

Financial Report

Township of West Lincoln

2009

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Auditors' report

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To the Members of Council, Inhabitants and Ratepayers

of the **Corporation of the Township of West Lincoln**

We have audited the consolidated statement of financial position of the Corporation of the Township of West Lincoln as at December 31, 2009 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express an opinion on the budget figures.

Grant Thornton LLP

Port Colborne, Ontario
August 20, 2010

Chartered Accountants
Licensed Public Accountants

Township of West Lincoln

Consolidated Statement of Financial Position

As at December 31, 2009

	<u>2009</u>	<u>2008</u> (As restated) (Note 1(b))
Financial assets		
Cash and temporary investments (Note 2)	\$ 10,627,503	\$ 10,221,633
Taxes receivable	1,816,649	1,465,880
User charges receivable	349,522	312,224
Accounts receivable	664,477	287,190
Long term receivables	22,509	63,225
Investment in subsidiary (Note 3)	<u>6,980,459</u>	<u>6,721,208</u>
	<u>20,461,119</u>	<u>19,071,360</u>
Liabilities		
Accounts payable and accrued liabilities	1,584,168	1,419,330
Other liabilities	1,501,792	1,165,603
Due to trust funds	122,491	118,772
Deferred revenue (Note 4)	2,194,099	2,025,894
Employee benefit obligations (Note 5)	<u>617,922</u>	<u>623,656</u>
	<u>6,020,472</u>	<u>5,353,255</u>
Net financial assets	<u>14,440,647</u>	<u>13,718,105</u>
Non-financial assets		
Tangible capital assets (Pages 21 and 22)	51,830,748	51,966,569
Prepaid expenses	<u>782</u>	<u>8,823</u>
	<u>51,831,530</u>	<u>51,975,392</u>
Accumulated surplus (Note 6)	<u>\$ 66,272,177</u>	<u>\$ 65,693,497</u>

Contingencies and commitment (Notes 15 and 16)

Approved by

Chief Administrative Officer

Treasurer

See accompanying notes to the consolidated financial statements

Township of West Lincoln

Consolidated Statement of Operations

For the Year Ended December 31, 2009

	Budget <u>2009</u> (Unaudited)	Actual <u>2009</u>	Actual <u>2008</u> (As restated) (Note 1(b))
Revenue			
Taxation (Note 8)	\$ 4,907,715	\$ 4,968,299	\$ 4,777,546
User charges (Note 9)	2,719,350	2,776,071	2,656,119
Grants (Note 11)	1,190,000	1,251,321	1,219,419
Other (Note 12)	<u>623,800</u>	<u>752,159</u>	<u>822,319</u>
	<u>9,440,865</u>	<u>9,747,850</u>	<u>9,475,403</u>
Expenditures			
General government	1,279,500	1,350,097	1,292,850
Protection to persons and property	873,910	891,419	907,100
Transportation services	2,644,937	3,325,103	3,696,872
Environmental services	1,935,800	2,425,563	2,415,958
Health services	58,700	67,869	62,340
Recreation and culture services	1,003,100	1,252,685	1,213,959
Planning and development	<u>722,100</u>	<u>626,614</u>	<u>540,886</u>
	<u>8,518,047</u>	<u>9,939,350</u>	<u>10,129,965</u>
Net revenues (expenditures)	<u>922,818</u>	<u>(191,500)</u>	<u>(654,562)</u>
Other			
Change in equity of subsidiary (Note 3)		259,250	2,956,310
Revenue related to tangible capital assets			
User charges (Note 9)	384,500	100,356	583,604
Grants (Note 11)	1,043,332	520,878	1,710,187
Other (Note 12)		10,595	224,341
Gain (loss) on disposal of tangible capital assets	<u> </u>	<u>(120,899)</u>	<u>301,102</u>
	<u>1,427,832</u>	<u>770,180</u>	<u>5,775,544</u>
Annual surplus	2,350,650	578,680	5,120,982
Accumulated surplus			
Beginning of year	<u>65,693,497</u>	<u>65,693,497</u>	<u>60,572,515</u>
End of year	<u>\$ 68,044,147</u>	<u>\$ 66,272,177</u>	<u>\$ 65,693,497</u>

See accompanying notes to the consolidated financial statements.

Township of West Lincoln
Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31 2009 2008

Annual surplus	\$ 578,680	\$ 5,120,982
Amortization of tangible capital assets	1,935,129	1,930,604
Acquisition of tangible capital assets	(1,935,874)	(1,198,417)
Loss (gain) on sale of tangible capital assets	120,899	(301,102)
Proceeds from the sale of tangible capital assets	<u>15,667</u>	<u>570,062</u>
	714,501	6,122,129
Use (acquisition) of prepaid expenses	<u>8,041</u>	<u>(3,361)</u>
Increase in net financial assets	722,542	6,118,768
Net financial assets		
Beginning of year	<u>13,718,105</u>	<u>7,599,337</u>
End of year	<u>\$ 14,440,647</u>	<u>\$ 13,718,105</u>

See accompanying notes to the consolidated financial statements.

Township of West Lincoln

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2009

	<u>2009</u>	<u>2008</u> (As restated) (Note 1(b))
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 578,680	\$ 5,120,982
Non-cash item		
Amortization	1,935,129	1,930,604
Decrease (increase) in taxes receivable	(350,769)	75,814
Decrease (increase) in user charges receivable	(37,298)	19,910
Decrease (increase) in accounts receivable	(377,287)	628,714
Increase (decrease) in accounts payable and accrued liabilities	164,838	(1,058,684)
Increase in other liabilities	336,189	41,608
Increase in due to trust fund	3,719	7,893
Increase in deferred revenue	168,205	41,969
Decrease (increase) in prepaid expenses	<u>8,041</u>	<u>(3,361)</u>
	<u>2,429,447</u>	<u>6,805,449</u>
Capital activities		
Proceeds from the sale of tangible capital assets	15,667	570,062
Loss (gain) on sale of tangible capital assets	120,899	(301,102)
Acquisition of tangible capital assets	<u>(1,935,874)</u>	<u>(1,198,417)</u>
	<u>(1,799,308)</u>	<u>(929,457)</u>
Financing activities		
Increase (decrease) in employee benefit obligations	<u>(5,734)</u>	<u>75,832</u>
Investing activities		
Increase in investment in subsidiary	(259,251)	(2,956,310)
Decrease (increase) in long term receivables	<u>40,716</u>	<u>(41,243)</u>
	<u>(218,535)</u>	<u>(2,997,553)</u>
Net increase in cash and cash equivalents	405,870	2,954,271
Cash and cash equivalents		
Beginning of year	<u>10,221,633</u>	<u>7,267,362</u>
End of year	<u>\$ 10,627,503</u>	<u>\$ 10,221,633</u>

See accompanying notes to the consolidated financial statements.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

1. Significant accounting policies

The consolidated financial statements of the Township of West Lincoln are prepared by management 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 adopted by the Municipality are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. In addition to general government tax-supported operations, they include the following:

West Lincoln Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

Niagara Peninsula Energy Inc. is a subsidiary corporation of the Municipality and is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises (Note 3). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated.

The statements exclude trust assets that are administered for the benefit of external parties (Note 14).

(b) Basis of accounting

Effective January 1, 2009, the Municipality adopted the Public Sector Accounting Handbook (PSAB) Section 1200 - Financial Statement Presentation, which became applicable to local governments as of that date. This section requires the adoption of full accrual basis of accounting and the reporting of the change in net financial assets and accumulated surplus. The Municipality's financial statements are now presented on this new basis and the comparative figures have been restated to conform with the new basis of presentation.

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting records revenues in the period they are earned and measurable and expenses in the period the goods and services are acquired and a liability is incurred.

Effective January 1, 2009, the Municipality adopted the PSAB Section 3150 - Tangible Capital Assets. The Municipality has recorded its tangible capital assets for 2009, as well as 2008 for comparative purposes.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

The effect of the adoption of Sections 1200 and 3150 to the previously reported financial statements is as follows:

	<u>2009</u>	<u>2008</u>
Accumulated surplus		
Beginning of year		
As previously recorded as Municipal position	\$ 14,853,170	\$ 7,604,798
Add recording of tangible capital assets	51,966,569	52,967,717
Less change in equity in investment in subsidiary due to restatement	<u>(1,126,242)</u>	<u> </u>
As restated	<u>\$ 65,693,497</u>	<u>\$ 60,572,515</u>

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

(c) Region and school board transactions

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

(d) Investments

Investments are recorded at cost.

(e) Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenditures in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location and in the condition necessary for its intended use. Contributed tangible capital assets are capitalized at their estimated fair value upon acquisition.

The Municipality does not capitalize interest as part of the costs of its capital assets.

Works of art for display in municipal property are not included as capital assets. The works of art are held for exhibition, educational and historical interest. Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The cost of art is not determinable or relevant to their significance. No valuation of the collection has been conducted or disclosed in the consolidated financial statements.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

1. Significant accounting policies (continued)

(e) Tangible capital assets (continued)

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits incidental to ownership 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.

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the statement of operations as "other revenue".

<u>Classification</u>	<u>Useful Life</u>
Land improvements	15 to 40 years
Facilities	20 to 50 years
Rolling stock	5 to 20 years
Equipment	5 to 20 years
Infrastructure – transportation	10 to 75 years
Infrastructure – environmental	15 to 80 years

No amortization is charged in the year of acquisition and a full year amortization is taken in year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(f) Subdivision infrastructure

Subdivision streets, lighting, sidewalks, drainage and other infrastructure is required to be provided by subdivision developers. Upon completion they are turned over to the Municipality. The Municipality is not involved in the construction and does not budget for either the contribution from the developer or the capital expenditure.

(g) Local improvements

The Municipality records capital expenditures funded by local improvement agreements as they are incurred. Prior to 2009, revenues were recognized over the term of the local improvement agreement as they were collected. Effective January 1, 2009, revenues are recognized in the year they become payable.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

1. Significant accounting policies (continued)

(h) Deferred revenue

Receipts that are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenditures are incurred, restricted revenues are brought into revenue at equal amounts. Revenues received in advance of expenditures that will be incurred in a later period are deferred until they are earned by being matched against those expenditures.

(i) Employee future benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. Vacation entitlements are accrued for as entitlements are earned.

(j) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes.

(k) Government transfers

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for entitlements and grants in the period received. Revenue is recognized for transfers under shared cost agreements in the period the costs are incurred.

(l) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(m) Budget figures

The budget for 2009 is reflected on the consolidated statement of operations. The budget established for 2009 included amounts for capital expenditures, however starting in 2009 these expenditures have been recorded as tangible capital asset additions. The budget figures do not include amounts for amortization of tangible capital assets.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

2. Cash and temporary investments 2009 2008

Cash and temporary investments are comprised of:

Cash on hand	\$ 700	\$ 700
Cash held in banks	6,758,164	6,508,466
Temporary investments	<u>3,868,639</u>	<u>3,712,467</u>
	<u>\$ 10,627,503</u>	<u>\$ 10,221,633</u>

3. Subsidiary operations

Peninsula West Power Inc. (PWPI), established by Municipal Council under Municipal By-law 2004-45, is an amalgamation of hydro-electric commissions from the Municipalities of Lincoln, West Lincoln and Pelham. PWPI wholly-owned Peninsula West Utilities Limited (PWUL), which provided electric transformation services to the municipalities, and Peninsula West Services Ltd. (PWSL), which provides water heater, sentinel lights and related services. PWPI also has a 50% share of the joint venture Niagara West Transformation Corporation. The Township of West Lincoln has a 24% interest in PWPI.

On January 1, 2008, pursuant to a merger agreement dated December 19, 2007, PWPI sold PWUL to Niagara Peninsula Energy Inc. (NPEI). The net assets of PWUL were disposed of in exchange for 225 common shares or 25.5% of NPEI with a fair value of \$ 31,100,000, which resulted in a gain of \$ 17,675,466.

The following net assets of PWUL were disposed of:

Current assets	\$ 9,871,044
Property and equipment	21,580,284
Future payment in lieu of taxes	<u>2,911,000</u>
	<u>34,362,328</u>
Current liabilities	16,424,986
Long term liabilities	<u>4,512,808</u>
	<u>20,937,794</u>
Net assets	<u>\$ 13,424,534</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

3. Subsidiary operations (continued)

The following table provides condensed supplementary financial information for Peninsula West Power Inc.:

	<u>2009</u>	<u>2008</u> (As restated)
Financial position		
Current assets	\$ 845,244	\$ 648,099
Capital assets	3,316,380	3,404,321
Investment	<u>32,187,719</u>	<u>31,633,700</u>
Total assets	<u>36,349,343</u>	<u>35,686,120</u>
Current liabilities (including current portion of long term debt of \$ 99,000; 2008 - \$ 91,500)	253,595	336,292
Long term debt	2,508,000	2,607,000
Future payments in lieu of taxes	<u>4,502,504</u>	<u>4,737,793</u>
Total liabilities	<u>7,264,099</u>	<u>7,681,085</u>
Net assets	<u>\$ 29,085,244</u>	<u>\$ 28,005,035</u>
Township of West Lincoln's interest – 24%	<u>\$ 6,980,459</u>	<u>\$ 6,721,208</u>
Change in equity investment in subsidiary		
Revenues	\$ 613,800	\$ 638,672
Expenses	(437,200)	(630,566)
Payment in lieu of income taxes	<u>295,941</u>	<u>(2,065,007)</u>
Earnings (loss) from operations	472,541	(2,056,901)
Gain on disposal of distribution operations		17,675,466
Other items related to merger	<u>681,519</u>	<u>(729,566)</u>
Net earnings	1,154,060	14,888,999
Accounting change – future payments in lieu of corporate taxes	<u>(73,851)</u>	<u>(2,571,037)</u>
Net increase in equity of subsidiary	<u>\$ 1,080,209</u>	<u>\$ 12,317,962</u>
Change in equity of subsidiary – 24%	<u>\$ 259,250</u>	<u>\$ 2,956,310</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

3. Subsidiary operations (continued)

Accounting change

On January 1, 2008, the Corporation, pursuant to an amalgamation, disposed of Peninsula West Utilities Limited for 255 shares of Niagara Peninsula Energy Inc. and recorded the exchange at the then fair value of Peninsula West Utilities Limited. At the time, the Corporation should have reflected a future payments in lieu of tax liability of \$ 4,692,673 relating to the future payments in lieu of taxes associated with its investment in Niagara Peninsula Energy Inc. As a result, the prior year's figures have been restated to show an adjustment of \$ 2,571,037 relating to future payments in lieu of corporate income taxes refundable to the statement of retained earnings, an adjustment to future PILS income tax expense of \$ 2,121,636 on the statement of operations and an adjustment to the future PILS income tax liability of \$ 4,692,673 on the balance sheet.

The 2008 amounts, presented for comparative purposes only, have been restated to reflect the accounting change.

Long term debt

PWPI's long term debt is comprised of a term loan in the amount of \$ 2,607,000 (2008 - \$ 2,698,500) issued as bankers acceptances and is due March 9, 2012.

Contingent liabilities

The Town of Lincoln and the former Lincoln Hydro-Electric Commission conducted tests and have determined that there is excessive leachate in the soil at the Quarry Road property which was sold to Lincoln Hydro-Electric Commission by the Town in 1991, subsequently transferred to the Corporation's subsidiary Peninsula West Utilities Limited in 2000 and was transferred to the Corporation in 2007. The Town of Lincoln has agreed to pay for the cleanup and site restoration costs, estimated at \$ 463,014.

The financial position, long term debt, capital lease and contingent liabilities information is as reported by Niagara Peninsula Energy Inc. at December 31, 2009 and the results of operations is as reported for the year ended December 31, 2009. The comparative financial position and results of operations figures are as reported by Peninsula West Power Inc. at December 31, 2008.

The following summarizes the Municipality's related party transactions with Niagara Peninsula Energy Inc. for the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	<u>2009</u>	<u>2008</u>
Electricity purchased	\$ 146,805	\$ 158,714
Contracted services	10,905	13,229
Rent received	921	1,364

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

4. Deferred revenue	<u>2009</u>	<u>2008</u>
Development Charges Act	\$ 1,568,480	\$ 1,416,862
Recreational land (Planning Act)	173,981	170,501
Gas tax revenue	<u>451,638</u>	<u>438,531</u>
	<u>\$ 2,194,099</u>	<u>\$ 2,025,894</u>

5. Employee benefit obligations	<u>2009</u>	<u>2008</u>
Vested sick leave benefits	\$ 1,136	\$ 1,136
Accrued vacation pay	133,085	106,408
Retirement benefits	<u>484,837</u>	<u>517,248</u>
	619,058	624,792
Less: sick leave funded by reserves	<u>1,136</u>	<u>1,136</u>
Employee benefits and other obligations	617,922	623,656
Less: accrued vacation pay funded	<u>133,085</u>	<u>78,973</u>
Liabilities to be recovered in the future	<u>\$ 484,837</u>	<u>\$ 544,683</u>

Vested sick leave benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment. No amount (2008 - \$ Nil) was paid to employees who left the Municipality's employment during the current year. The Municipality has set aside \$ 1,136 (2008 - \$ 1,136) in a reserve.

Retirement benefits

The Township provides employees with health and dental benefits between the time an employee retires under the OMERS retirement provisions to the age of sixty-five. The estimated liability at December 31, 2009 is \$ 484,837 (2008 - \$ 517,248). This liability is reported on the Consolidated Statement of Financial Position and the unfunded liability is reported as liabilities to be recovered in the future. The liability was determined using a discount rate of 5.5%. Medical costs were assumed to increase at a rate of 10% per year and dental costs were assumed to increase at 5% per year. In order to qualify for retirement benefits employees must be employed by the Township for at least 15 years, and be a part of OMERS for at least 20 years.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

6. Accumulated surplus	<u>2009</u>	<u>2008</u> (As restated) (Note 1(b))
Consists of:		
Surpluses		
Township	\$ 702,117	\$ 314,583
Library	<u>-</u>	<u>-</u>
	702,117	314,583
Investment in tangible capital assets	51,830,748	51,966,569
Investment in subsidiary	6,980,459	6,721,208
Unfunded:		
Employee benefit obligations	(484,837)	(544,683)
Reserves and reserve funds (Note 7)	<u>7,243,690</u>	<u>7,235,820</u>
	<u>\$ 66,272,177</u>	<u>\$ 65,693,497</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

7. Reserves and reserve funds	<u>2009</u>	<u>2008</u>
Reserves set aside for specific purposes by Council		
Corporate and administrative services		
Working funds	\$ 363,159	\$ 363,159
Contingencies	297,016	221,019
Technology	252,768	252,768
Hospital	1,245,913	1,242,806
Insurance	95,176	50,742
Election	32,442	20,078
Recreation	11,598	1,100
Capital	<u>1,133,553</u>	<u>2,210,639</u>
	<u>3,431,625</u>	<u>4,362,311</u>
Public works and engineering		
Fire trucks and equipment	1,361,212	130,983
Road equipment	454,360	406,853
Industrial park	479,842	1,148,298
Bridges	50	50
Sidewalks	62,233	37,408
Facilities	92,335	119,973
Streetlights	6,417	
Sewers	337,265	248,239
Water	508,341	377,549
Winter control	25,000	
Cemeteries	<u>17,675</u>	<u>15,675</u>
	<u>3,344,730</u>	<u>2,485,028</u>
Planning and development		
Planning	20,000	
Building revenues	(736)	20,086
Arena building	63,860	52,387
Library	<u>379,733</u>	<u>311,541</u>
	<u>462,857</u>	<u>384,014</u>
	7,239,212	7,231,353
Reserve funds set aside for specific purposes by Council		
Subdivision	<u>4,478</u>	<u>4,467</u>
	<u>\$ 7,243,690</u>	<u>\$ 7,235,820</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

8. Taxation	Budget 2009 (Unaudited)	Actual 2009	Actual 2008
Real property	\$ 16,080,864	\$ 16,405,704	\$ 15,725,683
From other governments			
Payments in lieu of taxes	<u>1,112,422</u>	<u>1,111,165</u>	<u>1,116,944</u>
	<u>17,193,286</u>	<u>17,516,869</u>	<u>16,842,627</u>
Less: taxation collected on behalf of (Note 10)			
Region of Niagara	8,589,612	8,766,764	8,411,353
School boards	<u>3,695,959</u>	<u>3,781,806</u>	<u>3,653,728</u>
	<u>12,285,571</u>	<u>12,548,570</u>	<u>12,065,081</u>
Net taxes available for municipal purposes	<u>\$ 4,907,715</u>	<u>\$ 4,968,299</u>	<u>\$ 4,777,546</u>
Residential and farm	\$ 3,931,327	\$ 3,966,142	\$ 3,810,385
Commercial	802,721	812,227	803,377
Industrial	<u>173,667</u>	<u>189,930</u>	<u>163,784</u>
Net taxes available for municipal purposes	<u>\$ 4,907,715</u>	<u>\$ 4,968,299</u>	<u>\$ 4,777,546</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

9. User charges	Budget 2009 (Unaudited)	Actual 2009	Actual 2008
Operating			
Direct water billings	\$ 1,849,400	\$ 1,876,167	\$ 1,602,230
Licences and permits	137,700	142,288	197,742
Lot levies and development charges	35,000	35,000	108,000
Other	150,450	167,068	185,183
Recreation	317,900	326,587	319,432
Rents and concessions	<u>228,900</u>	<u>228,961</u>	<u>243,532</u>
	<u>2,719,350</u>	<u>2,776,071</u>	<u>2,656,119</u>
Capital			
Lot levies and development charges	<u>384,500</u>	<u>100,356</u>	<u>583,604</u>
	<u>\$ 3,103,850</u>	<u>\$ 2,876,427</u>	<u>\$ 3,239,723</u>

10. Collections for the Region of Niagara and school boards

Total taxation and development charges received or receivable on behalf of the Region of Niagara and the school boards were as follows:

	<u>2009</u>	<u>2008</u>
Region of Niagara	\$ 8,766,764	\$ 8,411,353
School boards	<u>3,781,806</u>	<u>3,653,728</u>
	<u>\$ 12,548,570</u>	<u>\$ 12,065,081</u>

The Municipality is required to levy and collect taxes on behalf of the Region of Niagara and the school boards. These taxes are recorded as revenue at the amounts levied. The taxes levied over (under) the amounts requisitioned are recorded as accounts payable (receivable).

The Municipality collects development charges on behalf of the Region of Niagara. Development charges collected in excess of those paid to the Region are recorded as accounts payable.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

11. Grants	Budget 2009 (Unaudited)	Actual 2009	Actual 2008
Operating			
Province of Ontario	\$ 1,190,000	\$ 1,239,881	\$ 1,213,887
Government of Canada		<u>11,440</u>	<u>5,532</u>
	<u>1,190,000</u>	<u>1,251,321</u>	<u>1,219,419</u>
Capital			
Province of Ontario	450,000	58,987	1,642,750
Government of Canada	583,332	451,891	42,437
Municipal	<u>10,000</u>	<u>10,000</u>	<u>25,000</u>
	<u>1,043,332</u>	<u>520,878</u>	<u>1,710,187</u>
	<u>\$ 2,233,332</u>	<u>\$ 1,772,199</u>	<u>\$ 2,929,606</u>

12. Other revenue	Budget 2009 (Unaudited)	Actual 2009	Actual 2008
Operating			
Penalties and interest on taxes	\$ 250,000	\$ 304,906	\$ 272,031
Other fines	24,500	40,728	46,484
Interest income	160,000	250,206	256,376
Interest income – reserves and reserve funds		3,790	36,190
Other	<u>189,300</u>	<u>152,529</u>	<u>211,238</u>
	<u>623,800</u>	<u>752,159</u>	<u>822,319</u>
Capital			
Contributions from developers		10,595	
Prepaid special charges			<u>224,341</u>
		<u>10,595</u>	<u>224,341</u>
	<u>\$ 623,800</u>	<u>\$ 762,754</u>	<u>\$ 1,046,660</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

13. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of thirty-eight 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 to OMERS are made at rates ranging from 6.5% to 9.6% depending on the proposed retirement age and the level of earnings. As a result, \$ 372,184 (2008 - \$ 371,526) was contributed to OMERS for current service, of which \$ 186,092 (2008 - \$ 185,763) represents the employees' portion.

14. Trust funds

Trust funds administered by the Municipality amounting to \$ 122,491 (2008 - \$ 118,772) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Financial Activities.

15. Contingencies

The Municipality is involved from time to time in litigation, which arises in the normal course of business. In respect to any outstanding claims, the Municipality believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation, therefore no provision has been made in the financial statements.

16. Commitment

In 2002, Council entered into a five year agreement to provide funds in the amount of \$ 1,250,000 to the West Lincoln Memorial Hospital Foundation for construction of a new hospital. A reserve has been established, and any funds accumulated will be released after construction has commenced.

In 2010, Council committed to contribute \$ 420,000 over five years for the building of a new YMCA. The contributions are \$ 84,000 per year, the commencement date has not yet been determined.

17. Segmented information

The Township of West Lincoln provides a wide range of services to its citizens. For reporting purposes the Township'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.

Township services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

17. Segmented information (continued)

General government

General government is comprised of Township Council, administrative department and clerk department.

Protection to persons and property

Protection to persons and property is comprised of fire department, building department, by-law enforcement department and animal control.

Transportation services

Transportation department is responsible for the delivery of public works services related to maintenance of roadway systems, maintenance of parks and open spaces, winter control, street lighting, air transportation and maintenance of Township buildings.

Environmental services

Environmental services consists of water, wastewater and solid waste disposal utilities. The department provides drinking water, collecting and treating wastewater, and providing collection disposal and waste minimization programs and facilities.

Health services

Health services department is responsible for cemetery operations.

Recreation and culture services

Recreation and culture services department is responsible for the delivery and upkeep of all recreation programs and facilities including arena, recreation complex, parks and library.

Planning and development

Planning and development is responsible for providing planning and zoning advice to the residents of the Township and construction and maintenance of Township drains.

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. Taxation revenue is allocated to segments based on budgeted amounts with any supplementary tax revenue being allocated to the general government segment.

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. The consolidated schedule of segment disclosure and the schedules of segment disclosure with budget information follow the notes.

Township of West Lincoln Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2009

	<u>Land</u>	<u>Land Improvements</u>	<u>Facilities</u>	<u>Rolling Stock</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Process</u>	<u>2009</u>
Cost								
Beginning of year	\$ 3,531,454	\$ 2,158,738	\$ 3,552,765	\$ 3,966,332	\$ 1,748,619	\$ 58,872,822	\$ 95,584	\$ 73,926,314
Add additions	237,486	54,659	109,413	139,781	164,484	969,734	260,317	1,935,874
Less disposals				(153,601)	(72,893)	(292,469)		(518,963)
End of year	<u>3,768,940</u>	<u>2,213,397</u>	<u>3,662,178</u>	<u>3,952,512</u>	<u>1,840,210</u>	<u>59,550,087</u>	<u>355,901</u>	<u>75,343,225</u>
Accumulated amortization								
Beginning of year		1,198,679	1,585,789	1,618,993	711,109	16,845,175		21,959,745
Add amortization		80,601	70,408	255,997	146,591	1,381,532		1,935,129
Less amortization on disposals				(138,215)	(72,893)	(171,289)		(382,397)
End of year		<u>1,279,280</u>	<u>1,656,197</u>	<u>1,736,775</u>	<u>784,807</u>	<u>18,055,418</u>		<u>23,512,477</u>
Net book value	<u>\$ 3,768,940</u>	<u>\$ 934,117</u>	<u>\$ 2,005,981</u>	<u>\$ 2,215,737</u>	<u>\$ 1,055,403</u>	<u>\$ 41,494,669</u>	<u>\$ 355,901</u>	<u>\$ 51,830,748</u>

Township of West Lincoln Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2008

	<u>Land</u>	<u>Land Improvements</u>	<u>Facilities</u>	<u>Rolling Stock</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Process</u>	<u>2008</u>
Cost								
Beginning of year	\$ 3,600,367	\$ 2,132,797	\$ 3,570,046	\$ 3,951,739	\$ 1,650,891	\$ 58,321,379		\$ 73,227,219
Add additions		25,941		102,517	168,202	806,173	\$ 95,584	1,198,417
Less disposals	(68,913)		(17,281)	(87,924)	(70,474)	(254,730)		(499,322)
End of year	<u>3,531,454</u>	<u>2,158,738</u>	<u>3,552,765</u>	<u>3,966,332</u>	<u>1,748,619</u>	<u>58,872,822</u>	<u>95,584</u>	<u>73,926,314</u>
Accumulated amortization								
Beginning of year		1,118,980	1,508,388	1,422,062	652,179	15,557,893		20,259,502
Add amortization		79,699	83,326	262,271	129,404	1,375,904		1,930,604
Less amortization on disposals			(5,925)	(65,340)	(70,474)	(88,622)		(230,361)
End of year		<u>1,198,679</u>	<u>1,585,789</u>	<u>1,618,993</u>	<u>711,109</u>	<u>16,845,175</u>		<u>21,959,745</u>
Net book value	<u>\$ 3,531,454</u>	<u>\$ 960,059</u>	<u>\$ 1,966,976</u>	<u>\$ 2,347,339</u>	<u>\$ 1,037,510</u>	<u>\$ 42,027,647</u>	<u>\$ 95,584</u>	<u>\$ 51,966,569</u>

Township of West Lincoln

Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2009

	General Government	Protection to Persons and Property	Transportatio n Services	Environmenta l Services	Health Services	Recreation and Culture Services	Planning and Development	Eliminations	Consolidated
Revenues									
Taxation	\$ (2,139,803)	\$ 2,143,432	\$ 3,437,635	\$ 1,075,889	\$ 55,541	\$ 705,278	\$ 128,800	\$ (438,473)	\$ 4,968,299
User charges	3,828	146,810	4,604	1,396,546	3,300	328,519	513,200	479,620	2,876,427
Grants	1,154,388		503,400	25,000		49,253	40,158		1,772,199
Other	862,999		2,739			35,367			901,105
	(118,588)	2,290,242	3,948,378	2,497,435	58,841	1,118,417	682,158	41,147	10,518,030
Expenses									
Salaries and benefits	1,030,938	484,699	1,201,165	230,005		570,881	381,852		3,899,540
Operating materials and supplies	214,570	166,695	1,000,317	104,505	18,136	366,612	16,244	41,147	1,928,226
Contracted services	223,045	121,777	333,156	1,154,398	38,232	55,117	227,219		2,152,944
Rent and financial expenses	31,253					5,000			36,253
External transfers to others	10,682				11,200				21,882
Interfunctional adjustments	(262,900)	30,049	(238,294)	353,199		82,022	1,300		(34,624)
Amortization	64,395	88,199	1,027,387	581,795	301	173,052			1,935,129
	1,311,983	891,419	3,323,731	2,423,902	67,869	1,252,684	626,615	41,147	9,939,350
Net revenues (expenditures)	\$ (1,430,571)	\$ 1,398,823	\$ 624,647	\$ 73,533	\$ (9,028)	\$ (134,267)	\$ 55,543	\$ Nil	\$ 578,680

Township of West Lincoln

Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2008

	General Government	Protection to Persons and Property	Transportatio n Services	Environmenta l Services	Health Services	Recreation and Culture Services	Planning and Development	Eliminations	Consolidated
Revenues									
Taxation	\$ (478,087)	\$ 744,588	\$ 3,412,499	\$ 677,852	\$ 51,573	\$ 685,689	\$ 89,287	\$ (405,855)	\$ 4,777,546
User charges	62,854	243,322	513,051	1,137,876	6,600	351,934	459,732	464,354	3,239,723
Grants	1,165,344		1,558,478	116,709		42,270	46,805		2,929,606
Other	3,952,773	(8,806)	49,237	213,030		97,838			4,304,072
	4,702,884	979,104	5,533,265	2,145,467	58,173	1,177,731	595,824	58,499	15,250,947
Expenses									
Salaries and benefits	954,909	468,673	1,166,758	228,382		467,776	362,167		3,648,665
Operating materials and supplies	259,856	147,269	1,236,783	217,037	16,033	414,001	14,200	58,499	2,363,678
Contracted services	183,384	163,753	539,090	1,058,369	37,151	32,668	163,219		2,177,634
Rent and financial expenses	33,953					5,000			38,953
External transfers to others	10,331				8,855				19,186
Interfunctional adjustments	(262,900)	30,196	(255,779)	327,868		110,560	1,300		(48,755)
Amortization	59,178	97,209	1,007,793	582,169	301	183,954			1,930,604
	1,238,711	907,100	3,694,645	2,413,825	62,340	1,213,959	540,886	58,499	10,129,965
Net revenues (expenditures)	\$ 3,464,173	\$ 72,004	\$ 1,838,620	\$ (268,358)	\$ (4,167)	\$ (36,228)	\$ 54,938	\$ Nil	\$ 5,120,982

Township of West Lincoln

Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2009

	Budget <u>2009</u> (Unaudited)	Actual <u>2009</u>	Actual <u>2008</u>
General government			
Revenue			
Taxation	\$ (2,107,407)	\$ (2,139,803)	\$ (478,087)
User charges	4,200	3,828	62,854
Grants	1,154,000	1,154,388	1,165,344
Other	<u>438,700</u>	<u>862,999</u>	<u>3,952,773</u>
	<u>(510,507)</u>	<u>(118,588)</u>	<u>4,702,884</u>
Expenditures			
Salaries and benefits	1,000,000	1,030,938	954,909
Operating materials and supplies	274,700	214,570	259,856
Contracted services	179,500	223,045	183,384
Rent and financial expenses	35,500	31,253	33,953
External transfers to others	12,700	10,682	10,331
Interfunctional adjustments	(262,900)	(262,900)	(262,900)
Amortization	<u> </u>	<u>64,395</u>	<u>59,178</u>
	<u>1,239,500</u>	<u>1,311,983</u>	<u>1,238,711</u>
Net revenues (expenditures)	<u>\$ (1,750,007)</u>	<u>\$ (1,430,571)</u>	<u>\$ 3,464,173</u>
Protection to persons and property			
Revenue			
Taxation	\$ 2,110,981	\$ 2,143,432	\$ 744,588
User charges	143,800	146,810	243,322
Other	<u> </u>	<u> </u>	<u>(8,806)</u>
	<u>2,254,781</u>	<u>2,290,242</u>	<u>979,104</u>
Expenditures			
Salaries and benefits	564,250	484,699	468,673
Operating materials and supplies	170,060	166,695	147,269
Contracted services	109,400	121,777	163,753
Interfunctional adjustments	30,200	30,049	30,196
Amortization	<u> </u>	<u>88,199</u>	<u>97,209</u>
	<u>873,910</u>	<u>891,419</u>	<u>907,100</u>
Net revenues	<u>\$ 1,380,871</u>	<u>\$ 1,398,823</u>	<u>\$ 72,004</u>

Township of West Lincoln

Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2009

	Budget <u>2009</u> (Unaudited)	Actual <u>2009</u>	Actual <u>2008</u>
Transportation services			
Revenue			
Taxation	\$ 3,385,591	\$ 3,437,635	\$ 3,412,499
User charges	4,800	4,604	513,051
Grants	1,003,332	503,400	1,558,478
Other	<u>160,000</u>	<u>2,739</u>	<u>49,237</u>
	<u>4,553,723</u>	<u>3,948,378</u>	<u>5,533,265</u>
Expenditures			
Salaries and benefits	1,049,400	1,201,165	1,166,758
Operating materials and supplies	1,195,800	1,000,317	1,236,783
Contracted services	629,937	331,156	539,090
Interfunctional adjustments	(231,200)	(238,294)	(255,779)
Amortization	<u> </u>	<u>1,027,387</u>	<u>1,007,793</u>
	<u>2,643,937</u>	<u>3,323,731</u>	<u>3,694,645</u>
Net revenues	<u>\$ 1,909,786</u>	<u>\$ 624,647</u>	<u>\$ 1,838,620</u>
<hr/>			
Environmental services			
Revenue			
Taxation	\$ 1,059,600	\$ 1,075,889	\$ 677,852
User charges	1,389,400	1,396,546	1,137,876
Grants		25,000	116,709
Other	<u> </u>	<u> </u>	<u>213,030</u>
	<u>2,449,000</u>	<u>2,497,435</u>	<u>2,145,467</u>
Expenditures			
Salaries and benefits	228,700	230,005	228,382
Operating materials and supplies	129,900	104,505	217,037
Contracted services	1,229,000	1,154,398	1,058,369
Interfunctional adjustments	346,400	353,199	327,868
Amortization	<u> </u>	<u>581,795</u>	<u>582,169</u>
	<u>1,934,000</u>	<u>2,423,902</u>	<u>2,413,825</u>
Net revenues (expenditures)	<u>\$ 515,000</u>	<u>\$ 73,533</u>	<u>\$ (268,358)</u>

Township of West Lincoln

Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2009

	Budget <u>2009</u> (Unaudited)	Actual <u>2009</u>	Actual <u>2008</u>
Health services			
Revenue			
Taxation	\$ 54,700	\$ 55,541	\$ 51,573
User charges	<u>4,000</u>	<u>3,300</u>	<u>6,600</u>
	<u>58,700</u>	<u>58,841</u>	<u>58,173</u>
Expenditures			
Operating materials and supplies	10,000	18,136	16,033
Contracted services	37,500	38,232	37,151
External transfers to others	11,200	11,200	8,855
Amortization	<u> </u>	<u>301</u>	<u>301</u>
	<u>58,700</u>	<u>67,869</u>	<u>62,340</u>
Net revenues (expenditures)	<u>\$ Nil</u>	<u>\$ (9,028)</u>	<u>\$ (4,167)</u>

Recreation and culture services

Revenue			
Taxation	\$ 694,600	\$ 705,278	\$ 685,689
User charges	320,400	328,519	351,934
Grants	30,000	49,253	42,270
Other	<u>25,100</u>	<u>35,367</u>	<u>97,838</u>
	<u>1,070,100</u>	<u>1,118,417</u>	<u>1,177,731</u>
Expenditures			
Salaries and benefits	521,700	570,881	467,776
Operating materials and supplies	371,500	366,612	414,001
Contracted services	41,900	55,117	32,668
Rent and financial expenses	5,000	5,000	5,000
Interfunctional adjustments	63,000	82,022	110,560
Amortization	<u> </u>	<u>173,052</u>	<u>183,954</u>
	<u>1,003,100</u>	<u>1,252,684</u>	<u>1,213,959</u>
Net revenues (expenditures)	<u>\$ 67,000</u>	<u>\$ (134,267)</u>	<u>\$ (36,228)</u>

Township of West Lincoln

Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2009

	Budget <u>2009</u> (Unaudited)	Actual <u>2009</u>	Actual <u>2008</u>
Planning and development			
Revenue			
Taxation	\$ 126,850	\$ 128,800	\$ 89,287
User charges	777,250	513,200	459,732
Grants	46,000	40,158	46,805
Other	<u> </u>	<u> </u>	<u> </u>
	<u>950,100</u>	<u>682,158</u>	<u>595,824</u>
Expenditures			
Salaries and benefits	368,000	381,852	362,167
Operating materials and supplies	22,400	16,244	14,200
Contracted services	330,400	227,219	163,219
Interfunctional adjustments	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>
	<u>722,100</u>	<u>626,615</u>	<u>540,886</u>
Net revenues	<u>\$ 228,000</u>	<u>\$ 55,543</u>	<u>\$ 54,938</u>



Grant Thornton

Auditors' report

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To the Members of Council, Inhabitants and Ratepayers

of the **Corporation of the Township of West Lincoln**

We have audited the balance sheet of the trust funds of the Corporation of the Township of West Lincoln as at December 31, 2009 and the statement of continuity of 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 trust funds for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Port Colborne, Ontario
August 20, 2010

Chartered Accountants
Licensed Public Accountants

Township of West Lincoln Trust Funds

Statement of Continuity

For the Year Ended December 31, 2009

	Bethel Cemetery Perpetual Care	Cemetery Perpetual Care	Marker Perpetual Care	Ensco Bursary	St. Ann's Cemetery
Balance at the beginning of the year	<u>\$ 14,954</u>	<u>\$ 32,466</u>	<u>\$ 7,440</u>	<u>\$ 1,464</u>	<u>\$ 5,304</u>
Receipts					
Perpetual care agreements		2,200	1,150		
Interest earned	<u>37</u>	<u>84</u>	<u>20</u>	<u>3</u>	<u>13</u>
Expenditures	37	2,284	1,170	3	13
Other	<u> </u>	<u> </u>	<u> </u>	<u>500</u>	<u> </u>
Net receipts (expenditures)	<u>37</u>	<u>2,284</u>	<u>1,170</u>	<u>(497)</u>	<u>13</u>
Balance at the end of the year	<u>\$ 14,991</u>	<u>\$ 34,750</u>	<u>\$ 8,610</u>	<u>\$ 967</u>	<u>\$ 5,317</u>

Balance Sheet

As at December 31, 2009

Investments					
Accrued interest receivable					
Due from Township	<u>\$ 14,991</u>	<u>\$ 34,750</u>	<u>\$ 8,610</u>	<u>\$ 967</u>	<u>\$ 5,317</u>
	<u>\$ 14,991</u>	<u>\$ 34,750</u>	<u>\$ 8,610</u>	<u>\$ 967</u>	<u>\$ 5,317</u>
Fund balance	<u>\$ 14,991</u>	<u>\$ 34,750</u>	<u>\$ 8,610</u>	<u>\$ 967</u>	<u>\$ 5,317</u>

Waite Cemetery Trust	Union Cemetery Trust	Union Cemetery Monuments	Union Cemetery Care & Maintenance	2009 Total	2008 Total
\$ 6,060	\$ 28,430	\$ 6,613	\$ 16,041	\$ 118,772	\$ 110,879
				3,350	5,300
15	640	17	40	869	14,720
15	640	17	40	4,219	3,093
				500	23,113
15	640	17	40	3,719	15,220
\$ 6,075	\$ 29,070	\$ 6,630	\$ 16,081	\$ 122,491	\$ 118,772
					\$ 25,000
\$ 6,075	\$ 29,070	\$ 6,630	\$ 16,081	\$ 122,491	228
\$ 6,075	\$ 29,070	\$ 6,630	\$ 16,081	\$ 122,491	93,544
\$ 6,075	\$ 29,070	\$ 6,630	\$ 16,081	\$ 122,491	\$ 118,772
\$ 6,075	\$ 29,070	\$ 6,630	\$ 16,081	\$ 122,491	\$ 118,772

See accompanying note to the financial statements

Township of West Lincoln Trust Funds Note to the Financial Statements

For the Year Ended December 31, 2009

1. Accounting policies

The financial statements of the Township are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. 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 judgements.

(a) Basis of accounting

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable.

(b) Investments

Investments are recorded at cost.