

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

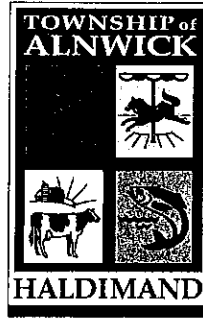
**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

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**CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND
For The Year Ended December 31, 2009
MANAGEMENT REPORT**

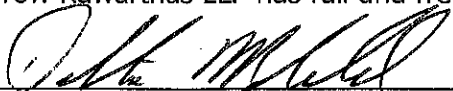
The accompanying consolidated financial statements of the Corporation of the Township of Alwicks/Haldimand are the responsibility of management and have been approved by Council. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. 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.

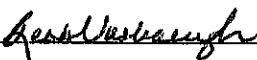
The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

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 Alwicks/Haldimand. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the external auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Collins Barrow Kawarthas LLP has full and free access to Council.

Mayor 

Date MARCH 3RD, 2011

Treasurer 

Date 28 February, 2011

AUDITORS' REPORT**TO THE MEMBERS OF COUNCIL
INHABITANTS AND RATEPAYERS OF THE
CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND**

We have audited the consolidated statement of financial position of the Corporation of the Township of Alnwick/Haldimand 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
November 15, 2010

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2009

	2009	Restated 2008
	\$	\$
		(Note 2)
FINANCIAL ASSETS		
Cash	1,338,308	2,748,512
Accounts receivable	437,294	165,554
Taxes receivable	920,458	846,999
TOTAL FINANCIAL ASSETS	2,696,060	3,761,065
LIABILITIES		
Accounts payable and accrued liabilities	807,907	664,116
Deferred revenue -obligatory reserve funds (note 5)	559,573	526,007
Deferred revenue - other	32,477	34,210
Due to trust funds	1,670	1,658
TOTAL LIABILITIES	1,401,627	1,225,991
NET FINANCIAL ASSETS	1,294,433	2,535,074
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	54,918,634	58,207,298
ACCUMULATED SURPLUS (note 6)	56,213,067	60,742,372

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
REVENUES			
Property taxation	3,569,402	3,578,937	3,511,739
User charges	365,752	667,142	597,390
Government of Canada	544,377	309,293	69,788
Province of Ontario	762,481	873,152	2,799,539
Other municipalities	-	9,189	3,399
Penalties and interest on taxes	120,000	159,724	128,498
Investment income	60,100	13,332	63,316
Donations	12,050	11,481	26,373
Other revenue	-	7,376	-
Developer contributions earned	93,375	93,375	139,500
TOTAL REVENUES	5,527,537	5,723,001	7,339,542
EXPENSES			
General government	990,644	997,198	847,363
Protection services	1,515,559	1,598,659	1,592,511
Transportation services	1,610,724	6,708,269	6,517,058
Environmental services	195,445	314,970	235,343
Health services	81,214	83,549	67,695
Recreation and cultural services	384,289	504,601	498,808
Planning and development	54,449	45,060	74,469
TOTAL EXPENSES	4,832,324	10,252,306	9,833,247
ANNUAL SURPLUS/(DEFICIT)	695,213	(4,529,305)	(2,493,705)
ACCUMULATED SURPLUS - beginning of year	60,742,372	60,742,372	63,236,077
ACCUMULATED SURPLUS - end of year	61,437,585	56,213,067	60,742,372

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$ (Note 2)
ANNUAL SURPLUS/(DEFICIT)	695,213	(4,529,305)	(2,493,705)
Amortization of tangible capital assets	-	5,293,014	5,204,591
Acquisition of tangible capital assets	(2,152,268)	(2,004,350)	(1,062,683)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,457,055)	(1,240,641)	1,648,203
NET FINANCIAL ASSETS - beginning of year	2,535,074	2,535,074	886,871
NET FINANCIAL ASSETS - end of year	1,078,019	1,294,433	2,535,074

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

	2009	Restated 2008
	\$	\$
		(Note 2)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	(4,529,305)	(2,493,705)
Increase in accounts receivable	(271,740)	(206,941)
(Increase)/decrease in taxes receivable	(73,459)	413,463
Increase in accounts payable and accrued liabilities	143,791	120,823
Increase in deferred revenue -obligatory reserve funds	33,566	69,044
Decrease in deferred revenue - other	(1,733)	(8,743)
Increase in due to trust funds	12	42
Non-cash charges to operations		
Amortization of tangible capital assets	5,293,014	5,204,591
Net increase in cash from operating transactions	594,146	3,098,574
CAPITAL		
Acquisition of tangible capital assets	(2,004,350)	(1,062,683)
INCREASE/(DECREASE) IN CASH	(1,410,204)	2,035,891
CASH - beginning of year	2,748,512	712,621
CASH - end of year	1,338,308	2,748,512

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

The Township of Alnwick/Haldimand 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:

- Alnwick/Haldimand Public Library Board
- Alnwick Civic Centre
- Haldimand Memorial Arena & Park Board
- Centreton Community Hall
- Grafton Community Hall
- Fenella Community Hall
- Vernonville Community Hall
- Grafton Communal Water System

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.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Tangible Capital Assets

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

Land improvements	10 - 30 years
Buildings	40 years
Roadways	10 - 20 years
Water system	30 - 100 years
Vehicles	10 - 25 years
Machinery and equipment	4 - 10 years
Bridges and culverts	40 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.

(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 revenue represents user charges, fees and grants 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.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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.

(j) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.
- 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, accounts receivable, taxes receivable, accounts payable and accrued liabilities and due to trust funds. 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.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

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	\$ 98,899,586
Accumulated amortization to December 31, 2008, not previously recorded	<u>(40,692,288)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 58,207,298</u>

Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated	
Current fund	\$ 96,564
Reserves and reserve funds	<u>790,307</u>
	886,871
Net book value of tangible capital assets at January 1, 2008	<u>62,349,206</u>
Opening 2008 accumulated surplus as restated	<u>\$ 63,236,077</u>

Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$ 1,648,203
Add: Assets capitalized but previously expensed	1,062,683
Less: Amortization expense not previously recorded	<u>(5,204,591)</u>
2008 annual surplus as restated	<u>\$ (2,493,705)</u>

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2009, requisitions were made by the County of Northumberland and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	2,126,244	3,506,088
Taxation from other governments	11,033	38,507
	<u>2,137,277</u>	<u>3,544,595</u>
Amounts requisitioned and remitted	2,137,277	3,544,595

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

4. TANGIBLE CAPITAL ASSETS

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

	2009 \$	2008 \$
General		
Land	1,899,338	1,899,338
Buildings	2,478,311	2,595,438
Machinery and equipment	600,652	390,924
Vehicles	1,051,917	1,012,762
Infrastructure		
Roads and bridges	45,561,182	49,404,332
Water	2,867,386	2,904,504
	<u>54,458,786</u>	<u>58,207,298</u>
Assets under construction	459,848	-
	<u>54,918,634</u>	<u>58,207,298</u>

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).

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

4. TANGIBLE CAPITAL ASSET, continued

	2009	2008
	\$	\$
General government	2,454,175	2,358,954
Protection services	879,597	969,676
Transportation services	46,924,728	50,139,203
Environmental services	4,217,273	4,309,688
Recreation and cultural services	442,861	429,777
	<u>54,918,634</u>	<u>58,207,298</u>

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	436,885	406,416
Parkland	1,391	1,384
Federal gas tax revenue	121,297	118,207
	<u>559,573</u>	<u>526,007</u>

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

6. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2009	2008
	\$	\$
Surplus/(Deficit)		
General	(144,246)	1
Waterworks	227,026	180,604
Arena	27,823	19,793
Community halls	58,677	56,886
Library	19,813	10,118
	189,093	267,402
Invested In Capital Assets		
Tangible capital assets - net book value	54,918,634	58,207,298
Surplus	55,107,727	58,474,700
Reserves		
Working funds	225,552	225,552
Future acquisition of capital assets	658,021	1,768,401
Contingencies	180,548	180,548
Operations	22,564	74,935
Total Reserves	1,086,685	2,249,436
Reserve Funds		
Water	7,521	7,414
Grafton history book	5,223	5,008
Planning	5,911	5,814
Total Reserve Funds	18,655	18,236
	56,213,067	60,742,372

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

7. EXPENSES BY OBJECT

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

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
Salaries and benefits	1,576,491	1,635,335	1,582,542
Materials	1,921,954	1,948,969	1,664,900
Contracted services	1,069,390	1,084,110	1,123,373
Rents and financial expenses	73,040	89,891	81,121
External transfers	191,449	200,987	176,720
Amortization	-	5,293,014	5,204,591
	<u>4,832,324</u>	<u>10,252,306</u>	<u>9,833,247</u>

8. 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 \$58,245 (2008 - \$57,603).

9. TRUST FUNDS

Trust funds administered by the Township amounting to \$22,457 (2008 - \$22,442) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

10. BUDGET FIGURES

The budget, approved by the Township, for 2009 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

11. 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 \$650,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 20-2009. At December 31, 2009 there was a balance outstanding of \$Nil.

12. CONTINGENT LIABILITIES

The Township, in the course of its operations, has been named in several lawsuits the outcome of which is indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

13. COMMITMENT

The Township has committed financial support for the County of Northumberland Physician Recruitment in the amount of \$51,000 payable in annual instalments of \$17,000 for 3 years beginning in 2008.

14. SEGMENTED INFORMATION

The Township of Alnwick/Haldimand is a municipal government institution that provides a range of services to its citizens. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segmented Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

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

Environmental Services

The environmental function is responsible for providing water and recycling services to ratepayers.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

14. SEGMENTED INFORMATION, continued

Health Services

The health services function consists of contributions to support hospitals, physician recruitment and the activities of the cemetery board.

Recreation and Cultural Services

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

Planning and Development

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

15. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

	General			Infrastructure			Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges		
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	1,899,338	310,517	4,930,790	1,389,446	3,117,723	83,842,798	3,408,974	-
Add: additions during the year	-	-	8,199	339,006	227,178	968,469	1,650	459,848
Balance, end of year	1,899,338	310,517	4,938,989	1,728,452	3,344,901	84,811,267	3,410,624	459,848
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	310,517	2,335,352	998,522	2,104,961	34,438,466	504,470	-
Add: additions during the year	-	-	125,326	129,278	188,023	4,811,619	38,768	-
Balance, end of year	-	310,517	2,460,678	1,127,800	2,292,984	39,250,085	543,238	-
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,899,338	-	2,478,311	600,652	1,051,917	45,561,182	2,867,386	459,848
								54,918,634

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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 \$
Revenues									
Property taxation	222,241	1,372,897	1,495,157	-	2,000	81,214	381,979	23,449	3,578,937
User charges	88,114	73,360	62,823	219,806	30,018	-	155,956	37,065	667,142
Government transfers - operating	481,000	231,882	2,450	23,366	-	-	30,022	-	768,720
Government transfers - capital	-	-	413,725	-	-	-	-	-	413,725
Other municipalities	-	-	-	-	9,189	-	-	-	9,189
Penalties and interest on taxes	159,724	-	-	-	-	-	-	-	159,724
Investment income	10,573	-	-	2,557	-	-	202	-	13,332
Donations	-	-	-	-	-	-	11,481	-	11,481
Other revenue	-	457	6,919	-	-	-	-	-	7,376
Developer contributions earned	-	19,691	70,184	-	-	-	3,500	-	93,375
Total revenues	961,652	1,698,287	2,051,258	245,729	41,207	81,214	583,140	60,514	5,723,001
Expenses									
Salaries and benefits	598,610	215,319	629,619	1,351	-	-	184,646	5,790	1,635,335
Materials	285,677	236,313	1,018,880	69,383	51,473	8,879	251,459	26,905	1,948,969
Contracted services	59,936	912,681	7,405	87,105	-	-	16,137	846	1,084,110
Rents and financial expenses	2,238	-	76,864	-	-	-	10,789	-	89,891
External transfers	9,075	105,408	-	-	-	74,670	315	11,519	200,987
Amortization	45,056	128,938	4,975,501	102,264	-	-	41,255	-	5,293,014
Internal transfers	(3,394)	-	-	3,394	-	-	-	-	-
Total expenses	997,198	1,598,659	6,708,269	263,497	51,473	83,549	504,601	45,060	10,252,306
Net surplus/deficit	(35,546)	99,628	(4,657,011)	(17,768)	(10,266)	(2,335)	78,539	15,454	(4,529,305)

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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 \$
Revenues									
Property taxation	435,700	1,146,517	1,479,164	10,443	19,827	67,695	346,402	5,991	3,511,739
User charges	10,998	123,254	60,738	201,423	-	-	167,585	33,392	597,390
Government transfers - operating	558,234	205,288	1,440	-	-	-	26,311	3,700	794,973
Government transfers - capital	-	-	2,074,354	-	-	-	-	-	2,074,354
Other municipalities	-	-	-	-	3,399	-	-	-	3,399
Penalties and interest on taxes	128,498	-	-	-	-	-	-	-	128,498
Investment income	41,559	-	10,000	11,585	-	-	172	-	63,316
Donations	-	500	-	-	-	-	2,487	23,386	26,373
Developer contributions earned	41,500	-	90,000	-	-	-	-	8,000	139,500
Total revenues	1,216,489	1,475,559	3,715,696	223,451	23,226	67,695	542,957	74,469	7,339,542
Expenses									
Salaries and benefits	560,023	232,302	612,904	-	-	-	172,993	4,320	1,582,542
Materials	193,601	234,332	916,550	3,289	23,226	9,025	259,751	25,126	1,664,900
Contracted services	50,498	901,923	10,405	107,772	-	-	18,370	34,405	1,123,373
Rents and financial expenses	13,320	-	57,149	-	-	-	10,652	-	81,121
External transfers	8,854	98,578	-	-	-	58,670	-	10,618	176,720
Amortization	21,067	125,376	4,920,050	101,056	-	-	37,042	-	5,204,591
Total expenses	847,363	1,592,511	6,517,058	212,117	23,226	67,695	498,808	74,469	9,833,247
Net surplus/deficit	369,126	(116,952)	(2,801,362)	11,334	-	-	44,149	-	(2,493,705)

AUDITORS' REPORT**TO THE MEMBERS OF COUNCIL
INHABITANTS AND RATEPAYERS OF THE
CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND**

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

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

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

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
November 15, 2010

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

	Abandoned Cemeteries \$	Road Deposits \$	Ontario Home Renewal Program \$	2009 Total \$	2008 Total \$
FINANCIAL ASSETS					
Cash	9,638	-	7,738	17,376	17,297
Investments (note 2)	7,039	1,849	-	8,888	8,788
Accrued interest receivable	498	-	-	498	384
Due from (to) Township	2,368	-	(959)	1,409	1,658
	19,543	1,849	6,779	28,171	28,127
LIABILITIES AND TRUST FUND BALANCE					
CURRENT LIABILITIES					
Due to Province	-	-	5,714	5,714	5,685
FUND BALANCE	19,543	1,849	1,065	22,457	22,442
	19,543	1,849	6,779	28,171	28,127

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

	Abandoned Cemeteries \$	Road Deposits \$	Ontario Home Renewal Program \$	2009 Total \$	2008 Total \$
BALANCE - beginning of year	19,350	1,810	1,282	22,442	22,421
RECEIPTS					
Interest earned	193	39	73	305	580
EXPENSES					
Administration fee	-	-	261	261	28
Transfer to Province	-	-	29	29	531
	-	-	290	290	559
BALANCE - end of year	19,543	1,849	1,065	22,457	22,442

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Basis of Accounting

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

(b) Financial Instruments

The Trust Funds financial instruments consist of cash, investments, accrued interest receivable, due from (to) Township and accounts payable. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Funds 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. INVESTMENTS

The following investments are recorded at cost:

	2009	2008
	\$	\$
CIBC - GIC interest at 2.6% maturing May 29, 2010	3,983	3,984
CIBC - GIC interest at 0.2% (2008 2.05%) maturing June 07, 2010	3,056	2,994
CIBC - GIC interest at 0.2% (2008 2.15%) maturing April 27, 2010	1,849	1,810
	8,888	8,788
Market Value	8,888	8,788

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2009

AUDITORS' REPORT**TO THE MEMBERS OF THE ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD,
THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE
CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND**

We have audited the statement of financial position of the Alnwick/Haldimand Public Library Board of the Corporation of the Township of Alnwick/Haldimand 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, fees 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, fees and fundraising revenues, assets and fund balances.

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, fees 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
November 15, 2010

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
FINANCIAL ASSETS		
Cash	16,726	-
Due from Township	37,567	71,417
TOTAL FINANCIAL ASSETS	54,293	71,417
LIABILITIES		
Deferred revenue	15,507	20,026
NET FINANCIAL ASSETS	38,786	51,391
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	138,016	104,763
ACCUMULATED SURPLUS (note 4)	176,802	156,154

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND 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)
REVENUES			
Contribution from Township	124,816	124,816	112,884
Government of Canada	720	2,129	720
Province of Ontario	19,751	26,533	23,329
Donations, fees and fundraising	2,300	3,218	3,127
TOTAL REVENUES	147,587	156,696	140,060
EXPENSES			
Salaries and benefits	78,387	73,977	71,111
Office supplies	4,950	6,170	2,913
Books, videos and subscriptions	14,088	14,229	14,254
Computer and internet	3,000	3,005	2,683
Telephone	2,500	2,887	2,808
Membership and licence fees	1,912	2,390	1,792
Travel and mileage	700	884	925
Public relations	1,500	1,148	614
Staff training	1,500	2,357	1,436
Literacy projects	-	522	3,132
Property maintenance	7,800	7,393	4,034
Amortization	-	21,086	18,982
TOTAL EXPENSES	116,337	136,048	124,684
ANNUAL SURPLUS	31,250	20,648	15,376
ACCUMULATED SURPLUS - beginning of year	156,154	156,154	140,778
ACCUMULATED SURPLUS - end of year	187,404	176,802	156,154

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND 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)
ANNUAL SURPLUS	31,250	20,648	15,376
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	-	21,086	18,982
ACQUISITION OF TANGIBLE CAPITAL ASSETS	(59,678)	(54,339)	(18,244)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(28,428)	(12,605)	16,114
NET FINANCIAL ASSETS - beginning of year	51,391	51,391	35,277
NET FINANCIAL ASSETS - end of year	22,963	38,786	51,391

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	20,648	15,376
(Increase)/decrease in due from township	33,850	(9,537)
Decrease in deferred revenue	(4,519)	(6,577)
Non-cash charges to operations		
Amortization of tangible capital assets	21,086	18,982
Net increase in cash from operating transactions	71,065	18,244
CAPITAL		
Acquisition of tangible capital assets	(54,339)	(18,244)
INCREASE IN CASH	16,726	-
CASH - end of year	16,726	-

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

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

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(c) Financial Instruments

The Board's financial instruments consist of cash and amounts 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 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	10 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 are not amortized until they are put into service.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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.

(f) Deferred Revenue

Deferred revenue represents grants which have been received 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.

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	\$	191,340
Accumulated amortization to December 31, 2008, not previously recorded		<u>(86,577)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	\$	<u>104,763</u>

Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated		
Current fund	\$	7,148
Reserves and reserve funds		<u>28,128</u>
		35,276
Net book value of tangible capital assets at January 1, 2008		<u>105,502</u>
Opening 2008 accumulated surplus, as restated	\$	<u>140,778</u>

Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$	16,114
Add: Assets capitalized but previously expensed		18,244
Less: Amortization expense not previously recorded		<u>(18,982)</u>
2008 annual surplus as restated	\$	<u>15,376</u>

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND 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:

	Books \$	Assets Under Construction \$	2009 Totals \$	2008 Totals \$
COST				
Balance, beginning of year	191,340	-	191,340	173,096
Add: additions during the year	21,298	33,041	54,339	18,244
Balance, end of year	212,638	33,041	245,679	191,340
ACCUMULATED AMORTIZATION				
Balance, beginning of year	86,577	-	86,577	67,595
Add: additions during the year	21,086	-	21,086	18,982
Balance, end of year	107,663	-	107,663	86,577
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	104,975	33,041	138,016	104,763

4. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2009 \$	2008 \$
Surplus/(Deficit)		
Operations	19,813	10,118
Invested In Capital Assets		
Tangible capital assets	138,016	104,763
Surplus	157,829	114,881
Reserves		
Future development	18,973	41,273
	176,802	156,154

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

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.