

**TOWNSHIP OF HOWICK
FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**VODDEN, BENDER & SEEBACH LLP
Chartered Accountants**

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Howick

We have audited the accompanying financial statements of the Corporation of the Township of Howick, which comprise the statement of financial position as at December 31, 2011, and the consolidated 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 Financial Statements

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

Auditor's Responsibility

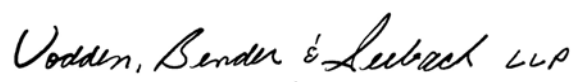
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Howick as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants

Clinton, Ontario
July 11, 2012

TOWNSHIP OF HOWICK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2011	2010
FINANCIAL ASSETS		
Cash	1,680,842	1,406,112
Taxes receivable	226,227	187,733
Accounts receivable	210,286	198,419
Long-term receivables (note 4)	146,781	207,247
	<u>2,264,136</u>	<u>1,999,511</u>
LIABILITIES		
Accounts payable and accrued liabilities	122,821	104,149
Landfill closure and post closure liability (note 6)	159,108	146,305
Deferred revenue	252,172	129,802
Municipal debt (note 7)	989,333	1,108,171
	<u>1,523,434</u>	<u>1,488,427</u>
NET FINANCIAL ASSETS	740,702	511,084
NON-FINANCIAL ASSETS		
Tangible capital assets, net (note 9)	<u>13,854,532</u>	<u>13,925,020</u>
ACCUMULATED SURPLUS (note 10)	<u>\$ 14,595,234</u>	<u>\$ 14,436,104</u>

The accompanying notes are an integral part of this financial statement

**TOWNSHIP OF HOWICK
CONSOLIDATED STATEMENT OF OPERATIONS**

For the year ended December 31	2011 Budget	2011 Actual	2010 Actual
Revenue			
Taxation for municipal purposes	1,488,569	1,485,341	1,358,536
Government transfers - Canada and Ontario	1,331,870	1,349,495	1,713,408
Fees and user charges	278,989	540,618	571,068
Licences and permits	59,400	46,656	59,640
Penalties and interest on taxes	28,700	30,028	28,691
Investment income	13,780	24,042	13,442
Other	77,033	105,504	149,501
	<u>3,278,341</u>	<u>3,581,684</u>	<u>3,894,286</u>
Expenditure			
General government	442,959	478,079	463,739
Protection to persons and property	610,124	564,499	543,296
Transportation services	1,451,767	1,429,808	1,396,727
Environmental services	182,189	175,149	170,248
Health services - cemeteries	4,600	19,022	16,822
Recreation, parks and culture	382,838	636,977	655,098
Planning and development	84,578	119,020	136,745
	<u>3,159,055</u>	<u>3,422,554</u>	<u>3,382,675</u>
Annual surplus (deficit)	119,286	159,130	511,611
Accumulated surplus, beginning of year	<u>14,436,104</u>	<u>14,436,104</u>	<u>13,924,493</u>
Accumulated surplus, end of year	<u><u>\$ 14,555,390</u></u>	<u><u>\$ 14,595,234</u></u>	<u><u>\$ 14,436,104</u></u>

The accompanying notes are an integral part of this financial statement

TOWNSHIP OF HOWICK
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31	2011 Actual	2010 Actual
Annual surplus (deficit)	159,130	511,611
Amortization of tangible capital assets	558,086	539,715
Net acquisition of tangible capital assets	<u>(487,598)</u>	<u>(968,705)</u>
Increase (decrease) in net financial assets	229,618	82,621
Opening balance	<u>511,084</u>	<u>428,463</u>
Closing balance	<u>\$ 740,702</u>	<u>\$ 511,084</u>

The accompanying notes are an integral part of this financial statement

**TOWNSHIP OF HOWICK
CONSOLIDATED STATEMENT OF CASH FLOW**

For the year ended December 31	2011	2010
Operating activities		
Net revenue (expenditures)	159,130	511,611
Amortization expense not requiring cash outlay	558,086	539,715
Decrease (increase) in taxes receivable	(38,494)	(20,916)
Decrease (increase) in accounts receivable	(11,867)	429,364
Increase (decrease) in accounts payable	18,672	(58,241)
Increase (decrease) in landfill closure and post closure liability	12,803	12,159
Increase (decrease) in deferred revenue	122,370	113,710
Cash provided by (used for) operating activities	<u>820,700</u>	<u>1,527,402</u>
Capital activities		
Net disposals (purchases) of tangible capital assets	<u>(487,598)</u>	<u>(968,705)</u>
Cash provided by (used for) investing activities	<u>(487,598)</u>	<u>(968,705)</u>
Investing activities		
Decrease (increase) in long-term receivable	<u>60,466</u>	<u>(51,077)</u>
Cash provided by (used for) investing activities	<u>60,466</u>	<u>(51,077)</u>
Financing activities		
Long term debt proceeds	-	77,000
Payments on long-term debt	<u>(118,838)</u>	<u>(82,365)</u>
Cash provided by (used for) financing activities	<u>(118,838)</u>	<u>(5,365)</u>
Increase (decrease) in cash position	274,730	502,255
Cash (overdraft) beginning of year	<u>1,406,112</u>	<u>903,857</u>
Cash (overdraft) end of year	<u>\$ 1,680,842</u>	<u>\$ 1,406,112</u>

The accompanying notes are an integral part of this financial statement

THE CORPORATION OF THE TOWNSHIP OF HOWICK
NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2011

1. Accounting policies

The consolidated financial statements of the Corporation of the Township of Howick are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Significant aspects of accounting policies adopted by the municipality are as follows:

a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenditures, Reserves, Reserve Funds, and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township. In addition to general government tax-supported operations, they include any water and sewer systems operated by the municipality and the municipality's proportionate share of joint local boards.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Cemetery Boards

Wroxeter Cemetery Board

Fordwich Cemetery Board

Gorrie Cemetery Board

Lakelet Cemetery Board

Parks and Recreation Boards

Belmore Parks Board

Fordwich and Community Parks Association

Gorrie Parks Board

Wroxeter Recreation Board

Community Centres and Hall Boards

Belmore Community Centre Board

Fordwich Community Hall Board

Gorrie Community Hall Board

Wroxeter Hall Board

Inter-departmental and inter-organizational transactions and balances are eliminated.

The statements exclude trust funds that are administered for the benefit of external parties.

b) Accrual Basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable, and recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

c) Long-term investments

Investments are recorded at cost plus accrued interest less amounts written off to reflect a permanent decline in value.

1. Accounting policies (continued)

d) 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.

- Tangible capital assets

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

Category	Amortization Period	Capitalization Threshold
Land	not applicable	\$ 2,000
Land improvements	25 years	2,000
Buildings	60 years	15,000
Building improvements	25 years	15,000
Transportation infrastructure	25 - 80 years	15,000
Vehicles and heavy equipment	10 - 15 years	5,000
Technology and communication	5 years	1,000
Other general equipment	10 - 25 years	1,000
Furniture and fixtures	5 years	1,000

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Active landfills are amortized annually on the basis on tonnage tipped during the year, as a percentage of the estimated total capacity of the facility. The estimated costs to close and maintain currently active landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to expense as the landfill sites capacity is used.

The municipality has a capitalized threshold of \$1,000 - \$15,000, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

- 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. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

- 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.

- Inventories

Inventories held for consumption are recorded at the lower of cost or net realizable value.

e) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditure. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.

1. Accounting policies (continued)

- f) Government transfers
 Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates can be made.
- g) Deferred revenue
 Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the statement of financial position as deferred revenue until the obligation is discharged.
- h) Landfill Site Closure and Post-Closure Care
 Landfill site closure and post-closure care costs are recognized over the operating life of the landfill site, based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.
- i) Amounts to be recovered in future years
 Future years recoveries represent the requirement of the municipality to raise funds in subsequent periods to finance unfunded liabilities. A portion of the amounts to be recovered in future years will be recovered from deferred revenues earned.
- j) Use of estimates
 The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenditures during the period, and the accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Operations of school boards and county

Taxation levied for school board and county purposes are not reflected in the financial statements. The amounts transferred were:

	2011	2010
County of Huron	1,430,562	1,382,701
School Boards	<u>669,289</u>	<u>657,321</u>
	<u>\$ 2,099,851</u>	<u>\$ 2,040,022</u>

3. Trust funds

Trust funds administered by the municipality amounting to \$ 93,967. (2010 : \$ 89,859.) have not been included in the statement of financial position nor have their operations been included in the consolidated statement of operations.

4. Long-term receivables

	2011	2010
Tile loans, 6% to 8%, principal and interest payable annually, due 2012 through 2020	<u>\$ 146,781</u>	<u>\$ 207,247</u>

5. Pension agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer pension plan, on behalf of 13 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. Employees and employers contribute jointly to the plan. The amount contributed for 2011 was \$48,212. (2010 : \$41,049.) for current services and is included as an expenditure on the consolidated statement of financial activities. The contribution rate for 2011 was 7.4% to 10.7% (2010 was 6.4% to 9.7%) depending on age and income level.

OMERS is a multi-employer plan, therefore any pension surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit.

6. Landfill closure and post closure cost liability

Closure and post-closure care requirements are defined in accordance with industry standards and include final covering and landscaping of the landfill site, removal of ground water and leachates, and ongoing environmental monitoring, site inspections and maintenance. These costs will be incurred when the landfill site stops accepting waste, with the post-closure care expected to continue for an additional 30 years. The total future closure and post-closure care costs are estimated to be \$233,728. (2010 : \$220,498.).

At December 31, 2011, the municipality has recognized a liability of \$159,108. (2010 : \$146,305). This represents the present value of the total estimated costs, and is based on a total capacity of 36,390 tonnes and a discount rate of 6%. The balance of the liability of \$74,620 will be accrued as the remaining capacity of 11,618 tonnes is utilized, which is expected to be over the next 19 years.

The reported liability is based on estimates and assumptions with respect to events extending over a long-term period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity and liability. Any changes in these estimates would be recognized in the year the change is identified.

The closure and post-closure care costs are expected to be funded in the year incurred.

7. Municipal debt

The balance of the long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2011	2010
Canadian Imperial Bank of Commerce (CIBC) loan payable, 3.91% interest, \$7,006 blended payment payable monthly, due July 2014	834,552	884,924
Belmore Community Centre roof loan payable, 0% interest, \$4,000 payable annually, due 2016	8,000	16,000
Tile drain loans payable to Ministry of Finance, responsibility for payment of principal and interest charges have been assumed by individuals, 6% - 8%, due 2012 through 2020	<u>146,781</u>	<u>207,247</u>
	<u>\$ 989,333</u>	<u>\$ 1,108,171</u>

Principal payments for the next five years are as follows:

2012: \$80,129. 2013: \$81,128. 2014: \$84,706. 2015: \$74,144. 2016: \$74,590.

8. Contingency for long-term liabilities

The municipality is contingently liable for long-term liabilities with respect to tile drainage loans, and for those for which the responsibility for payment of principal and interest has been assumed by other municipalities, school boards, and unconsolidated entities. At December 31 the principal amounts outstanding are as follows:

	2011	2010
Tile drainage loans assumed by individuals	\$ 146,781	\$ 207,247

9. Tangible capital assets

The municipality's policy on accounting for tangible capital assets follows:

- i) Contributed tangible capital assets
 The municipality records all tangible capital assets contributed by external parties at fair value.
- ii) Tangible capital assets recognized at nominal value
 Certain assets have been assigned a nominal value because of the difficulty of determining a tenable valuation.

For additional information, see the Consolidated Schedule of Tangible Capital Assets information on the tangible capital assets of the municipality by major class and by business segment, as well as for accumulated amortization of the assets controlled.

10. Accumulated surplus

The accumulated surplus consists of individual fund surplus/(deficit) amounts and reserve and reserve funds as follows:

	2011	2010
General revenue accumulated surplus and invested in tangible capital assets	\$ 11,779,680	\$ 11,779,680
Special area levies - Villages	56,640	49,892
Cemeteries	67,764	58,449
Recreation, community centres, parks and halls	(38,377)	(25,300)
Reserves and reserve funds	<u>2,729,527</u>	<u>2,573,383</u>
	<u>\$ 14,595,234</u>	<u>\$ 14,436,104</u>

For additional information, see the Consolidated Schedule of Continuity of Reserves, Reserve Funds, and Obligatory Deferred Revenue.

11. Expenditure by object

	2011	2010
Salaries, wages and benefits	945,458	903,285
Contracted services	749,985	781,025
Materials and supplies	1,002,043	953,946
Amortization	558,086	539,716
Conservation authorities	40,172	37,943
All other	<u>126,810</u>	<u>166,760</u>
	<u>\$ 3,422,554</u>	<u>\$ 3,382,675</u>

12. Public sector salary disclosure

During 2011, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Corporation of the Township of Howick.

13. Budget amounts

Under generally accepted accounting principles, budget amounts are to be reported on the consolidated statement of financial activities for comparative purposes. The 2011 budget amounts for the Corporation of the Township of Howick approved by Council are unaudited and have been restated to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of activities. Budget amounts were not available for certain boards consolidated by the municipality.

14. Comparative figures

Certain comparative figures in the financial statements have been reclassified to conform to financial statement presentation adopted in the current year.

TOWNSHIP OF HOWICK
Consolidated Schedule of Tangible Capital Assets
For the Year Ended December 31, 2011

	General				Infrastructure			TOTAL Net Book Value 2011	TOTAL Net Book Value 2010
	Land	Buildings	Vehicles	Other	Plants and Facilities	Roads	Bridges and other Structures		
Cost									
Balance, beginning of year	139,850	4,514,718	1,665,943	412,747	442,866	11,122,956	3,866,785	22,165,865	21,197,160
Add: Additions during the year		58,653		61,443	5,144	362,358		487,598	970,201
Less: Disposals during the year								-	(1,496)
Balance, end of year	<u>139,850</u>	<u>4,573,371</u>	<u>1,665,943</u>	<u>474,190</u>	<u>448,010</u>	<u>11,485,314</u>	<u>3,866,785</u>	<u>22,653,463</u>	<u>22,165,865</u>
Accumulated Amortization									
Balance, beginning of year		1,661,266	838,583	135,787	180,868	3,665,635	1,758,706	8,240,845	7,701,130
Add: Amortization during the year		83,240	104,387	35,796	13,255	237,487	83,921	558,086	539,715
Less: Accumulated amortization on disposals								-	-
Balance, end of year	<u>-</u>	<u>1,744,506</u>	<u>942,970</u>	<u>171,583</u>	<u>194,123</u>	<u>3,903,122</u>	<u>1,842,627</u>	<u>8,798,931</u>	<u>8,240,845</u>
Net Book Value of Tangible Capital Assets	<u>139,850</u>	<u>2,828,865</u>	<u>722,973</u>	<u>302,607</u>	<u>253,887</u>	<u>7,582,192</u>	<u>2,024,158</u>	<u>\$ 13,854,532</u>	<u>\$ 13,925,020</u>

TOWNSHIP OF HOWICK
Consolidated Schedule of Tangible Capital Assets
For the Year Ended December 31, 2011

	General Government	Protection	Transportation	Environmental	Recreation and Cultural	TOTAL Net Book Value 2011	TOTAL Net Book Value 2010
Cost							
Balance, beginning of year	270,700	369,738	17,007,817	46,228	4,471,382	22,165,865	21,197,160
Add: Additions during the year	16,315	32,258	373,551		65,474	487,598	970,201
Less: Disposals during the year						-	(1,496)
Balance, end of year	<u>287,015</u>	<u>401,996</u>	<u>17,381,368</u>	<u>46,228</u>	<u>4,536,856</u>	<u>22,653,463</u>	<u>22,165,865</u>
Accumulated Amortization							
Balance, beginning of year	102,392	39,491	6,353,673	3,809	1,741,480	8,240,845	7,701,130
Add: Amortization during the year	11,472	33,035	415,574	794	97,211	558,086	539,715
Less: Accumulated amortization on disposals						-	-
Balance, end of year	<u>113,864</u>	<u>72,526</u>	<u>6,769,247</u>	<u>4,603</u>	<u>1,838,691</u>	<u>8,798,931</u>	<u>8,240,845</u>
Net Book Value of							
Tangible Capital Assets	173,151	329,470	10,612,121	41,625	2,698,165	<u>\$ 13,854,532</u>	\$ 13,925,020

TOWNSHIP OF HOWICK
Consolidated Schedule of Continuity of Reserves, Reserve Funds and Deferred Revenue
For the Year Ended December 31, 2011

	Balance, beginning of year	Revenues and contributions			Transfers			Balance, end of year	
		Interest	From Operations	Other	Total	To Operations	Other		Total
Reserves and reserve funds									
for general government	1,349,238		25,643		25,643	817	49,432	50,249	1,324,632
for protection services	105,037		60,981	49,432	110,413			-	215,450
for transportation services	939,040		34,337		34,337			-	973,377
for environmental services	25,219		16,000		16,000			-	41,219
for recreation and cultural services	154,849		20,000		20,000			-	174,849
	<u>2,573,383</u>	<u>-</u>	<u>156,961</u>	<u>49,432</u>	<u>206,393</u>	<u>817</u>	<u>49,432</u>	<u>50,249</u>	<u>2,729,527</u>
Deferred revenue									
Parkland	6,456	86	900		986			-	7,442
Federal Gas Tax Funds	119,846	2,304		119,080	121,384			-	241,230
Howick Homes	500				-			-	500
Horst Development	3,000				-			-	3,000
	<u>129,802</u>	<u>2,390</u>	<u>900</u>	<u>119,080</u>	<u>122,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,172</u>
Total	<u>\$ 2,703,185</u>	<u>2,390</u>	<u>157,861</u>	<u>168,512</u>	<u>328,763</u>	<u>817</u>	<u>49,432</u>	<u>50,249</u>	<u>\$ 2,981,699</u>

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Howick

We have audited the accompanying financial statements of the trust funds of the Corporation of the Township of Howick, which comprise the balance sheet as at December 31, 2011, and the statement of continuity of trust funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of the Corporation of the Township of Howick as at December 31, 2011 and the continuity of trust funds for the year then ended in accordance with Canadian generally accepted accounting principles.

Vodden, Bender & Seebach LLP

Chartered Accountants
Licensed Public Accountants

Clinton, Ontario
July 11, 2012

**TOWNSHIP OF HOWICK
TRUST FUNDS**

BALANCE SHEET

As at December 31, 2011

	Cemetery Care and Maintenance				2011	2010
	Gorrie	Lakelet	Fordwich	Wroxeter		
Assets						
Cash	\$ 3,832	\$ 477	\$ 41,323	\$ 48,335	\$ 93,967	\$ 89,859
Liabilities						
Accounts payable and accrued liabilities					-	-
Fund balance	3,832	477	41,323	48,335	93,967	89,859
Trust fund balances	\$ 3,832	\$ 477	\$ 41,323	\$ 48,335	\$ 93,967	\$ 89,859

STATEMENT OF CONTINUITY

For the Year Ended December 31, 2011

	Cemetery Care and Maintenance				2011	2010
	Gorrie	Lakelet	Fordwich	Wroxeter		
Receipts						
Care and maintenance	1,020	100	1,720	1,250	4,090	4,800
Investment income	45	4	463	570	1,082	657
	1,065	104	2,183	1,820	5,172	5,457
Expenditure						
Transfers to general - cemetery	35		461	568	1,064	645
Excess of receipts over expenditures for the year	1,030	104	1,722	1,252	4,108	4,812
Fund balance, beginning of year	2,802	373	39,601	47,083	89,859	85,047
Fund balance, end of year	\$ 3,832	\$ 477	\$ 41,323	\$ 48,335	\$ 93,967	\$ 89,859

THE CORPORATION OF THE TOWNSHIP OF HOWICK
TRUST FUNDS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

1. Accounting Policies

Significant aspects of accounting policies adopted by the municipality are as follows:

a) Management responsibility

The financial statements of the Trust Funds are the representations of management. They have been prepared in accordance with accounting policies established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing for municipalities and their related entities.

b) Basis of consolidation

These trust funds have not been consolidated with the financial statements of the Township of Howick.

c) Basis of accounting

Sources of financing and expenses 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.

d) Investments

Investments are recorded at cost less amounts written off to reflect a permanent decline in value.

e) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates

2. Investments

Trust fund investments have a market value equal to cost of \$ 93,967. (2010 : \$ 89,859.)