

**The Corporation of the Township of
Tarbutt and Tarbutt Additional
Consolidated Financial Statements
For the year ended December 31, 2011**

**The Corporation of the Township of Tarbutt
and Tarbutt Additional
Consolidated Financial Statements
For the year ended December 31, 2011**

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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, 2011, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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, 2011, and the results of its operations, change in net financial assets 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
May 25, 2012

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

As at December 31,	2011	2010
Financial Assets		
Cash and cash equivalents (note 2)	\$ 186,960	\$ 277,086
Taxes receivable	116,387	107,268
Accounts receivable	113,575	192,275
Long-term receivables (note 3)	-	2,166
	416,922	578,795
Liabilities		
Accounts payable and accrued liabilities	104,786	107,978
Deferred revenue (note 4)	23,804	57,641
Landfill site closure liability (note 5)	9,265	9,265
Municipal long-term debt (note 6)	166,667	197,404
	304,522	372,288
Net financial assets	112,400	206,507
Non-financial assets		
Tangible capital assets (schedule 1)	3,113,826	2,824,524
Accumulated surplus (note 7)	\$ 3,226,226	\$ 3,031,031

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 (Unaudited) 2011	Actual 2011	Actual 2010
Revenues			
Taxation (note 8)	\$ 703,224	\$ 790,658	\$ 713,202
Federal grants	76,488	66,852	73,649
Provincial grants	522,977	351,395	508,389
Other municipalities	57,985	55,473	51,008
Fees and user charges	40,242	53,953	67,439
Other income	45,097	19,752	18,425
	1,446,013	1,338,083	1,432,112
Expenditures			
Current			
General government	231,057	229,209	237,887
Protection	81,136	104,263	90,844
Transportation services	131,734	362,002	272,831
Environmental services	123,060	122,088	105,354
Health services	20,646	18,956	17,207
Social and family services	265,980	265,980	301,432
Recreation and cultural services	21,776	25,469	15,187
Planning and development	9,140	14,922	4,138
	884,529	1,142,889	1,044,880
Annual surplus	561,484	195,194	387,232
Accumulated surplus, beginning of year	3,031,032	3,031,032	2,643,800
Accumulated surplus, end of year	\$ 3,592,516	\$ 3,226,226	\$ 3,031,032

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
Consolidated Statement of Change in Net Financial Assets**

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

	Budget (Unaudited) 2011	Actual 2011	Actual 2010
Annual surplus	\$ 561,484	\$ 195,194	\$ 387,232
Acquisition of tangible capital assets	-	(508,426)	(641,716)
Amortization of tangible capital assets	-	193,554	157,629
Gain (loss) on sale to tangible capital assets	-	25,571	(77)
Proceeds on sale of tangible capital assets	-	-	1,071
	561,484	(94,107)	(95,861)
Net change in net financial assets	561,484	(94,107)	(95,861)
Net financial assets, beginning of year	391,739	206,507	302,368
Net financial assets, end of year	\$ 953,223	\$ 112,400	\$ 206,507

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

For the year ended December 31,	2011	2010
Cash provided by (used for):		
Operating		
Increase in accumulated surplus	\$ 195,194	\$ 387,232
Changes in non-cash operating items:		
Increase in taxes receivable	(9,119)	(18,559)
Decrease in accounts receivable	78,700	413,441
Decrease in accounts payable	(3,193)	(237,804)
Increase in landfill post-closure costs	-	234
Increase (decrease) in deferred revenue	(33,837)	23,964
	227,745	568,508
Annual depreciation	193,554	157,629
Gain (loss) on assets disposed	25,571	(77)
	446,870	726,060
Financing:		
Proceeds from issuance of long-term debt	-	200,000
Principal repayment on long-term debt	(28,571)	(4,762)
	(28,571)	195,238
Capital transactions:		
Capital additions	(508,426)	(641,716)
Proceeds from sale of capital assets	-	1,071
	(508,426)	(640,645)
Increase (decrease) in cash for the year	(90,127)	280,653
Cash and cash equivalents (bank indebtedness), beginning of year	277,087	(3,566)
Cash and cash equivalents, end of year	\$ 186,960	\$ 277,087
Represented by:		
Cash and temporary investments	\$ 186,960	\$ 277,087

The Corporation of the Township of Tarbutt and Tarbutt Additional

Summary of Significant Accounting Policies

December 31, 2011

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).

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.

Non-consolidated entities

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma District Services Administration Board
Algoma Public Health
Algoma District Homes for the Aged

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

December 31, 2011

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> <ul style="list-style-type: none">a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.b) Fines and donations are recognized when collected.
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, 2011

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, 2011

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, 2011

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, 2011

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

	2011	2010
Unrestricted cash	\$ 100,865	\$ 29,379
Restricted cash (note 4)	23,804	57,641
Temporary investments	62,291	190,066
	\$ 186,960	\$ 277,086

Temporary investments have a market value which approximates its book value. Interest rates on temporary investments range between .50% and 2.1%.

3. Long-term receivables

	2011	2010
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

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

December 31, 2011

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:

	2011	2010
Gasoline tax	\$ 20,347	\$ 54,184
Cash in lieu of parkland	3,457	3,457
	<u>\$ 23,804</u>	<u>\$ 57,641</u>

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, 2011, 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, 2011

6. Municipal long-term debt

	2011	2010
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
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.	166,667	195,238
	166,667	197,404
Current portion	28,572	30,738
	\$ 138,095	\$ 166,666

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

2012	-	\$ 28,572
2013	-	\$ 28,572
2014	-	\$ 28,572
2015	-	\$ 28,572
2016	-	\$ 28,572
Thereafter	-	\$ 23,807

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

December 31, 2011

7. Accumulated surplus

The accumulated surplus is comprised of the following:

	2011	2010
Reserves set aside for specific purposes by Council:		
- working capital	\$ 887	\$ 887
- recreation	11,199	11,199
- cemetery	3,357	3,357
	15,443	15,443
Reserve funds set aside for specific purposes by Council:		
- bridge and equipment	28,614	28,614
- fire protection	3,838	3,838
- garbage disposal	1,296	1,296
- office equipment	6,460	6,460
- cemetery	3,988	3,988
- roads capital	502	22,838
- health services	291	291
- general and planning	45,487	117,258
- environmental	5,447	5,447
- legal fees	1,034	1,034
	96,957	191,064
Total reserves and reserve funds	112,400	206,507
Invested in tangible capital assets	3,113,826	2,824,524
Accumulated surplus	\$ 3,226,226	\$ 3,031,031

8. Taxation

	2011	2010
Taxation revenue	\$ 941,679	\$ 851,522
Less: Amount levied and remitted to school boards	151,021	138,320
	\$ 790,658	\$ 713,202

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

December 31, 2011

9. Expenditures by object

	2011	2010
Salaries, wages and employee benefits	\$ 205,528	\$ 200,642
Materials	270,575	195,909
Contracted services	112,569	110,720
Rents and financial expenses	6,376	1,182
Amortization	219,123	157,629
Transfer payments	328,721	378,798
	\$ 1,142,892	\$ 1,044,880

10. Contributions to unconsolidated joint boards

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

	2011	2010
Algoma District Service Administration Board	\$ 265,980	\$ 301,432
Algoma Public Health	10,751	10,507
	\$ 276,731	\$ 311,939

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 2011 was \$7,390 (2010 - \$5,828).

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

December 31, 2011

12. Trust funds

Trust funds administrated by the Township amounting to \$18,540 (2010 - \$17,660) 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, 2011

	Cost				Accumulated Amortization				2011	2010
	2011 Opening Balance	Additions and Betterments	Disposals/ Transfers	2011 Closing Balance	2011 Opening Balance	2011 Amortization Expense	Accumulated Amortization on Disposals	2011 Ending Balance	Net Book Value	Net Book Value
Land	\$ 55,755	\$ -	\$ -	\$ 55,755	\$ -	\$ -	\$ -	\$ -	\$ 55,755	\$ 55,755
Buildings	372,122	70,901	-	443,023	165,202	9,958	-	175,160	267,863	206,920
Equipment	57,388	15,547	-	72,935	2,074	4,666	-	6,740	66,195	55,314
Infrastructure	3,856,296	421,978	(25,570)	4,252,704	1,732,246	154,437	-	1,886,683	2,366,021	2,124,050
Vehicle and machinery	381,165	-	-	381,165	74,688	22,224	-	96,912	284,253	306,477
Waste management land	79,411	-	-	79,411	3,403	2,269	-	5,672	73,739	76,008
	\$ 4,802,137	\$ 508,426	\$ (25,570)	\$ 5,284,993	\$ 1,977,613	\$ 193,554	\$ -	\$ 2,171,167	\$ 3,113,826	\$ 2,824,524
Assets under construction and not subject to amortization										
	\$ 4,802,137	\$ 508,426	\$ (25,570)	\$ 5,284,993	\$ 1,977,613	\$ 193,554	\$ -	\$ 2,171,167	\$ 3,113,826	\$ 2,824,524

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

Schedule 2

Year ended December 31, 2011

	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	\$ 164,258	\$ 11,268	\$ -	\$ 25,409	\$ -	\$ -	\$ 4,593	\$ -	\$ 205,528
Materials, good and supplies	-	46,237	124,977	75,997	3,205	-	13,297	397	264,110
Utilities	2,024	-	4,441	-	-	-	-	-	6,465
Contracted & general services	14,271	26,357	37,914	17,466	-	-	2,036	14,525	112,569
Rents and financial	-	6,376	-	-	-	-	-	-	6,376
Amortization expenses	1,665	14,028	194,671	3,216	-	-	5,543	-	219,123
Other	46,990	-	-	-	15,751	265,980	-	-	328,721
	229,208	104,266	362,003	122,088	18,956	265,980	25,469	14,922	1,142,892
Revenues									
Taxation	158,567	72,132	250,435	84,461	13,114	184,006	17,620	10,324	790,659
User charges	1,020	-	-	18,240	903	-	13,433	5,018	38,614
External non-tax revenues	90,709	46,279	764,100	153,515	7,494	105,145	12,569	14,393	1,194,204
Other	3,961	1,802	6,256	2,110	328	4,597	440	258	19,752
	254,257	120,213	1,020,791	258,326	21,839	293,748	44,062	29,993	2,043,229
Annual Surplus	\$ 25,049	\$ 15,947	\$ 658,788	\$ 136,238	\$ 2,883	\$ 27,768	\$ 18,593	\$ 15,071	\$ 900,337

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
Segment Disclosures - Service Bundle

Schedule 3

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	\$ 159,623	\$ 9,104	\$ -	\$ 26,703	\$ -	\$ -	\$ 2,827	\$ 2,385	\$ 200,642
Materials, good and supplies	-	40,336	96,513	44,181	1,700	-	8,384	-	191,114
Utilities	1,399	-	3,396	-	-	-	-	-	4,795
Contracted & general services	13,761	31,765	30,286	31,254	-	-	1,901	1,753	110,720
Rents and financial	-	1,182	-	-	-	-	-	-	1,182
Amortization expenses	1,245	8,458	142,636	3,216	-	-	2,074	-	157,629
Other	61,859	-	-	-	15,507	301,432	-	-	378,798
	237,887	90,845	272,831	105,354	17,207	301,432	15,186	4,138	1,044,880
Revenues									
Taxation	162,374	62,008	186,226	71,911	11,745	205,748	10,365	2,825	713,202
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
	211,075	106,000	951,377	238,880	21,830	381,491	34,411	19,381	1,964,445
Annual Surplus (Deficit)	\$ (26,812)	\$ 15,155	\$ 678,546	\$ 133,526	\$ 4,623	\$ 80,059	\$ 19,225	\$ 15,243	\$ 919,565

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

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, 2011, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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.

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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, 2011, and the results of its operations, change in net financial assets 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
May 25, 2012

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

As at December 31,

	Cemetery	Actual 2011	Actual 2010
Assets			
Cash	\$ 18,540	\$ 18,540	\$ 17,660
Liabilities			
Accounts payable	1,975	1,975	1,974
Fund balance			
	16,565	16,565	15,686
	\$ 18,540	\$ 18,540	\$ 17,660

**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 2011	Actual 2010
Balance, beginning of year	\$ 15,686	\$ 15,686	\$ 12,443
Revenues			
Interest earned	79	79	493
Plot sales and Monument surcharges	800	800	2,750
	879	879	3,243
Balance, end of year	\$ 16,565	\$ 16,565	\$ 15,686

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

December 31, 2011

**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.