,745,893	7,868,429
	$ 17,360,879	$ 17,561,267

11. PRIOR PERIOD RESTATEMENT

The following adjustments have been made to the 2009 figures:

(a) The landfill closure liability was reduced from $189,442 to $105,467. The net effect of this change is an increase in net financial assets and accumulated surplus of $83,975.

(b) Tangible capital assets were increased from $17,481,815 to $17,561,267. The net effect of this change is an increase in accumulated surplus of $79,452.

As a result of these changes, the net financial assets of the township increased from ($82,025) to $1,950 and the accumulated surplus increased from $18,858,047 to $19,021,474.

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, 2010

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2010	2009 (note 11)
EXPENSES									
Salaries and benefits	$ 291,275	$ 58,863	$ 496,826	$ 24,606	$ 360	$ 7,190	$ 57,679	$ 936,799	$ 904,473
Materials	51,488	23,824	438,146	3,098	0	16,885	1,940	535,381	604,847
Contracted services	202,811	462,958	71,877	183,914	7,792	29,210	90,454	1,049,016	1,046,187
Rents and financial expenses	119,255	8,199	99,447	36,293	0	5,347	3,340	271,881	285,852
Interest on long term debt	0	0	0	5,398	0	0	0	5,398	7,665
Amortization	47,332	34,692	734,141	107,692	0	7,654	0	931,511	916,672
Other	0	38,483	0	7,497	0	280,754	0	326,734	166,915
	$ 712,161	$ 627,019	$ 1,840,437	$ 368,498	$ 8,152	$ 347,040	$ 153,413	$ 4,056,720	$ 3,932,611

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Land and land improvements	Buildings	Vehicles	Roads	Furniture and equipment	Bridges and infrastructure	Assets under construction	2010	2009 (note 11)
COST									
Balance, beginning of year	$ 1,866,946	$ 2,397,176	$ 2,467,532	$ 11,272,541	$ 735,488	$ 10,303,765	$ 0	$ 29,043,448	$ 28,387,635
Additions during the year	0	37,394	218,794	408,123	61,644	11,578	0	737,533	1,020,064
Disposals during the year	0	0	0	(148,389)	(30,786)	(735)	0	(179,910)	(364,251)
Other	0	0	0	0	0	0	0	0	0
Balance, end of year	1,866,946	2,434,570	2,686,326	11,532,275	766,346	10,314,608	0	29,601,071	29,043,448
ACCUMULATED AMORTIZATION									
Balance, beginning of year	637,533	1,060,282	1,662,753	5,156,000	530,278	2,435,335	0	11,482,181	10,927,313
Amortization	25,155	65,789	153,856	497,428	54,967	134,316	0	931,511	916,672
Accumulated amortization on disposals	0	0	0	(145,786)	(26,778)	(936)	0	(173,500)	(361,804)
Balance, end of year	662,688	1,126,071	1,816,609	5,507,642	558,467	2,568,715	0	12,240,192	11,482,181
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	$ 1,204,258	$ 1,308,499	$ 869,717	$ 6,024,633	$ 207,879	$ 7,745,893	$ 0	$ 17,360,879	$ 17,561,267

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH
SCHEDULE OF DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Dec.31, 2009 (note 11)	Contributions Received	Investment Income	Revenue Recognized	Dec.31, 2010
Obligatory Reserve Funds					
Development charges	$ 334,018	$ 73,088	$ 4,853	$ (190,967)	$ 220,992
Federal gas tax funding	1,079	118,338	77	(119,000)	494
Lot levies	4,715	0	7	0	4,722
Recreational land	11,778	3,000	(61)	(10,000)	4,717
	$ 351,590	$ 194,426	$ 4,876	$ (319,967)	$ 230,925

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH
SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
		(note 11)
SURPLUSES		
Invested in tangible capital assets	$ 17,360,879	$ 17,561,267
Waterworks systems	8,787	8,416
Shelburne and District Fire Department	4,406	5,552
Grand Valley and District Fire Department	(3,424)	(473)
General revenue fund	1,090,286	1,257,848
Unfunded		
Landfill closure and post-closure costs	(112,964)	(105,467)
	18,347,970	18,727,143
RESERVES		
Working Capital Reserves		
Working funds	228,998	210,689
Capital Reserves		
Capital purposes	180,822	28,619
	409,820	239,308
RESERVE FUNDS		
Capital purposes	91,353	55,023
	$ 18,849,143	$ 19,021,474

see accompanying notes

Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements
We have audited the accompanying financial statements of the trust funds of the Corporation of the Township of Amaranth, which comprise the statement of financial position as at December 31, 2010 and the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
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, 2010 and the continuity of the trust funds for the year then ended in accordance with Canadian generally accepted accounting principles.

RLB LLP

Fergus, Ontario
June 15, 2011

Chartered Accountants
Licensed Public Accountants

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CORPORATION OF THE TOWNSHIP OF AMARANTH
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

A S S E T S

	2010	2009
Cash	$ 11,625	$ 10,209

F U N D B A L A N C E

Fund balance	$ 11,625	$ 10,209

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
BALANCE, beginning of year	$ 10,209	$ 9,663
Plot sales	1,200	420
Interest earned	16	21
Care and maintenance fees	200	105
BALANCE, end of year	$ 11,625	$ 10,209

see accompanying notes

CORPORATION OF THE TOWNSHIP OF AMARANTH - TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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.