

**The Corporation of the Township of
Tarbutt and Tarbutt Additional
Consolidated Financial Statements
For the year ended December 31, 2010**

**The Corporation of the Township of Tarbutt
and Tarbutt Additional
Consolidated Financial Statements
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Independent Auditors' Report

To the Mayor and Council of The Corporation of the Township of Tarbutt and Tarbutt Additional:

Report on the consolidated Financial Statements

I have audited the accompanying consolidated financial statements of The Corporation of the Township of Tarbutt and Tarbutt Additional, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Tarbutt and Tarbutt Additional as at December 31, 2010, and the results of its operations, change in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Stefanizzi Professional Corporation
Chartered Accountant
Sault Ste. Marie, Ontario
November 2, 2011

**The Corporation of the Township of
Tarbutt and Tarbutt Additional
Consolidated Statement of Financial Position**

As at December 31,	2010	2009 (Restated, see note 2)
Financial Assets		
Cash and cash equivalents (note 2)	\$ 277,087	\$ -
Taxes receivable	107,268	88,709
Accounts receivable	192,275	605,716
Long-term receivables (note 3)	2,166	9,679
	578,796	704,104
Liabilities		
Bank indebtedness (note 2)	-	3,567
Accounts payable and accrued liabilities	107,979	345,783
Deferred revenue (note 4)	57,641	33,677
Landfill site closure liability (note 5)	9,265	9,030
Municipal long-term debt (note 6)	197,404	9,679
	372,289	401,736
Net financial assets	206,507	302,368
Non-financial assets		
Tangible capital assets (schedule 1)	2,824,525	2,341,432
Accumulated surplus (note 7)	\$ 3,031,032	\$ 2,643,800

Approved on behalf of council:

_____ Mayor

_____ Clerk - Treasurer

The Corporation of the Township of Tarbutt and Tarbutt Additional Consolidated Statement of Operations

Year ended December 31, (with comparative figures for the prior year)

	Budget 2010	Actual 2010	Actual 2009
	(unaudited, see		(Restated, see note 2)
Revenues			
Taxation (note 8)	\$ 703,224	\$ 713,202	\$ 633,998
Federal grants	76,488	73,649	362,898
Provincial grants	522,977	508,389	780,806
Other municipalities	57,985	51,008	50,500
Fees and user charges	40,242	67,439	38,615
Other income	45,097	18,425	14,770
	1,446,013	1,432,112	1,881,587
Expenditures			
Current			
General government	229,528	237,887	202,717
Protection	85,688	90,844	75,114
Transportation services	141,941	272,831	242,065
Environmental services	102,067	105,354	88,030
Health services	19,007	17,207	18,895
Social and family services	301,432	301,432	361,671
Recreation and cultural services	19,527	15,187	16,695
Planning and development	11,516	4,138	6,264
	910,706	1,044,880	1,011,451
Annual surplus	535,307	387,232	870,136
Accumulated surplus, beginning of year, restated	2,643,800	2,643,800	1,773,664
Accumulated surplus, end of year	\$ 3,179,107	\$ 3,031,032	\$ 2,643,800

The Corporation of the Township of Tarbutt and Tarbutt Additional Consolidated Statement of Change in Net Financial Assets

Year ended December 31, (with comparative figures for the prior year)

	Budget (Unaudited) 2010	Actual 2010	Actual 2009
			(Restated, see note 2)
Annual surplus	\$ 535,307	\$ 387,232	\$ 870,136
Acquisition of tangible capital assets	-	(641,716)	(1,046,801)
Amortization of tangible capital assets	-	157,629	87,291
Gain (loss) on sale to tangible capital assets	-	(77)	-
Proceeds on sale of tangible capital assets	-	1,071	-
	535,307	(95,861)	(89,374)
Net change in net financial assets	535,307	(95,861)	(89,374)
Net financial assets, beginning of year	391,739	302,368	391,739
Net financial assets, end of year	\$ 927,046	\$ 206,507	\$ 302,368

The Corporation of the Township of Tarbutt and Tarbutt Additional Consolidated Statement of Cash Flow

For the year ended December 31,	2010	2009
		(Restated, see note 2)
Cash provided by (used for):		
Operating		
Increase in accumulated surplus	\$ 387,232	\$ 870,136
Changes in non-cash operating items:		
Decrease in taxes receivable	(18,559)	(19,467)
Decrease (increase) in accounts receivable	413,441	(565,075)
Increase (decrease) in accounts payable	(237,804)	291,013
Increase in landfill post-closure costs	234	229
Increase (decrease) in deferred revenue	23,964	(6,010)
	568,508	570,826
Annual depreciation	157,629	87,291
Loss on assets disposed	(77)	-
	726,060	658,117
Financing:		
Proceeds from issuance of long-term debt	200,000	-
Principal repayment on long-term debt	(4,762)	-
	195,238	-
Capital transactions:		
Capital additions	(641,716)	(1,046,801)
Proceeds from sale of capital assets	1,071	-
	(640,645)	(1,046,801)
Increase (decrease) in cash for the year	280,653	(388,684)
Cash and cash equivalents (bank indebtedness), beginning of year	(3,566)	385,118
Cash and cash equivalents (bank indebtedness), end of year	\$ 277,087	\$ (3,566)
Represented by:		
Cash and temporary investments (bank indebtedness)	\$ 277,087	\$ (3,566)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Tarbutt and Tarbutt Additional

Summary of Significant Accounting Policies

December 31, 2010

The Corporation of the Township of Tarbutt and Tarbutt Additional ("the Municipality") is a municipality in the province of Ontario, Canada. The Municipality conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

Management responsibility

The consolidated financial statements of The Corporation of the Township of Tarbutt and Tarbutt Additional are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These estimates and approximations have been made using careful judgment.

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

The focus on the new financial reporting presentation is on the financial position of the Municipality and the changes to the net assets. The Consolidated Statement of Financial Position reports financial and non-financial assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position and is the difference between assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Consolidated entities

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of The Corporation of the Township of Tarbutt and Tarbutt Additional. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Municipality.

All material inter-entity transactions and balances are eliminated on consolidation.

The Corporation of the Township of Tarbutt and Tarbutt Additional Summary of Significant Accounting Policies

December 31, 2010

Non-consolidated entities	<p>The following local boards, joint local boards and municipal enterprises are not consolidated:</p> <p>Algoma District Services Administration Board Algoma Public Health Algoma District Homes for the Aged</p>
Revenue recognition	<p>Revenues and expenditures are reported on the accrual basis of accounting. Expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due. Revenues are recognized as follows.</p> <p>a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.</p> <p>b) Fines and donations are recognized when collected.</p>
Deferred revenue	<p>Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.</p>
Reserves and reserve funds	<p>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.</p>
Government transfers	<p>Government transfers include entitlements, transfers under shared cost agreements and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.</p>
Contributed goods and services	<p>Goods and services contributed to the Township are recorded at their fair market value at the time of their occurrence.</p>

The Corporation of the Township of Tarbutt and Tarbutt Additional Summary of Significant Accounting Policies

December 31, 2010

Use of estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
Accounting for school board transactions	The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements. As a result of the province wide reform of the tax system overlevies (underlevies) are reported on the consolidated statement of financial position as current liabilities or current assets.
Trust funds	Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Statement of Financial Position.
Basis of accounting	The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
Non-financial assets	Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

The Corporation of the Township of Tarbutt and Tarbutt Additional Summary of Significant Accounting Policies

December 31, 2010

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

	Useful Life - Years
Buildings	20 - 40
Equipment	12 - 15
Infrastructure	10 - 50
Vehicle and machinery	5 - 20
Waste management land	35

In the year of acquisition, capital assets are amortized at one-half the above rates.

(a) Contribution of tangible capital assets Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

(b) Interest capitalization Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

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

(d) Threshold The Corporation of the Township of Tarbutt and Tarbutt Additional has a capitalization threshold of \$5,000 to \$10,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Municipality's threshold for pooled assets is \$5,000.

Amounts to be recovered Amounts to be recovered are reported in the municipal position on the consolidated statement of financial position. The balance represents future expenditures not yet levied on the ratepayers.

The Corporation of the Township of Tarbutt and Tarbutt Additional Summary of Significant Accounting Policies

December 31, 2010

Budget figures

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. 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. As well, the Town does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

Comparative figures

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

The Corporation of the Township of Tarbutt and Tarbutt Additional Notes to Consolidated Financial Statements

December 31, 2010

1. Financial instruments

The Township's financial instruments consist of cash and temporary investments, taxes receivable, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

2. Cash and cash equivalents

	2010	2009
Unrestricted cash	\$ 29,380	\$ (96,902)
Restricted cash (note 4)	57,641	33,678
Temporary investments	190,066	59,657
	\$ 277,087	\$ (3,567)

Temporary investments have a market value which approximates its book value. Interest rates on temporary investments range between 2.00% and 2.35%.

3. Long-term receivables

	2010	2009
Long term receivables from benefiting land owners, which have various maturity dates and interest rates ranging from 2010 to 2011 and 7% and 8% respectively	\$ 2,166	\$ 9,679

The Corporation of the Township of Tarbutt and Tarbutt Additional Notes to Consolidated Financial Statements

December 31, 2010

4. Deferred revenue

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

	2010	2009
Gasoline tax	\$ 54,184	\$ 30,283
Cash in lieu of parkland	3,457	3,394
	\$ 57,641	\$ 33,677

5. Landfill site closure liability

Effective January 1, 2001 the Township adopted accounting recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants with respect to landfill site closing and post-closing costs. As a result, the consolidated statement of financial position now reflects a liability for anticipated future costs related to the closing and monitoring of the existing landfill site. The waste site closure and post closure cost liability has been estimated at \$12,551. This liability represents the estimated total expenditures required for closure and post closure care. This estimated liability was generated from external consultants who have experience with landfill construction and closure work. For purposes of the above calculation, the landfill has an estimated remaining life of 23 years. Once closed, this landfill site will be monitored for an estimated period of 10 years. A discount rate has been used that is equal to the rate available to the government long term borrowing rate. As at December 31, 2010, the landfill close and post closure costs have been financed.

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Notes to Consolidated Financial Statements**

December 31, 2010

6. Municipal long-term debt

	2010	2009
Long term receivables from benefiting land owners, which have various maturity dates and interest rates ranging from 2010 to 2011 and 7% and 8% respectively	\$ 2,166	\$ 9,679
Fire truck loan with interest at prime plus 1.5%, repayable in monthly principal installments of \$2,381 plus interest. Secured by a lien on equipment.	195,238	-
	197,404	9,679
Current portion	30,738	7,513
	\$ 166,666	\$ 2,166

Long-term debt principal repayments to be made during the next five years is approximately as follows:

2011	-	\$ 30,738
2012	-	\$ 28,572
2013	-	\$ 28,572
2014	-	\$ 28,572
2015	-	\$ 28,572
Thereafter	-	\$ 52,378

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Notes to Consolidated Financial Statements**

December 31, 2010

7. Accumulated surplus

The accumulated surplus is comprised of the following:

	2010	2009
Reserves set aside for specific purposes by Council:		
- working capital	\$ 887	\$ 74,874
- recreation	11,199	6,199
- cemetery	3,357	3,357
	15,443	84,430
Reserve funds set aside for specific purposes by Council:		
- bridge and equipment	28,614	28,089
- fire protection	3,838	37,094
- garbage disposal	1,296	291
- office equipment	6,460	6,341
- cemetery	3,988	3,915
- roads capital	22,838	22,419
- health services	291	285
- general and planning	117,258	113,142
- environmental	5,447	5,347
- legal fees	1,034	1,015
	191,064	217,938
Total reserves and reserve funds	206,507	302,368
Invested in tangible capital assets	2,824,525	2,341,432
Accumulated surplus	\$ 3,031,032	\$ 2,643,800

8. Taxation

	2010	2009
Taxation revenue	\$ 851,522	\$ 763,035
Less: Amount levied and remitted to school boards	138,320	129,037
	\$ 713,202	\$ 633,998

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Notes to Consolidated Financial Statements****December 31, 2010**

9. Expenditures by object

	2010	2009
Salaries, wages and employee benefits	\$ 192,030	\$ 213,490
Materials	212,774	273,235
Contracted services	118,486	113,575
Rents and financial expenses	23,951	23,361
Amortization	155,555	87,292
Transfer payments	376,918	359,508
Non-TCA expenditures	-	43,141
	\$ 1,079,714	\$ 1,113,602

10. Contributions to unconsolidated joint boards

The following contributions were made by the Township to these boards:

	2010	2009
Algoma District Service Administration Board	\$ 301,432	\$ 325,808
Algoma Public Health	10,507	10,247
Algoma District Homes for the Aged	-	13,589
	\$ 311,939	\$ 349,644

11. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of three 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. The amount contributed on behalf of Township employees in 2010 was \$5,828 (2009 - \$5,880).

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Notes to Consolidated Financial Statements**

December 31, 2010

12. Trust funds

Trust funds administrated by the Township amounting to \$17,660 (2009 - \$14,417) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Financial Activities".

13. Public Sector Salary Disclosure Act

No employee was paid an annual salary of \$100,000 or more as defined by the Public Sector Salary Disclosure Act, 1996.

The Corporation of the Township of Tarbutt and Tarbutt Additional **Schedule 1**
Schedule of Tangible Capital Assets

Year ended December 31, 2010

	Cost				Accumulated Amortization				2010	2009
	2010 Opening Balance	Additions and Betterments	Disposals/ Transfers	2010 Closing Balance	2010 Opening Balance	2010 Amortization Expense	Accumulated Amortization on Disposals	2010 Ending Balance	Net Book Value	Net Book Value
Land	\$ 13,419	\$ 42,336	\$ -	\$ 55,755	\$ -	\$ -	\$ -	\$ -	\$ 55,755	\$ 13,419
Buildings	367,418	4,704	-	372,122	156,542	8,660	-	165,202	206,920	210,876
Equipment	-	57,388	-	57,388	-	2,074	-	2,074	55,314	-
Infrastructure	3,554,301	301,995	-	3,856,296	1,604,274	127,972	-	1,732,246	2,124,050	1,419,809
Vehicle and machinery	186,602	235,293	(40,730)	381,165	97,763	16,654	39,730	74,687	306,478	88,839
Waste management land	79,411	-	-	79,411	1,134	2,269	-	3,403	76,008	78,277
	\$ 4,201,151	\$ 641,716	\$ (40,730)	\$ 4,802,137	\$ 1,859,713	\$ 157,629	\$ 39,730	\$ 1,977,612	\$ 2,824,525	\$ 1,811,220
Assets under construction and not subject to amortization										
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 530,212
	\$ 4,201,151	\$ 641,716	\$ (40,730)	\$ 4,802,137	\$ 1,859,713	\$ 157,629	\$ 39,730	\$ 1,977,612	\$ 2,824,525	\$ 2,341,432

The Corporation of the Township of Tarbutt and Tarbutt Additional **Schedule 2**
Segment Disclosures - Service Bundle

Year ended December 31, 2010

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
Expenditures									
Salaries and wages	\$ 146,709	\$ 9,242	\$ 7,350	\$ 24,899	\$ -	\$ -	\$ 3,830	\$ -	\$ 192,030
Materials, good and supplies	16,261	36,821	103,593	34,044	3,648	-	10,964	922	206,253
Utilities	1,656	-	4,865	-	-	-	-	-	6,521
Contracted & general services	13,315	26,163	44,285	27,480	-	-	1,901	5,342	118,486
Rents and financial	23,951	-	-	-	-	-	-	-	23,951
Amortization expenses	1,245	8,458	142,636	3,216	-	-	-	-	155,555
Allocations	(93,882)	8,709	28,275	10,190	2,187	41,864	1,932	725	-
Other	-	-	-	-	15,247	361,671	-	-	376,918
	109,255	89,393	331,004	99,829	21,082	403,535	18,627	6,989	1,079,714
Revenues									
Taxation	72,168	59,048	218,644	65,942	13,926	266,554	12,304	4,618	713,204
User charges	1,020	-	-	18,240	903	-	13,433	5,018	38,614
External non-tax revenues	45,817	42,467	759,503	147,025	8,822	168,857	10,295	11,419	1,194,205
Other	1,864	1,525	5,648	1,704	360	6,886	318	119	18,424
	120,869	103,040	983,795	232,911	24,011	442,297	36,350	21,174	1,964,447
Annual Surplus	\$ 11,614	\$ 13,647	\$ 652,791	\$ 133,082	\$ 2,929	\$ 38,762	\$ 17,723	\$ 14,185	\$ 884,733

The Corporation of the Township of Tarbutt and Tarbutt Additional Segment Disclosures - Service Bundle

Schedule 3

Year ended December 31, 2009

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
Expenditures									
Salaries and wages	\$ 131,745	\$ 11,885	\$ 40,135	\$ 26,892	\$ -	\$ -	\$ 2,833	\$ -	\$ 213,490
Materials, good and supplies	28,255	37,436	147,344	33,667	2,532	-	11,896	1,255	262,385
Utilities	1,732	-	9,118	-	-	-	-	-	10,850
Contracted & general services	12,896	38,134	37,426	17,089	-	-	1,901	6,129	113,575
Rents and financial	22,132	-	-	-	-	-	-	-	22,132
Interest on long-term debt	-	-	-	-	-	-	-	1,229	1,229
Non TCA capital expenditures	11,318	-	4,300	-	-	22,273	5,250	-	43,141
Amortization expenses	825	2,888	81,971	1,608	-	-	-	-	87,292
Allocations	(83,034)	9,234	24,710	8,198	1,877	36,350	1,756	909	-
Other	-	-	-	-	15,248	344,260	-	-	359,508
	125,869	99,577	345,004	87,454	19,657	402,883	23,636	9,522	1,113,602
Revenues									
Taxation	71,660	56,691	196,418	49,789	11,191	229,370	13,456	5,422	633,997
User charges	722	3,727	-	12,513	-	-	15,357	7,373	39,692
External non-tax revenues	46,186	33,310	183,681	58,161	5,656	115,915	9,928	15,886	488,723
Other	1,669	1,321	4,576	1,160	261	5,344	313	126	14,770
	120,237	95,049	384,675	121,623	17,108	350,629	39,054	28,807	1,157,182
Annual Surplus (Deficit)	\$ (5,632)	\$ (4,528)	\$ 39,671	\$ 34,169	\$ (2,549)	\$ (52,254)	\$ 15,418	\$ 19,285	\$ 43,580

Independent Auditors' Report

To the Mayor and Council of The Corporation of the Township of Tarbutt and Tarbutt Additional:

Report on the consolidated Financial Statements

I have audited the accompanying consolidated financial statements of The Corporation of the Township of Tarbutt and Tarbutt Additional, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Tarbutt and Tarbutt Additional as at December 31, 2010, and the results of its operations, change in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Stefanizzi Professional Corporation
Chartered Accountant, authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario
Sault Ste. Marie, Ontario
November 2, 2011

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Trust Funds
Statement of Financial Position**

As at December 31,

	Cemetery	Actual 2010	Actual 2009
Assets			
Cash	\$ 17,660	\$ 17,660	\$ 14,417
Liabilities			
Accounts payable	1,974	1,974	1,974
Fund balance	15,686	15,686	12,443
	\$ 17,660	\$ 17,660	\$ 14,417

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Trust Funds
Statement of Continuity**

Year ended December 31, (with comparative figures for the prior year)

	Perpetual Care	Actual 2010	Actual 2009
Balance, beginning of year	\$ 12,443	\$ 12,443	\$ 10,029
Revenues			
Interest earned	493	493	364
Plot sales and Monument surcharges	2,750	2,750	2,050
	3,243	3,243	2,414
Balance, end of year	\$ 15,686	\$ 15,686	\$ 12,443

The Corporation of the Township of Tarbutt and Tarbutt Additional Trust Funds
Summary of Significant Accounting Policies

December 31, 2010

Management responsibility

The consolidated financial statements of The Corporation of the Township of Tarbutt and Tarbutt Additional Trust Funds are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

Basis of accounting

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