

**The Corporation of the Township of
Tarbutt and Tarbutt Additional
Consolidated Financial Statements
For the year ended December 31, 2012**

**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, 2012, 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, 2012, 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 Professional Accountant
Sault Ste. Marie, Ontario
September 26, 2013

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

As at December 31,	2012	2011
Financial Assets		
Cash and cash equivalents (note 2)	\$ 256,491	\$ 186,960
Taxes receivable	105,250	116,387
Accounts receivable	116,411	113,571
	478,152	416,918
Liabilities		
Accounts payable and accrued liabilities	77,153	104,784
Deferred revenue (note 3)	47,732	23,804
Landfill site closure liability (note 4)	9,265	9,265
Municipal long-term debt (note 5)	292,762	166,667
	426,912	304,520
Net financial assets	51,240	112,397
Non-financial assets		
Tangible capital assets (schedule 1)	3,201,636	3,113,827
Accumulated surplus (note 6)	\$ 3,252,876	\$ 3,226,224

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) 2012	Actual 2012	Actual 2011
Revenues			
Taxation (note 7)	\$ 797,898	\$ 823,488	\$ 790,654
Federal grants	25,801	3,538	66,852
Provincial grants	333,133	341,168	351,395
Other municipalities	46,981	41,887	55,473
Fees and user charges	38,400	42,660	53,954
Other income	28,595	22,809	19,752
	1,270,808	1,275,550	1,338,080
Expenditures			
Current			
General government	245,997	246,416	229,209
Protection	83,521	96,912	104,263
Transportation services	302,160	462,379	362,002
Environmental services	107,967	99,303	122,088
Health services	17,699	21,982	18,956
Social and family services	279,753	279,753	265,980
Recreation and cultural services	22,943	33,735	25,469
Planning and development	6,140	8,420	14,922
	1,066,180	1,248,900	1,142,889
Annual surplus	204,628	26,650	195,191
Accumulated surplus, beginning of year	3,226,223	3,226,223	3,031,032
Accumulated surplus, end of year	\$ 3,430,851	\$ 3,252,873	\$ 3,226,223

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) 2012	Actual 2012	Actual 2011
Annual surplus	\$ 204,628	\$ 26,650	\$ 195,191
Acquisition of tangible capital assets	(150,820)	(326,030)	(508,426)
Amortization of tangible capital assets	-	238,221	193,554
Gain on sale to tangible capital assets	-	-	25,571
	53,808	(61,159)	(94,110)
Net change in net financial assets	53,808	(61,159)	(94,110)
Net financial assets, beginning of year	112,398	112,396	206,506
Net financial assets, end of year	\$ 166,206	\$ 51,237	\$ 112,396

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

For the year ended December 31,	2012	2011
Cash provided by (used for):		
Operating		
Increase in accumulated surplus	\$ 26,650	\$ 195,191
Changes in non-cash operating items:		
Decrease (increase) in taxes receivable	11,137	(9,119)
Decrease (increase) in accounts receivable	(2,840)	78,701
Decrease in accounts payable	(27,630)	(3,195)
Increase (decrease) in deferred revenue	23,928	(33,837)
	31,245	227,741
Annual depreciation	238,221	193,554
Gain on assets disposed	-	25,575
	269,466	446,870
Financing:		
Proceeds from issuance of long-term debt	160,000	-
Principal repayment on long-term debt	(33,900)	(28,571)
	126,100	(28,571)
Capital transactions:		
Capital additions	(326,030)	(508,426)
Increase (decrease) in cash for the year	69,536	(90,127)
Cash and cash equivalents, beginning of year	186,960	277,087
Cash and cash equivalents, end of year	\$ 256,491	\$ 186,960
Represented by:		
Cash and temporary investments	\$ 256,491	\$ 186,960

The Corporation of the Township of Tarbutt and Tarbutt Additional

Summary of Significant Accounting Policies

December 31, 2012

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, 2012

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>
Use of estimates	<p>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.</p>

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

December 31, 2012

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.												
Capital assets	<p>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:</p> <table><tr><td></td><td>Useful Life - Years</td></tr><tr><td>Buildings</td><td>20 - 40</td></tr><tr><td>Equipment</td><td>12 - 15</td></tr><tr><td>Infrastructure</td><td>10 - 50</td></tr><tr><td>Vehicle and machinery</td><td>5 - 20</td></tr><tr><td>Waste management land</td><td>35</td></tr></table> <p>In the year of acquisition, capital assets are amortized at one-half the above rates.</p>		Useful Life - Years	Buildings	20 - 40	Equipment	12 - 15	Infrastructure	10 - 50	Vehicle and machinery	5 - 20	Waste management land	35
	Useful Life - Years												
Buildings	20 - 40												
Equipment	12 - 15												
Infrastructure	10 - 50												
Vehicle and machinery	5 - 20												
Waste management land	35												

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

December 31, 2012

(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.
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, 2012

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

	2012	2011
Unrestricted cash	\$ 166,568	\$ 100,865
Restricted cash (note 3)	47,732	23,804
Temporary investments	42,191	62,291
	<u>\$ 256,491</u>	<u>\$ 186,960</u>

Temporary investments have a market value which approximates its book value. Interest rates on temporary investments range between 0.50% and 2.60%.

3. 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:

	2012	2011
Gasoline tax	\$ 44,151	\$ 20,347
Cash in lieu of parkland	3,581	3,457
	<u>\$ 47,732</u>	<u>\$ 23,804</u>

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

December 31, 2012

4. 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, 2012, the landfill close and post closure costs have been financed.

5. Municipal long-term debt

	2012	2011
Fire truck loan with interest at prime plus 0.5%, repayable in monthly principal installments of \$2,381 plus interest. Secured by bylaw.	\$ 138,095	\$ 166,667
Snow plow loan with interest at prime plus 0.5%, repayable in monthly principal installments of \$2,667 plus interest, secured by bylaw.	154,667	-
	292,762	166,667
Current portion	60,571	28,571
	\$ 232,191	\$ 138,096

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

2013	-	\$ 60,571
2014	-	\$ 60,571
2015	-	\$ 60,571
2016	-	\$ 60,571
2017	-	\$ 50,478

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

December 31, 2012

6. Accumulated surplus

The accumulated surplus is comprised of the following:

	2012	2011
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	29,642	28,614
- fire protection	3,976	3,838
- garbage disposal	1,567	1,296
- office equipment	6,692	6,460
- cemetery	4,132	3,988
- roads capital	520	502
- health services	301	291
- general and planning	265,015	212,151
- environmental	5,643	5,447
- legal fees	11,071	1,034
	328,559	263,621
Total reserves and reserve funds	344,002	279,064
Invested in tangible capital assets	3,201,636	3,113,827
Funds to be provided from future revenues (note 13)	(292,762)	(166,667)
Accumulated surplus	\$ 3,252,876	\$ 3,226,224

7. Taxation

	2012	2011
Taxation revenue	\$ 983,818	\$ 941,677
Less: Amount levied and remitted to school boards	160,330	151,021
	\$ 823,488	\$ 790,656

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

December 31, 2012

8. Expenditures by object

	2012	2011
Salaries, wages and employee benefits	\$ 247,783	\$ 232,010
Materials	366,165	260,896
Contracted services	92,256	91,057
Rents and financial expenses	2,717	51,698
Amortization	238,219	219,123
Transfer payments	295,720	281,731
	\$ 1,242,860	\$ 1,136,515

9. Contributions to unconsolidated joint boards

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

	2012	2011
Algoma District Service Administration Board	\$ 279,753	\$ 265,980
Algoma Public Health	10,967	10,751
	\$ 290,720	\$ 276,731

10. 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 2012 was \$8,259 (2011 - \$7,390).

11. Trust funds

Trust funds administered by the Township amounting to \$19,647 (2011 - \$18,540) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Financial Activities".

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

December 31, 2012

12. 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.

13. Amounts to be recovered

The total balance of amounts to be recovered of \$292,762 (2011 - \$166,667) is comprised of the following:

	2012	2011
Municipal debt:		
Fire pumper truck loan	\$ 138,095	\$ 166,667
Snow plow truck loan	154,667	-
	\$ 292,762	\$ 166,667

14. Segmented Information

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

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

December 31, 2012

14. Segmented Information continued

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental

The environmental department provides garbage collection and waste minimization programs and facilities for solid waste disposal.

Health

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries.

Social and family

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Note 13 - Consolidated Schedule of Segment Disclosure

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

Schedule 1

Year ended December 31, 2012

	Cost			Accumulated Amortization			2012	2011
	2012 Opening Balance	Additions and Betterments	Disposals/ Transfers	2012 Closing Balance	2012 Opening Balance	2012 Amortization Expense	2012 Ending Balance	2011 Net Book Value
Land	\$ 55,755	\$ -	\$ -	\$ 55,755	\$ -	\$ -	\$ -	\$ 55,755
Buildings	443,023	-	-	443,023	175,160	10,845	186,005	267,863
Equipment	72,935	-	-	72,935	6,739	5,184	11,923	66,196
Infrastructure	4,230,235	167,677	-	4,397,912	1,886,683	194,551	2,081,234	2,343,544
Vehicle and machinery	381,165	158,353	-	539,518	96,912	25,380	122,292	284,253
Waste management land	79,411	-	-	79,411	5,672	2,269	7,941	73,739
	\$ 5,262,524	\$ 326,030	\$ -	\$ 5,588,554	\$ 2,171,166	\$ 238,229	\$ 2,409,395	\$ 3,091,350
Assets under construction and not subject to amortization								
Infrastructure	\$ 22,477	\$ -	\$ -	\$ 22,477	\$ -	\$ -	\$ -	\$ 22,477
	\$ 5,285,001	\$ 326,030	\$ -	\$ 5,611,031	\$ 2,171,166	\$ 238,229	\$ 2,409,395	\$ 3,113,827

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 2

Year ended December 31, 2012

	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	\$ 169,954	\$ 7,049	\$ 40,066	\$ 26,329	\$ -	\$ -	\$ 4,385	\$ -	\$ 247,783
Materials, good and supplies	58,472	40,686	186,862	51,719	6,015	-	22,411	-	366,165
Contracted & general services	14,815	29,759	22,431	18,039	-	-	-	7,212	92,256
Rents and financial	1,510	-	-	-	-	-	-	1,207	2,717
Interest on long-term debt	-	5,389	651	-	-	-	-	-	6,040
Amortization expenses	1,665	14,028	212,371	3,216	-	-	6,939	-	238,219
Other	-	-	-	-	15,967	279,753	-	-	295,720
	246,416	96,911	462,381	99,303	21,982	279,753	33,735	8,419	1,248,900
Revenues									
Taxation	161,931	63,900	304,880	65,477	14,494	184,461	22,244	5,552	822,939
User charges	629	115	5,055	15,859	1,310	-	26,060	-	49,028
External non-tax revenues	65,898	27,242	162,432	26,681	5,906	75,165	12,293	5,157	380,774
Other	4,500	1,770	8,445	1,814	401	5,109	616	154	22,809
	232,958	93,027	480,812	109,831	22,111	264,735	61,213	10,863	1,275,550
Annual Surplus	\$ (13,458)	\$ (3,884)	\$ 18,431	\$ 10,528	\$ 129	\$ (15,018)	\$ 27,478	\$ 2,444	\$ 26,650

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

Schedule 3

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	\$ 164,259	\$ 7,224	\$ 30,949	\$ 25,409	\$ -	\$ -	\$ 4,169	\$ -	\$ 232,010
Materials, good and supplies	14,905	35,640	131,149	75,997	3,205	-	-	-	260,896
Contracted & general services	14,271	30,178	-	17,466	-	-	15,757	13,385	91,057
Rents and financial	34,108	10,820	5,234	-	-	-	-	1,536	51,698
Interest on long-term debt	-	6,373	-	-	-	-	-	-	6,373
Amortization expenses	1,665	14,028	194,671	3,216	-	-	5,543	-	219,123
Other	-	-	-	-	15,751	265,980	-	-	281,731
	229,208	104,263	362,003	122,088	18,956	265,980	25,469	14,921	1,142,888
Revenues									
Taxation	158,391	72,130	250,435	84,461	13,114	184,006	17,620	10,323	790,480
User charges	597	110	4,395	19,492	100	5,808	20,312	173	50,987
External non-tax revenues	82,531	51,938	129,083	91,871	6,759	94,843	11,543	8,293	476,861
Other	3,961	1,802	6,256	2,110	328	4,597	440	258	19,752
	245,480	125,980	390,169	197,934	20,301	289,254	49,915	19,047	1,338,080
Annual Surplus	\$ 16,272	\$ 21,717	\$ 28,166	\$ 75,846	\$ 1,345	\$ 23,274	\$ 24,446	\$ 4,126	\$ 195,192

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, 2012, 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, 2012, 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 Professional Accountant, authorized to practise public accounting by
The Institute of Chartered Professional Accountants of Ontario
Sault Ste. Marie, Ontario
September 26, 2013

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

As at December 31,

	Cemetery	Actual 2012	Actual 2011
Assets			
Cash	\$ 19,647	\$ 19,647	\$ 18,540
Liabilities			
Accounts payable	1,975	1,975	1,975
Fund balance	17,672	17,672	16,565
	\$ 19,647	\$ 19,647	\$ 18,540

**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 2012	Actual 2011
Balance, beginning of year	\$ 16,565	\$ 16,565	\$ 15,686
Revenues			
Interest earned	507	507	79
Plot sales and Monument surcharges	600	600	800
	1,107	1,107	879
Balance, end of year	\$ 17,672	\$ 17,672	\$ 16,565

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

December 31, 2012

**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.