
THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

FINANCIAL STATEMENTS

DECEMBER 31, 2010

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
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Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Village of Sundridge

We have audited the accompanying financial statements of The Corporation of the Village of Sundridge Trust Funds which comprise the statement of financial position as at December 31, 2010 and the statements of operations, accumulated surplus, 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 public sector accounting standards, 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 Village of Sundridge Trust Funds as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

As part of our audit of the 2010 financial statements, we also audited the adjustments described in Note 2 that were applied to amend the 2009 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2009 financial statements of The Corporation of the Village of Sundridge Trust Funds other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2009 financial statements taken as a whole.

Other matter

Without modifying our report, we draw attention to the budget figures which are provided for comparative purposes only. They have not been subject to audit procedures. Accordingly, we do not express an opinion on the budget figures.

The financial statements of The Corporation of the Village of Sundridge Trust Funds for the year ended December 31, 2009 were audited by another auditor who expressed an unmodified opinion on those statements dated May 4, 2010.

Grant Thornton LLP

North Bay, Canada
August 23, 2011

Chartered Accountants
Licensed Public Accountants

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010	2009 <i>(Restated - see Note 2)</i>
Financial Assets		
Cash and cash equivalents	\$ 13,413	\$ 8,418
Accounts receivable	-	3,632
Total Financial Assets and Net Financial Assets	13,413	12,050
Non-financial Assets		
Tangible capital assets <i>(Note 4)</i>	27,041	27,595
Accumulated Surplus <i>(Note 5)</i>	\$ 40,454	\$ 39,645

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget 2010 <i>(Unaudited - see Note 6)</i>	Actual 2010	Actual 2009 <i>(Restated - see Note 2)</i>
Revenue			
Municipal Contributions	\$ 4,000	\$ 4,000	\$ 4,000
Donations	-	-	50
Interest	-	149	183
	4,000	4,149	4,233
Expenses			
Caretaker	2,500	2,000	2,420
Other	2,500	786	743
Amortization	555	554	555
	5,555	3,340	3,718
Annual Surplus (deficit) (Note 5)	(1,555)	809	515
Accumulated Surplus, beginning of year	39,645	39,645	39,130
Accumulated Surplus, end of year	\$ 38,090	\$ 40,454	\$ 39,645

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget 2010 <i>(Unaudited - see Note 6)</i>	Actual 2010	Actual 2009 <i>(Restated - see Note 2)</i>
Annual surplus (deficit)	\$ (1,555)	\$ 809	\$ 515
Amortization of tangible capital assets	555	554	555
Increase (decrease) in net financial assets	(1,000)	1,363	1,070
Net financial assets, beginning of year	12,050	12,050	10,980
Net financial assets, end of year	\$ 11,050	\$ 13,413	\$ 12,050

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009 <i>(Restated - see Note 2)</i>
Operating transactions		
Annual surplus	\$ 809	\$ 515
Non-cash charges to operations:		
Amortization	554	555
	<u>1,363</u>	<u>1,070</u>
Changes in non-cash items:		
Accounts receivable	3,632	(3,354)
	<u>3,632</u>	<u>(3,354)</u>
Cash provided by (applied to) operating transactions	<u>4,995</u>	<u>(2,284)</u>
Net change in cash and cash equivalents	4,995	(2,284)
Cash and cash equivalents, beginning of year	8,418	10,702
Cash and cash equivalents, end of year	\$ 13,413	\$ 8,418

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the trust funds of the Corporation of the Village of Sundridge ("the Village") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Village are as follows:

- (i) Reporting Entity
The financial statements reflect the assets, liabilities, revenues and expenses of the Village's trust funds. The Village's assets, liabilities, revenues and expenses are reported separately in the Village's consolidated financial statements.
- (ii) Basis of accounting
Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned 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.
- (iii) Revenue Recognition
Capital receipts are recognized when received. Interest is recognized when earned.
- (iv) Cash and cash equivalents
Cash and cash equivalents include balances held at financial institutions and short-term deposits with original maturities of three months or less.
- (v) Non-financial assets
Non-financial assets are not available to discharge existing liabilities but 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.
 - (a) 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. Borrowing costs related to the acquisition of tangible capital assets are expensed in the year incurred. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings - 25 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as donations are recorded at their fair value at the date of receipt.

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(vi) 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Village may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

2. CORRECTION OF PRIOR PERIOD

During the prior year, the Village did not implement PSAB Sections 1200, Financial Statement Presentation and 3150, Tangible Capital Assets, which were effective January 1, 2009. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. This error was discovered in the current year and has been corrected retroactively.

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical records were not available, other methods were used to estimate the costs and accumulated amortization of the assets.

The December 31, 2009 figures, presented for comparative purposes, have been restated from those previously reported as follows:

	As Previously Reported	Restated	Increase (Decrease)
TANGIBLE CAPITAL ASSETS	\$ -	\$ 27,595	\$ 27,595
ACCUMULATED SURPLUS	12,050	39,645	27,595
AMORTIZATION EXPENSE	-	555	555
ANNUAL SURPLUS	1,070	515	(555)

3. HIGH ROCK LOOK-OUT FUND

In 1967 Mary S. Edgar bequeathed to the Village of Sundridge and the Township of Strong lands to be used as a picnic area and for community gatherings for the citizens of the Sundridge area. A related endowment was provided, to be held in perpetuity, and any interest earnings derived therefrom are to be used to maintain the park.

The land is jointly owned by the Township of Strong, the Township of Joly and the Village of Sundridge. The municipalities each contribute funds annually to the trust, which is used towards maintenance and capital expenditures at the park.

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

4. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the trust fund by major asset class are outlined below.

2010			
	Land	Buildings	TOTAL
COST			
Balance, beginning of year	\$ 19,000	\$ 13,863	\$ 32,863
Additions and betterments	-	-	-
BALANCE, END OF YEAR	19,000	13,863	32,863
ACCUMULATED AMORTIZATION			
Balance, beginning of year	-	5,268	5,268
Annual amortization	-	554	554
BALANCE, END OF YEAR	-	5,822	5,822
TANGIBLE CAPITAL ASSETS-NET	\$ 19,000	\$ 8,041	\$ 27,041

2009			
	Land	Buildings	TOTAL
COST			
Balance, beginning of year	\$ 19,000	\$ 13,863	\$ 32,863
BALANCE, END OF YEAR	19,000	13,863	32,863
ACCUMULATED AMORTIZATION			
Balance, beginning of year	-	4,713	4,713
Annual amortization	-	555	555
BALANCE, END OF YEAR	-	5,268	5,268
TANGIBLE CAPITAL ASSETS-NET	\$ 19,000	\$ 8,595	\$ 27,595

5. ACCUMULATED SURPLUS

The 2010 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

	Balance Beginning of Year <i>(Restated - see Note 2)</i>	Annual Surplus	Balance End of Year
Tangible capital assets	\$ 27,595	\$ (554)	\$ 27,041
General surplus	12,050	1,363	13,413
	\$ 39,645	\$ 809	\$ 40,454

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

6. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general operating surplus	\$ (1,000)
ADJUSTMENTS:	
Amortization of tangible capital assets	(555)
ANNUAL DEFICIT	\$ (1,555)

7. COMPARATIVE FIGURES

Certain prior year figures presented for comparative purposes have been reclassified to conform with the basis of presentation adopted for the current year.