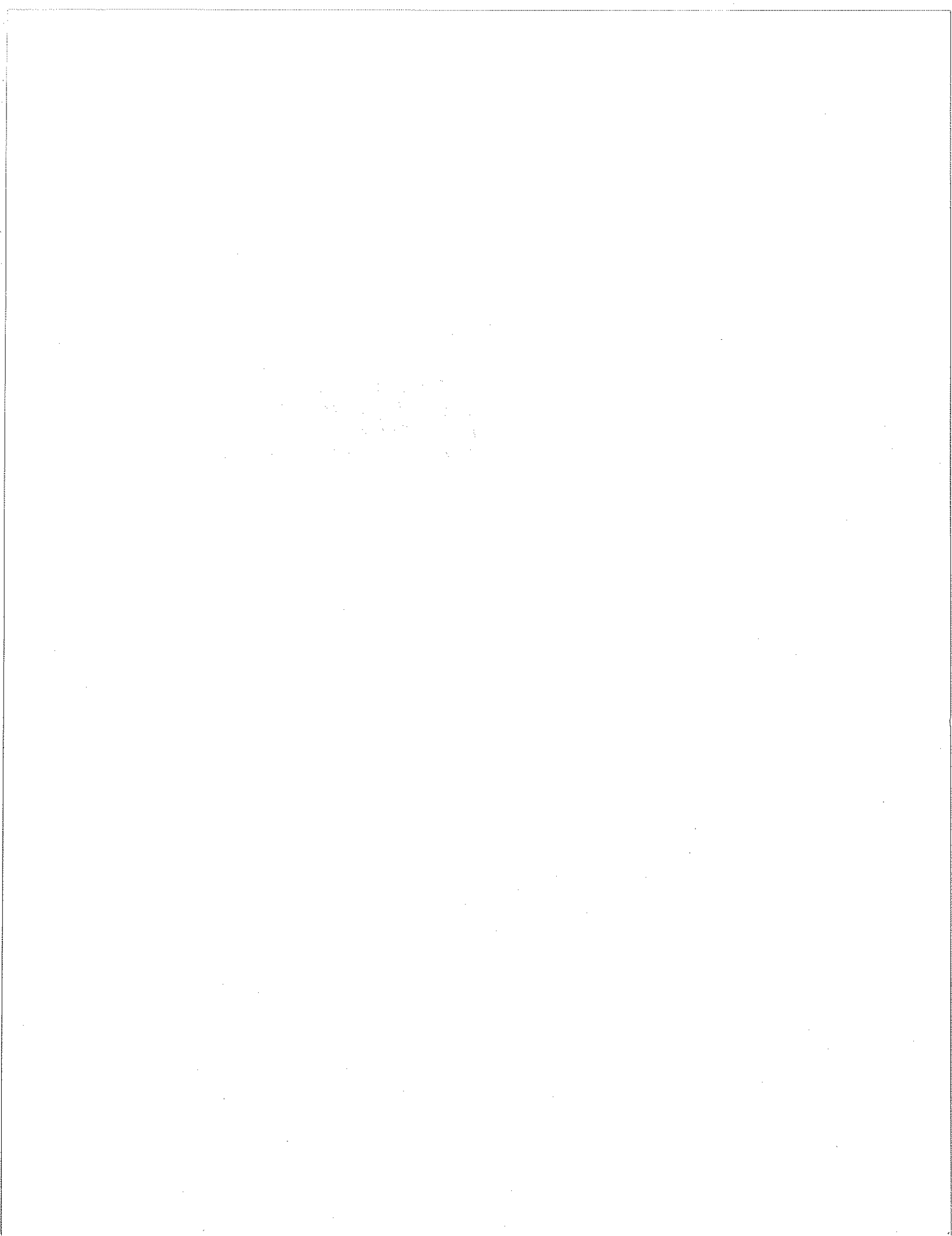


**The Corporation of the
Municipality of West Grey
Financial Statements
For the year ended December 31, 2009**



**The Corporation of the
Municipality of West Grey
Financial Statements
For the year ended December 31, 2009**

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Auditors' Report

**To the Members of Council,
Inhabitants and Ratepayers of
The Corporation of the Municipality of West Grey**

We have audited the consolidated statement of financial position of The Corporation of the Municipality of West Grey as at December 31, 2009 and the consolidated statements of operations, change in net debt, and cash flow for the year then ended. These financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

For the year ended December 31, 2009, the municipality was required to adopt the accounting standards for tangible capital assets, section 3150 of the Public Sector Accounting Handbook. This information was not available for Saugeen Municipal Airport or the Elmwood Community Centre. Accordingly, the municipality's proportionate share of the tangible capital assets of these organizations have not been reported in the consolidated financial statements, and we were not able to determine what adjustments would be necessary to the carrying value of tangible capital assets, amortization expense, annual surplus, and accumulated surplus.

In our opinion, except for the effect of the adjustments that would be necessary to tangible capital assets, amortization expense, annual surplus, and accumulated surplus as described in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Municipality of West Grey as at December 31, 2009 and the results of its operations and change in net debt, and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario
December 10, 2010

**The Corporation of the Municipality of West Grey
Consolidated Statement of Financial Position**

December 31	2009	2008
		(Restated - See Note 22)
Financial assets		
Cash (Note 1)	\$ 2,539,411	\$ 2,459,617
Temporary investments (Note 2)	206,022	216,239
Taxes receivable	1,832,345	1,832,506
Grants and subsidies receivable	710,056	1,229,728
Trade and other receivables (Note 3)	1,070,994	904,044
Inventory for resale	5,082	5,082
	6,363,910	6,647,216
Commitments and Contingencies (Notes 20 and 21)		
Liabilities		
Accounts payable and accrued liabilities	1,829,971	1,614,687
Deferred revenue (Note 5)	1,188,915	2,347,888
Long-term debt (Note 6)	2,773,585	2,993,910
Landfill site closure and post-closure care liability (Note 7)	711,489	648,422
Employee future benefits liability (Note 8)	324,330	642,104
	6,828,290	8,247,011
Net debt	(464,380)	(1,599,795)
Non-financial assets		
Inventory of supplies	107,648	91,703
Tangible capital assets (Note 9)	76,577,908	75,657,156
	76,685,556	75,748,859
Accumulated surplus (Note 10)	\$76,221,176	\$ 74,149,064

**The Corporation of the Municipality of West Grey
Consolidated Statement of Operations**

For the year ended December 31	2009	2009	2008
	Budget	Actual	Actual (Restated - See Note 22)
Revenue			
Taxation	\$ 5,991,397	\$ 6,048,691	\$ 5,841,582
Government contributions (Note 13)	8,754,309	5,763,805	5,533,396
Water and wastewater charges	973,832	964,334	975,603
User fees and service charges	990,548	1,275,606	1,247,615
Investment income	35,520	21,302	95,549
Other income (Note 14)	436,430	661,914	897,795
Obligatory reserve fund revenue recognized	57,416	67,415	35,522
	17,239,452	14,803,067	14,627,062
Expenses			
General government	1,040,357	1,044,783	1,061,020
Protection services	3,951,114	3,717,589	3,900,133
Transportation services	4,674,284	4,792,427	4,692,802
Environmental services	1,678,411	1,750,980	1,708,341
Health and social services	53,042	38,646	43,560
Recreation and cultural services	1,144,830	1,169,429	1,282,724
Planning and development	142,572	238,328	109,314
	12,684,610	12,752,182	12,797,894
Annual surplus	4,554,842	2,050,885	1,829,168
Accumulated surplus, beginning of the year	74,149,064	74,149,064	(1,463,466)
Change in accounting principles (Note 22)	-	-	73,783,362
Opening accumulated surplus assumed on consolidation of Saugeen Mobility and Regional Transit (Note 16)	-	21,227	-
Accumulated surplus, beginning of the year as restated	74,149,064	74,170,291	72,319,896
Accumulated surplus, end of the year	\$ 78,703,906	\$ 76,221,176	\$ 74,149,064

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

**The Corporation of the Municipality of West Grey
Consolidated Statement of Change in Net Debt**

For the year ended December 31	2009	2009	2008
	Budget	Actual	Actual (Restated - See Note 22)
Annual surplus	\$ 4,554,842	\$ 2,050,885	\$ 1,829,168
Acquisition of tangible capital assets	(8,565,863)	(3,727,864)	(4,295,322)
Proceeds on disposal of tangible capital assets	-	396,571	9,371
Amortization expense	2,393,258	2,393,228	2,290,591
Gain on disposal of tangible capital assets	-	55,111	29,863
	<u>(6,172,605)</u>	<u>(882,954)</u>	<u>(1,965,497)</u>
Increase in inventory of supplies	-	(15,945)	-
Change in net financial assets	(1,617,763)	1,151,986	(136,329)
Net financial assets, beginning of year	(1,599,795)	(1,599,795)	(1,463,466)
Opening net debt assumed on consolidation of Saugeen Mobility and Regional Transit (Note 16)	-	(16,571)	-
Net debt, end of year	<u>\$ (3,217,558)</u>	<u>\$ (464,380)</u>	<u>\$ (1,599,795)</u>

**The Corporation of the Municipality of West Grey
Consolidated Statement of Cash Flow**

For the year ended December 31	2009	2008
		(Restated - See Note 22)
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 2,050,885	\$ 1,829,168
Items not involving cash		
Amortization of tangible capital assets	2,393,228	2,290,591
Employee future benefits	(317,774)	172,504
Landfill site closure and post-closure care	63,067	31,728
Gain on disposal of tangible capital assets	55,111	29,863
	4,244,517	4,353,854
Change in non-cash working capital balances		
Taxes receivable	162	(63,605)
Accounts receivable	359,577	(904,182)
Inventory for resale	-	1,766
Accounts payable	189,460	431,306
Deferred revenue	(1,158,973)	1,891,266
Non-financial assets	(13,548)	-
	3,621,195	5,710,405
Capital activities		
Acquisition of tangible capital assets	(3,727,864)	(4,295,322)
Proceeds on disposal of tangible capital assets	396,571	9,371
	(3,331,293)	(4,285,951)
Financing activities		
Increase in temporary borrowings	-	(1,300,000)
Additions to long-term liabilities	44,435	1,319,526
Repayment of long-term liabilities	(264,760)	(289,934)
	(220,325)	(270,408)
Net change in cash and cash equivalents	69,577	1,154,046
Cash and cash equivalents, beginning of year	2,675,856	1,521,810
Cash and cash equivalents, end of year	\$ 2,745,433	\$ 2,675,856
Comprised of:		
Cash	\$ 2,539,411	\$ 2,459,617
Temporary investments	206,022	216,239
	\$ 2,745,433	\$ 2,675,856

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

The Corporation of the Municipality of West Grey Summary of Significant Accounting Policies

December 31, 2009

Management Responsibility

The consolidated financial statements of the Corporation of the Municipality of West Grey are the representations of management. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenues and expenses of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees, and boards which are controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

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

West Grey Library Board
Ayton Union Cemetery Board
Durham Business Improvement Area
Durham Cemetery Board

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

Elmwood Fire Department	59%
Saugeen Municipal Airport	26%
Elmwood Community Centre Board	50%
Saugeen Mobility and Regional Transit (S.M.A.R.T.)	12.9%

Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses 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.

The Corporation of the Municipality of West Grey Summary of Significant Accounting Policies

December 31, 2009

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates 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. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

Tax levies are recognized as revenue when the amounts are levied on the municipality's ratepayers. User fees and other revenues are recognized as goods are delivered or services are rendered, providing the amount is fixed or determinable, and collectibility is reasonably assured.

Deferred Revenue

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 operations in the year in which it is used for the specified purpose.

Government Transfers

Government transfers are recognized in the financial statements as revenues or expenses in the period that the events giving rise to the transfer occur; providing that the transfer is authorized, eligibility criteria, if any, have been met by the recipient, and a reasonable estimate of the amount can be made.

Temporary Investments

Temporary investments are recorded at the lower of cost and market value.

Inventory

Inventory of goods held for resale are recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

Assets held for sale, where it is not anticipated that the sale will be completed within one year, are reported as a non-financial asset.

Inventory of goods held for consumption are recorded as a non-financial asset at the lower of cost and replacement cost.

The Corporation of the Municipality of West Grey Summary of Significant Accounting Policies

December 31, 2009

Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the organization because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.

Tangible Capital Assets

Purchased tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of contribution. Where fair market value cannot be reasonably determined, contributed tangible capital assets are recorded at a nominal amount. Amortization is calculated on a straight-line basis over the estimated useful life of the asset. The useful lives of the assets are based on estimates made by management as follows:

Land improvements	30 to 100 years
Buildings	50 to 80 years
Building components	15 to 25 years
Equipment	5 to 50 years
Vehicles	2 to 25 years
Infrastructure:	
Road surfaces	50 years
Utility systems	20 to 80 years

Intangible Assets

Intangible assets, art and historic treasures, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in these financial statements.

Landfill Site Closure and Post-Closure Care

Landfill site closure and post-closure care costs are recognized over the operating life of the landfill, based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

Employee Future Benefits

The municipality provides post-employment health and dental insurance benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and is expensed as services are rendered. Adjustments arising from changes in estimates and experience gains and losses are reflected in current fund expenses.

Defined contribution plan accounting is applied to the municipality's multi-employer defined benefit pension plan.

The Corporation of the Municipality of West Grey
Summary of Significant Accounting Policies

December 31, 2009

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash.

County and School Board

The municipality collects taxation revenue on behalf of the school boards and the County of Grey. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Grey are not reflected in these financial statements.

Trust Funds

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial position and activity of the trust funds are reported separately on the trust fund balance sheet and statement of continuity.

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

1. Cash

	<u>2009</u>	<u>2008</u>
Unrestricted	\$ 2,219,221	\$ 2,139,775
Restricted	<u>320,190</u>	<u>319,842</u>
	<u>\$ 2,539,411</u>	<u>\$ 2,459,617</u>

2. Temporary Investments

	<u>2009</u>	<u>2008</u>
Carrying value	<u>\$ 206,022</u>	<u>\$ 216,239</u>
Market value	<u>\$ 206,022</u>	<u>\$ 216,239</u>

3. Trade and Other Receivables

	<u>2009</u>	<u>2008</u>
Trade and other receivable	\$ 783,900	\$ 579,695
Tile drain loans receivable	<u>287,094</u>	<u>324,349</u>
	<u>\$ 1,070,994</u>	<u>\$ 904,044</u>

4. Temporary Borrowings

At December 31, 2009, the municipality had an undrawn line of credit of \$2,500,000 that bears interest at the bank's prime rate and is secured by a borrowing by-law.

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

5. Deferred Revenue

	Contributions Opening	Investment Received	Revenue Income	Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 220,120	\$ 70,250	\$ 1,075	\$ (62,965)	\$ 228,480
Recreational land	28,084	544	130	-	28,758
Subdivider contributions	71,638	(550)	315	(4,450)	66,953
	319,842	70,244	1,520	(67,415)	324,191
Other					
Deposits	6,250	4,400	-	(1,200)	9,450
Insurance proceeds	-	254,203	-	-	254,203
Gas tax grant	24,815	381,502	111	(243,671)	162,757
Investing in Ontario grant	844,714	-	-	(649,102)	195,612
Roads and bridges grant	1,152,267	-	-	(909,565)	242,702
	\$ 2,347,888	\$ 710,349	\$ 1,631	\$(1,870,953)	\$1,188,915

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

6. Long-Term Liabilities

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

	2009	2008
Tile drainage loans payable, 6 - 8%, due from 2011 to 2018	\$ 287,094	\$ 324,349
Loan payable (Durham Water and Sewer), 4.83%, payable \$5,250 monthly principal and interest, due April 2013	432,321	473,573
Loan payable (Durham Water and Sewer), 4.85% payable \$6,244 monthly principal and interest, due April 2013	736,772	775,313
Loan payable (Neustadt Sewer), 4.81%, payable \$1,838 monthly principal and interest, due August 2009	-	33,578
Note payable (Enershare), 8.8%, payable \$1,394 monthly principal and interest, due October 2010	13,402	28,254
Loan payable (Durham Fire), 4.4% payable \$3,650 monthly principal and interest, due July 2015	216,727	250,282
OIPC loan payable (Neustadt Water), 5.2% payable \$8,126 semi-annually principal and interest, due September 2017	105,262	115,634
OIPC loan payable (Durham Water), 5.26% payable \$37,224 semi-annually principal and interest, due September 2022	694,690	731,152
OIPC loan payable (Durham Sewer), 5.26% payable \$12,889 semi-annually principal and interest, due September 2022	240,546	253,171
Capital leases payable	46,771	8,604
	\$ 2,773,585	\$ 2,993,910

Principal payments in the next 5 fiscal years and thereafter are as follows:

2010	241,410
2011	240,139
2012	249,594
2013	507,666
2014	206,445
Thereafter	1,328,331
	\$ 2,773,585

The Corporation of the Municipality of West Grey Notes to Financial Statements

December 31, 2009

7. Landfill Site Closure and Post-Closure Care Liability

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The liability recorded is \$711,489 (2008 - \$648,422) and represents the present value of closure and post-closure costs for three active sites and two closed sites, using the municipality's average long-term borrowing rate of 5.25% adjusted for inflation. The liability is recorded based on the capacity of the landfills used to date. The total estimated future expenses for closure and post-closure care are \$855,310 leaving an amount to be recognized of \$143,821.

The liability is currently partially funded in the amount of \$207,826 (2008 - \$160,331) through a reserve. The additional liability is expected to be funded in the year the costs arise through budget allocations to the landfill reserve.

The estimated remaining capacity of the three sites is approximately 258,512 (2008 - 256,030) cubic meters. During the year additional phases of a landfill site were approved to be opened creating additional capacity. The sites have remaining life of 3 to 28 years. Post-closure care is estimated to continue for a period of 25 years.

8. Employee Future Benefits Liability

Pension Plan

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 46 (2008 - 47) members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. Depending on retirement age, the contribution rates for 2009 were 6.3% or 7.7% on earnings up to the CPP earnings limit, and 9.5% or 12.8% thereafter. The amount contributed to OMERS by the municipality for 2009 was \$231,208 (2008 - \$218,545).

OMERS is a multi-employer plan, therefore, any pension plan surplus or deficit is the joint responsibility of the Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was as at December 31, 2009. At that time, the plan reported an actuarial deficit of \$1.5 billion (2008 - deficit of \$0.3 billion), based on an accrued benefit obligation of \$54.3 billion (2008 - \$50.1 billion) and actuarial assets of \$52.7 billion (2008 - \$49.8 billion). Effective 2010, contribution rates for employees and employers have been increased to address the funding deficit.

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

8. Employee Future Benefits Liability - (continued)

Other Benefits

The municipality provides post-employment health and dental insurance benefits to eligible retired employees. The municipality recognizes these post-employment costs in the period in which the employees rendered the services. Payments for these benefits totalled \$3,699 for the year and are included as an expense on the consolidated statement of financial activities. The accrued benefit obligation at December 31, 2009 was \$167,330 (2008 - \$152,804).

Actuarial valuations for accounting purposes are performed using the projected benefit method, pro-rated on services. The most recent actuarial report was prepared as at December 31, 2007.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, employee turnover and mortality rates. The assumptions used reflect management's best estimates. A discount rate of 5.5% was assumed to determine the accrued benefit obligation, along with an annual rate of increase in benefit costs of 10% in the next year decreasing annually to an ultimate rate of change in CPI plus 1% in 10 years. The post-employment benefit expense includes current period benefit costs of \$10,036 and interest on the obligation of \$8,189.

Workplace Safety and Insurance Board (WSIB) Future Liability

Under the provisions of the Workplace Safety and Insurance Board Act, the Municipality of West Grey elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. The municipality has an insurance policy to cover the cost of claims over \$350,000. A liability of \$157,000 (2008 - \$489,300) has been reflected in the financial statements.

	<u>2009</u>	<u>2008</u>
Other benefits	\$ 167,330	\$ 152,804
WSIB	157,000	489,300
	<u>\$ 324,330</u>	<u>\$ 642,104</u>

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

9. Tangible Capital Assets

	Land and Land Improvements	Buildings	Equipment	Vehicles	Infrastructure	Construction in progress	2009 Total
Cost, beginning of year	\$ 2,456,421	\$ 9,033,724	\$ 5,656,492	\$ 5,761,619	\$ 86,283,597	\$ 2,755,071	\$ 111,946,924
Additions	2,434,477	1,312,877	528,373	642,033	1,337,822	(2,527,718)	3,727,864
Disposals	(33,188)	(149,813)	(234,896)	(248,638)	(189,693)	-	(856,228)
Adjustment for S.M.A.R.T. (Note 16)	-	-	-	79,373	-	-	79,373
Cost, end of year	4,857,710	10,196,788	5,949,969	6,234,387	87,431,726	227,353	114,897,933
Accumulated amortization, beginning of year	499,816	4,251,333	2,840,216	3,146,828	25,551,575	-	36,289,768
Amortization	36,555	194,962	250,347	308,657	1,602,706	-	2,393,227
Disposals	-	(52,415)	(169,816)	(128,417)	(53,897)	-	(404,545)
Adjustment for S.M.A.R.T. (Note 16)	-	-	-	41,575	-	-	41,575
Accumulated amortization, end of year	536,371	4,393,880	2,920,747	3,368,643	27,100,384	-	38,320,025
Net carrying amount, end of year	\$ 4,321,339	\$ 5,802,908	\$ 3,029,222	\$ 2,865,744	\$ 60,331,342	\$ 227,353	\$ 76,577,908

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

9. Tangible Capital Assets - (continued)

For the year ended December 31, 2008

	Land and Land Improvements	Buildings	Equipment	Vehicles	Infrastructure	Construction in progress	2008 Total
Cost, beginning of Year	\$ 2,360,967	\$ 9,043,961	\$ 5,468,463	\$ 5,699,426	\$ 85,318,451	\$ 103,520	\$ 107,994,788
Additions	95,454	27,613	257,087	253,463	1,010,154	2,651,551	4,295,322
Disposals	-	(37,850)	(69,058)	(191,270)	(45,008)	-	(343,186)
Cost, end of year	2,456,421	9,033,724	5,656,492	5,761,619	86,283,597	2,755,071	111,946,924
Accumulated amortization, beginning of year	477,180	4,110,327	2,679,529	3,041,895	23,994,199	-	34,303,130
Amortization	22,636	178,856	222,856	282,505	1,583,737	-	2,290,590
Disposals	-	(37,850)	(62,169)	(177,572)	(26,361)	-	(303,952)
Accumulated amortization, end of year	499,816	4,251,333	2,840,216	3,146,828	25,551,575	-	36,289,768
Net carrying amount, end of year	\$ 1,956,605	\$ 4,782,391	\$ 2,816,276	\$ 2,614,791	\$ 60,732,022	\$ 2,755,071	\$ 75,657,156

**The Corporation of the Municipality of West Grey
Notes to Financial Statements**

December 31, 2009

9. Tangible Capital Assets - (continued)

On January 1, 2009 the municipality implemented the reporting of its tangible capital assets on the statement of financial position. These assets were recorded at historical cost when historical cost information was available, and at estimated historical cost when the actual historical cost information was not available.

Expenses reported on the consolidated statement of operations include the loss on disposal of assets during the year of \$55,112 (2008 - \$29,863).

The carrying value of tangible capital assets not being amortized because they are under construction, development, or have been removed from service is \$227,353 (2008 - \$2,755,071).

10. Accumulated Surplus

The accumulated surplus reported on the consolidated statement of financial position is comprised of the following:

	2009	2008
		(Restated - See Note 22)
General surplus	\$ 537,070	\$ 170,476
Capital amounts to be spent (financed)	(366,400)	(419,077)
Amounts invested in tangible capital assets	76,577,908	75,657,156
Reserves and reserve funds set aside for specific purpose by council (Note 11)	2,994,909	2,700,596
Amounts to be recovered (Note 12)	(3,522,311)	(3,960,087)
	\$76,221,176	\$ 74,149,064

The general surplus is comprised of the following:

General area taxation	\$ 595,920	\$ 213,034
Waterworks system	250,045	218,055
Wastewater system	(335,463)	(284,891)
Public Library Board	-	(2,421)
Cemeteries	24,637	23,988
Dornoch Hall	205	375
Business Improvement Area	7,277	8,252
Joint local boards	(5,914)	(5,916)
Saugeen Mobility and Regional Transit	363	-
	\$ 537,070	\$ 170,476

**The Corporation of the Municipality of West Grey
Notes to Financial Statements**

December 31, 2009

10. Accumulated Surplus (continued)

The capital amounts to be spent (financed) is comprised of the following:

	2009	2008
Acquisition of capital assets to be financed through:		
Taxation or user charges	\$ (366,400)	\$ (419,077)

11. Reserves and Reserve Funds

	2009	2008
Reserves set aside for specific purpose by Council:		
Working funds	\$ 1,214,403	\$ 1,293,778
Contingencies	135,044	59,226
Recreation facilities	109,465	163,447
Protection services	241,099	253,709
Roadways	179,790	111,239
Water/sewer services	161,776	34,203
Waste disposal	207,826	160,331
Library	61,133	65,793
Other	456,163	332,867
	2,766,699	2,474,593
Reserve funds set aside for specific purpose by Council:		
Roadways	12,208	31,872
Parks	100,072	106,467
Protection services	65,207	30,054
Elmwood Hydro proceeds	29,835	29,702
St. George's Cemetery	16,269	15,864
Durham trails	4,612	12,044
Parking revenue	7	-
	228,210	226,003
Reserves and reserve funds, end of the year	\$ 2,994,909	\$ 2,700,596

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

12. Amounts to be Recovered

The balance of the amounts to be recovered is comprised of the following:

	<u>2009</u>	<u>2008</u>
		(Restated - See Note 22)
Long-term debt	\$ 2,486,492	\$ 2,669,561
Employee future benefits liability	324,330	642,104
Landfill closure and post-closure care liability	711,489	648,422
	<u>\$ 3,522,311</u>	<u>\$ 3,960,087</u>

The net change during the year in the amounts to be recovered is made up of the following:

	<u>2009</u>	<u>2008</u>
		(Restated - See Note 22)
New debt issued	\$ 44,435	\$ 1,309,626
Principal payments on long-term debt	(227,505)	(174,266)
(Decrease) increase in employee future benefits liability	(317,774)	172,504
Change in Solid Waste Closure and Post Closure Liability	63,067	31,727
	<u>\$ (437,777)</u>	<u>\$ 1,339,591</u>

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

13. Government Contributions

	2009 Budget	2009 Actual	2008 Actual
Operating Grants			
Province of Ontario Municipal Partnership Fund (OMPF)	\$ 2,322,800	\$ 2,455,901	\$ 2,273,201
Province of Ontario conditional grants			
Protection services	164,475	269,715	136,205
Water and wastewater	26,724	42,642	-
Transit	-	32,140	-
Other	76,283	140,301	108,429
	<u>2,590,282</u>	<u>2,940,699</u>	<u>2,517,835</u>
Government of Canada conditional grants	-	9,113	14,435
Other municipalities conditional grants			
Protection services	194,112	194,100	204,011
Other	8,454	8,633	8,417
	<u>202,566</u>	<u>202,733</u>	<u>212,428</u>
Total operating grants	<u>2,792,848</u>	<u>3,152,545</u>	<u>2,744,698</u>
Capital Grants			
Province of Ontario conditional grants			
Protection services	199,719	201,581	-
Roadways	2,954,222	1,363,462	749,629
Water and wastewater	168,000	-	35,680
Recreation and cultural services	233,334	152,526	350,000
Saugeen River erosion project	229,929	192,923	949,803
Other	37,329	37,329	-
	<u>3,822,533</u>	<u>1,947,821</u>	<u>2,085,112</u>
Government of Canada conditional grants			
Roadways	1,563,955	217,176	38,470
Saugeen River erosion project	229,928	192,923	524,803
Recreation and cultural services	159,834	129,021	117,059
Other	33,334	28,076	5,617
	<u>1,987,051</u>	<u>567,196</u>	<u>685,949</u>
Other municipalities conditional grants	151,877	96,243	17,637
Total capital grants	<u>5,961,461</u>	<u>2,611,260</u>	<u>2,788,698</u>
Total grant revenue	<u>\$ 8,754,309</u>	<u>\$ 5,763,805</u>	<u>\$ 5,533,396</u>

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

14. Other Income

	2009	2009	2008
	Budget	Actual	Actual (Restated - See Note 22)
Penalties and interest on taxation	\$ 223,000	\$ 289,915	\$ 269,355
Donations and prepaid special charges	161,171	270,135	563,796
Rents	35,600	45,461	39,562
Other	16,659	56,403	25,082
	\$ 436,430	\$ 661,914	\$ 897,795

15. Segmented Information

The Municipality of West Grey is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste, collection, disposal and recycling, recreational, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This item related to the revenues and expenses that relate to the governance and operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection, conservation authority, emergency measures, animal control and building and structural inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers. The building department provides a number of services including maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Transportation

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting. Transportation also includes the provision of air transportation through the Saugeen Municipal Airport.

**The Corporation of the Municipality of West Grey
Notes to Financial Statements**

December 31, 2009

15. Segmented Information - (continued)

Sewer and Water

This service provides the municipality's drinking water. They process and clean sewage and ensure the municipality's water system meets all Provincial standards.

Environmental

Environmental services consists of providing waste collection, disposal and recycling to its citizens.

Health

Health services include contributions to support local Hospitals. Health services also includes the operations of local cemeteries.

Recreational and Cultural Services

This service area provides services meant to improve the health and development of the municipality's citizens. The municipality operates and maintains parks, arenas, a swimming pool and community centres. The municipality also provides library services and recreational programs.

Planning and Development

This department is responsible for planning and zoning including the Official plan. This service area also includes tourist information and promotion, business improvement area, weed control, and drainage.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation and payments-in-lieu

Allocated to those segments that are funded by these amounts based on the net surplus for the year.

OMPF Grants

Allocated to segments based on the net surplus for the year.

The Corporation of the Municipality of West Grey

Notes to Financial Statements

December 31, 2009

15. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Sewer and Water	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2009 Total
Revenue									
Taxation	\$ 576,280	\$ 2,393,155	\$ 2,156,183	\$ -	\$ 348,499	\$ -	\$ 495,462	\$ 79,112	\$ 6,048,691
Fees and user charges	22,596	267,086	63,361	964,334	308,909	29,354	447,629	136,671	2,239,940
Specific grants	5,241	719,849	1,717,226	42,642	444,834	-	323,436	54,677	3,307,905
OMPF grant	233,982	971,673	875,457	-	141,498	-	201,169	32,121	2,455,900
Other revenue	341,639	101,690	62,088	149,250	-	4,863	86,397	4,704	750,631
	<u>1,179,738</u>	<u>4,453,453</u>	<u>4,874,315</u>	<u>1,156,226</u>	<u>1,243,740</u>	<u>34,217</u>	<u>1,554,093</u>	<u>307,285</u>	<u>14,803,067</u>
Expenses									
Salaries and benefits	686,417	2,166,670	1,095,949	31,483	59,857	1,516	460,194	29,139	4,531,225
Interest on debt	-	14,383	287	115,030	-	52	1,067	20,416	151,235
Materials and supplies	303,509	639,580	1,817,730	315,942	144,057	7,808	575,621	173,547	3,977,794
Contracted services	6,595	276,404	3,605	342,145	413,066	21,326	32,799	15,227	1,111,167
Other transfers	16,496	409,710	53,418	-	-	-	34,194	-	513,818
Rents and financial expenses	8,618	5,596	-	-	-	4,166	224	-	18,604
Amortization and loss on disposal	25,798	205,246	1,821,438	321,743	7,657	1,128	65,329	-	2,448,339
	<u>1,047,433</u>	<u>3,717,589</u>	<u>4,792,427</u>	<u>1,126,343</u>	<u>624,637</u>	<u>35,996</u>	<u>1,169,428</u>	<u>238,329</u>	<u>12,752,182</u>
Annual surplus	\$ 132,305	\$ 735,864	\$ 81,888	\$ 29,883	\$ 619,103	\$ (1,779)	\$ 384,665	\$ 68,956	\$ 2,050,885

The Corporation of the Municipality of West Grey Notes to Financial Statements

December 31, 2009

15. Segmented Information (continued)

(Restated - See Note 22)

For the year ended December 31	General Government	Protection Services	Transportation Services	Sewer and Water	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2008 Total
Revenue									
Taxation fees and user charges	\$ 587,740	\$ 2,355,976	\$ 2,263,173	\$ -	\$ 144,744	\$ -	\$ 404,600	\$ 85,349	\$ 5,841,582
Specific grants	18,633	257,480	47,806	975,603	386,718	50,196	417,661	69,121	2,223,218
OMP grant	10,938	362,792	788,099	35,680	1,527,059	-	515,951	19,676	3,260,195
Other revenue	228,714	916,808	880,695	-	56,326	-	157,447	33,212	2,273,202
	389,604	11,798	23,804	253,232	-	6,084	342,693	1,650	1,028,865
	1,235,629	3,904,854	4,003,577	1,264,515	2,114,847	56,280	1,838,352	209,008	14,627,062
Expenses									
Salaries and benefits	649,269	2,516,740	1,078,199	32,195	65,990	2,118	432,127	30,066	4,806,704
Interest on debt	-	13,175	476	125,986	-	128	1,769	24,481	166,015
Materials and supplies	290,093	577,383	1,930,912	262,076	171,871	22,117	628,750	46,051	3,929,253
Contracted services	5,228	193,965	22,198	359,204	370,813	22,143	34,095	8,716	1,016,362
Other transfers	10,530	405,187	-	-	-	-	70,203	-	485,920
Rents and financial expenses	60,482	5,452	1,426	-	367	4,079	1,381	-	73,187
Amortization and loss on disposal	37,266	188,231	1,659,590	312,431	7,409	1,128	114,398	-	2,320,453
Debt repayments	-	-	-	-	-	-	-	-	-
	1,052,868	3,900,133	4,692,801	1,091,892	616,450	51,713	1,282,723	109,314	12,797,894
Annual surplus	\$ 182,761	\$ 4,721	\$ (689,224)	\$ 172,623	\$ 1,498,397	\$ 4,567	\$ 555,629	\$ 99,694	\$ 1,829,168

**The Corporation of the Municipality of West Grey
Notes to Financial Statements**

December 31, 2009

16. Government Partnerships

The following summarizes the financial position and operations of the municipal joint boards. The Municipality of West Grey's pro-rata share of these amounts have been reported in the financial statements using the proportionate consolidation method:

	Elmwood Fire Department 59%	S.M.A.R.T. 12.9%
Financial Assets		
Cash and temporary investments	\$ 60,581	\$ 934
Accounts receivable	28,736	44,800
Other financial assets	20,176	17,474
	109,493	63,208
Liabilities		
Accounts payable	2,106	60,396
Other liabilities	11,674	206,366
	13,780	266,762
Net financial assets (net debt)	95,713	(203,554)
Non-financial assets	462,351	207,435
Accumulated Surplus	\$ 558,064	\$ 3,881
Accumulated Surplus		
General surplus	\$ (11,674)	\$ 2,812
Invested in tangible capital assets	462,351	1,069
Reserves and reserve funds	107,387	-
	\$ 558,064	\$ 3,881
Revenues	\$ 220,841	\$ 770,207
Expenses	(170,930)	(639,397)
Annual surplus (deficit)	\$ 49,911	\$ 130,810

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

16. Government Partnerships - (continued)

Saugeen Mobility and Regional Transit (S.M.A.R.T.) operates a specialty transit service. The activities of S.M.A.R.T. have been proportionately consolidated for 2009 as control of the organization was assumed by the councils of several municipalities. The accumulated surplus acquired at January 1, 2009 of \$21,227 consisted of assets of \$47,052 less liabilities of \$25,825.

A wrongful dismissal claim for damages has been filed against S.M.A.R.T. No expense has been reported during the year for any costs that may arise from this claim.

Information on the tangible capital assets of the Saugeen Municipal Airport and Elmwood Community Centre as at January 1, 2009 is not available. As such, these organizations have not been consolidated.

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

17. Budget Amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the consolidated statements of operations and change in net debt for comparative purposes. The budget amounts for The Corporation of the Municipality of West Grey are as approved by Council and have been restated to conform to the basis of presentation of the revenues and expenses on the consolidated statements of operations and change in net debt. The budget figures have not been audited.

The following is a reconciliation of the budget approved by Council:

	2009 Budget	2009 Actual	2008 Actual
Annual surplus	\$ 4,554,842	\$ 2,050,885	\$ 1,829,168
Acquisition of tangible capital assets	(8,565,863)	(3,727,864)	(4,295,322)
Proceeds on disposal of tangible capital assets	-	396,571	9,371
Amortization	2,393,258	2,393,228	2,290,591
Gain on disposal of tangible capital assets	-	55,111	29,863
Proceeds from issue of long-term debt	1,683,715	44,435	1,309,626
Debt principal repayments	(206,384)	(227,505)	(174,266)
	(140,432)	984,861	999,031
Transfers to reserves from operations	(56,453)	(311,333)	(270,219)
Transfers from reserves for capital	382,735	19,094	418,864
Change in unfunded liabilities	-	(254,707)	204,232
Change in opening balances	-	(16,571)	-
	185,850	421,344	1,351,908
Reserve funds annual surplus	-	(2,074)	(17,598)
Capital projects not funded (expended)	(304,760)	(52,677)	(1,192,174)
General surplus, beginning of year	118,910	170,477	28,342
	\$ -	\$ 537,070	\$ 170,478

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

18. Operations of School Boards and the County of Grey

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Grey:

	<u>2009</u>	<u>2008</u>
School boards	\$ 3,361,154	\$ 3,305,785
County of Grey	4,336,800	4,184,685
	<u>\$ 7,697,954</u>	<u>\$ 7,490,470</u>

19. Trust Funds

The trust funds administered by the municipality amounting to \$202,113 (2008 - \$196,888) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of financial activities. At December 31, 2009, the trust fund balances are as follows:

	<u>2009</u>	<u>2008</u>
Cemetery Pre-need Assurance Fund	\$ 4,784	\$ 4,749
Cemetery Care and Maintenance Funds	197,329	192,139
	<u>\$ 202,113</u>	<u>\$ 196,888</u>

20. Contractual Commitments

The municipality has pledged support to the Markdale Hospital in the amount of \$190,000 over 10 years, contingent on the building project proceeding. At December 31, 2009, \$80,000 was set aside in reserve for this purpose.

The municipality has entered into a contract for the rebuilding of the Durham Activity Centre, which was destroyed in a tornado. The value of work to be completed on this contract is approximately \$281,500, which will be fully funded by insurance proceeds.

**The Corporation of the Municipality of West Grey
Notes to Financial Statements**

December 31, 2009

21. Contingencies

- a) A number of appeals of the current value assessment of properties in the municipality are currently in process. The impact on taxation revenue as a result of settlement of these appeals is not determinable at this time. The effect on taxation of the settlement of these appeals will be recorded in the fiscal year in which they can be determined.

 - b) The municipality has entered into an employment contract with certain municipal employees that requires a monthly payment of 100% of the employee's disposable after tax income less payments received from WSIB and Canada Pension Plan to the family of the employee if the employee is killed or dies as a direct result of injuries received in the performance of their duties. The municipality has an insurance policy to minimize the cost to the municipality.
-

The Corporation of the Municipality of West Grey
Notes to Financial Statements

December 31, 2009

22. Change in Accounting Principles

On January 1, 2009 the municipality adopted the revised accounting standards Section 1000 - Financial Statement Concepts, Section 1100 - Financial Statement Objectives, Section 1200 - Financial Statement Presentation, and Section 3150 - Tangible Capital Assets. As a result of the adoption, the presentation of the financial statements changed from the prior year.

In addition, the standards require the recognition of all non-financial assets including tangible capital assets, prepaid expenses, and inventories of supplies as assets in the statement of financial position. Amortization of tangible capital assets is reported as an expense on the statement of operations. This change in accounting policy has been applied retroactively with the restatement of the prior period.

The impact on the 2008 balances of adopting the standards was as follows:

Statement of Financial Position	
Increase in non-financial assets	
Tangible capital assets	\$ 75,657,156
Inventory of supplies	91,703
	<u>91,703</u>
Increase in accumulated surplus	<u>\$ 75,748,859</u>
Statement of Operations	
Increase in revenue	\$ 117,171
Decrease (increase) in expenses	
General government	(37,266)
Protection services	(188,230)
Transportation services	(1,659,592)
Environmental services	(442,382)
Health services	(2,127)
Recreational and cultural services	(114,399)
Capital expenditures	4,292,322
	<u>4,292,322</u>
Increase in annual surplus	<u>1,965,497</u>
Increase in opening accumulated surplus at January 1, 2008	
Inventory for resale	-
Long-term debt	-
Tangible capital assets	73,691,659
Assets held for sale	-
Inventory of supplies	91,703
	<u>73,783,362</u>
	<u>\$ 75,748,859</u>

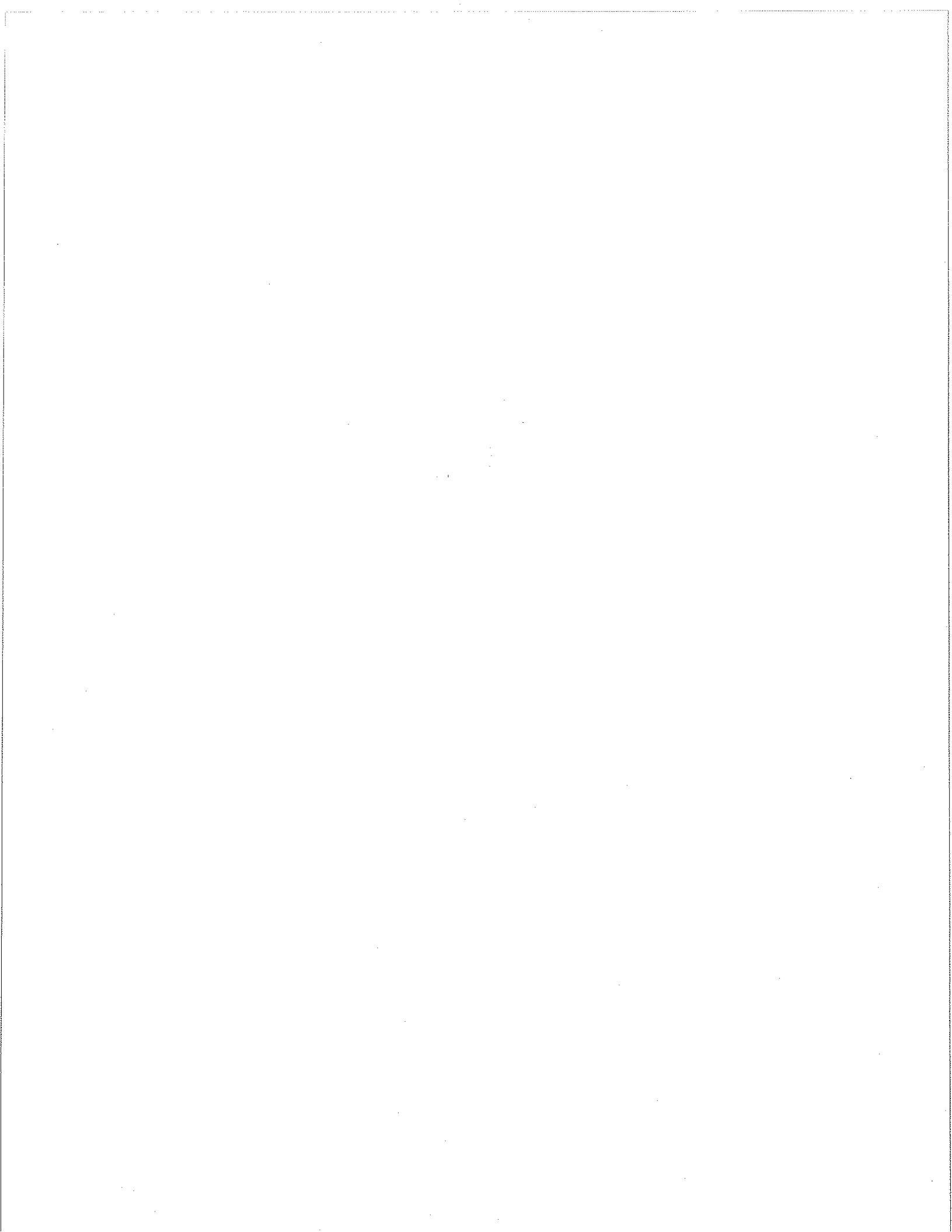
**The Corporation of the Municipality of West Grey
Notes to Financial Statements**

December 31, 2009

23. Subsequent Events

Subsequent to December 31, 2009, the Municipality of West Grey gave notice to the Municipality of Brockton advising that they wish to cease participating as a partner in the Elmwood Fire Department and wish to enter into a fire protection agreement.

**The Corporation of the
Municipality of West Grey
Trust Funds
Financial Statements
For the year ended December 31, 2009**





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Auditors' Report

**To the Members of Council, Inhabitants and Ratepayers
of The Corporation of the Municipality of West Grey**

We have audited the balance sheet of the Trust Funds of The Corporation of the Municipality of West Grey as at December 31, 2009 and the statement of continuity of the trust funds for the year then ended. These financial statements are the responsibility of management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the Municipality of West Grey as at December 31, 2009 and the continuity of the trust funds for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario
March 24, 2010

**The Corporation of the Municipality of West Grey
Trust Funds
Balance Sheet**

December 31				2009	2008
Assets	Cemetery Pre-Need Assurance Fund	Cemetery Care and Maintenance Fund	Ontario Home Renewal Program	Total	
Cash	\$ 4,784	\$ 115,054	\$ 1,507	\$ 121,345	
Investment and accrued interest	-	80,036	-	80,036	
Loans receivable	-	-	3,192	3,192	
Due from general account	-	2,239	-	2,239	
	<u>\$ 4,784</u>	<u>\$ 197,329</u>	<u>\$ 4,699</u>	<u>\$ 206,812</u>	
Liabilities and Fund Balances					
Due to general account	\$ -	\$ -	\$ 82	\$ 82	
Fund balance	4,784	197,329	4,617	206,730	
	<u>\$ 4,784</u>	<u>\$ 197,329</u>	<u>\$ 4,699</u>	<u>\$ 206,812</u>	

Statement of Continuity

For the year ended December 31				2009	2008
Receipts	Cemetery Pre-Need Assurance Fund	Cemetery Care and Maintenance Fund	Ontario Home Renewal Program	Total	
Balance, beginning of the year	\$ 4,749	\$ 192,139	\$ 5,977	\$ 202,865	
Loan interest	-	-	146	146	
Bank interest	35	6,191	-	6,226	
Care and maintenance	-	5,190	-	5,190	
	<u>35</u>	<u>11,381</u>	<u>146</u>	<u>11,562</u>	
Expenses					
Administration fees	-	-	81	81	
Transfer to Province of Ontario	-	-	1,425	1,425	
Transfer to municipality	-	6,191	-	6,191	
	<u>-</u>	<u>6,191</u>	<u>1,506</u>	<u>7,697</u>	
Balance, end of the year	<u>\$ 4,784</u>	<u>\$ 197,329</u>	<u>\$ 4,617</u>	<u>\$ 206,730</u>	

The accompanying notes are an integral part of these financial statements.

**The Corporation of the Municipality of West Grey
Trust Funds
Notes to Financial Statements**

December 31, 2009

**1. Accounting Policies
Basis of Accounting**

The financial statements of The Corporation of the Municipality of West Grey Trust Funds are the representation of management 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.

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates 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.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses 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.

Basis of Consolidation

These trust funds have not been consolidated with the financial statements of the Municipality of West Grey.

Temporary Investments

Temporary investments are recorded at the lower of cost and market value.

2. Temporary Investments

Temporary investments consist of investment certificates with an effective interest rate of 6.2% (2008 - 4.2%), maturing in 2011 to 2017. Temporary investments totalling \$52,895 are callable at the option of the issuer in 2012. The investments have a market value of \$82,710 at the end of the year.

The Corporation of the Municipality of West Grey
Trust Funds
Notes to Financial Statements

December 31, 2009

3. Ontario Home Renewal Program

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans were limited to \$7,500, of which the maximum forgivable portion was \$4,000.

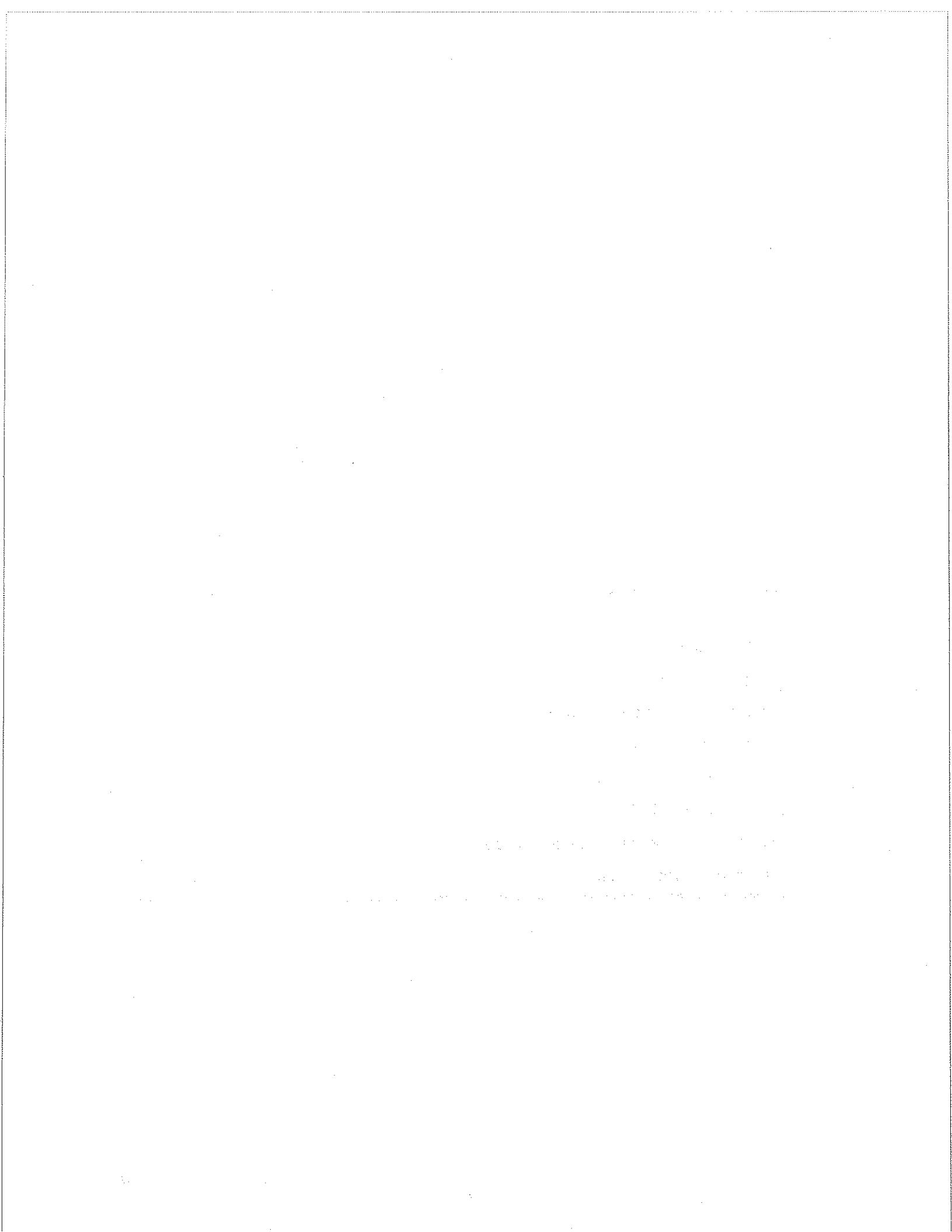
Ontario Home Renewal Program loans receivable at December 31, 2009 comprise repayable loans of \$2,571 and forgivable loans of \$621. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continuous ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balance of the repayable loan and the unearned forgivable loan immediately becomes due and payable by the homeowner.

As of July 16, 1993 the Ontario Home Renewal Program was discontinued and municipalities were prohibited from issuing further loans as of that date. All OHRP funds held in municipal trust accounts as of December 31, 1993 were remitted to the Province by March 1, 1994. Any loans receivable under the program which are collected subsequent to December 31, 1993 were remitted to the Province by March 1st of the following year. However, municipalities will be provided an administration fee of five per cent of the balances collected after December 31, 1993 and are permitted to retain the interest earned on unremitted OHRP trust account balances.

**The Corporation of the
Municipality of West Grey
Public Library Board
Financial Statements
For the year ended December 31, 2009**

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Auditors' Report

**To the Members of Council,
Inhabitants and Ratepayers of
The Corporation of the Municipality of West Grey**

We have audited the statement of financial position of The Corporation of the Municipality of West Grey Public Library Board as at December 31, 2009 and the statements of operations, change in net debt and cash flow for the year then ended. These financial statements are the responsibility of management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Corporation of the Municipality of West Grey Public Library Board as at December 31, 2009 and the results of its operations, change in net debt and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario
December 10, 2010

**The Corporation of the Municipality of West Grey
Public Library Board
Statement of Financial Position**

December 31	2009	2008
		(Restated - See Note 5)
Financial assets		
Cash	\$ 24,829	\$ 51,542
Accounts receivable	7,139	4,610
Due from Municipality of West Grey	<u>42,806</u>	<u>11,369</u>
	74,774	67,521
Liabilities		
Accounts payable and accrued liabilities	<u>13,640</u>	<u>4,150</u>
Net financial assets	61,134	63,371
Non-financial assets		
Tangible capital assets (Note 1)	<u>151,038</u>	<u>129,738</u>
Accumulated surplus (Note 3)	\$ 212,172	\$ 193,109

**The Corporation of the Municipality of West Grey
Public Library Board
Statement of Operations**

For the year ended December 31	2009	2009	2008
	Budget	Actual	Actual (Restated - See Note 5)
Revenue			
Province of Ontario grants	\$ 27,050	\$ 33,217	\$ 30,265
Municipal grants	206,892	192,972	180,631
Investment income	2,000	166	2,018
Miscellaneous	6,100	10,791	8,467
Gain/loss on sale of tangible capital assets	-	-	(1,993)
	<u>242,042</u>	<u>237,146</u>	<u>219,388</u>
Expenses			
Amortization of tangible capital assets	18,993	18,993	17,254
Materials and periodical purchases	29,220	3,444	3,193
Supplies and office	62,424	56,234	54,244
Wages and benefits	151,436	139,412	147,348
	<u>262,073</u>	<u>218,083</u>	<u>222,039</u>
Annual surplus (deficit)	<u>(20,031)</u>	<u>19,063</u>	<u>(2,651)</u>
Accumulated surplus, beginning of year	193,109	193,109	83,109
Restatement (Note 5)	-	-	112,651
Accumulated surplus, beginning of year as restated	<u>193,109</u>	<u>193,109</u>	<u>195,760</u>
Accumulated surplus, end of year	<u>\$ 173,078</u>	<u>\$ 212,172</u>	<u>\$ 193,109</u>

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

**The Corporation of the Municipality of West Grey
Public Library Board
Statement of Change in Net Debt**

For the year ended December 31	2009	2009	2008
	Budget	Actual	Actual
Annual surplus (deficit)	\$ (20,031)	\$ 19,063	\$ (2,651)
Acquisition of tangible capital assets	(61,000)	(40,293)	(36,334)
Amortization	18,993	18,993	17,254
Gain on disposal of tangible capital assets	-	-	1,993
	<u>(42,007)</u>	<u>(21,300)</u>	<u>(17,087)</u>
Change in net financial assets	(62,038)	(2,237)	(19,738)
Net financial assets, beginning of year	63,371	63,371	83,109
Net financial assets, end of year	\$ 1,333	\$ 61,134	\$ 63,371

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

**The Corporation of the Municipality of West Grey
Public Library Board
Statement of Cash Flow**

For the year ended December 31	2009	2008
Cash provided by (used in)		
Operating activities		
Annual surplus (deficit)	\$ 19,063	\$ (2,651)
Items not involving cash		
Amortization	18,993	17,254
Increase in accounts receivable	(2,529)	(2,645)
Increase in Due from Municipality	(31,436)	(21,466)
Increase (decrease) in accounts payable	9,489	(2,360)
	<u>13,580</u>	<u>(11,868)</u>
Capital activities		
Acquisition of tangible capital assets	(40,293)	(36,334)
Gain on sale of tangible capital assets	-	1,993
	<u>(40,293)</u>	<u>(34,341)</u>
Net change in cash and cash equivalents	(26,713)	(46,209)
Cash and cash equivalents, beginning of year	51,542	97,751
Cash and cash equivalents, end of year	\$ 24,829	\$ 51,542

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

**The Corporation of the Municipality of West Grey
Public Library Board
Summary of Significant Accounting Policies**

December 31, 2009

Management Responsibility	The financial statements of the Corporation of the Municipality of West Grey Public Library Board are the representations of management. They have been prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.
Basis of Accounting	These financial statements are prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.
Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates 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. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Revenue Recognition	User fee revenue is recognized when earned, as services are rendered to customers, providing the amount is fixed or determinable, and collectibility is reasonably assured.
Government Transfers	Government transfers are recognized in the financial statements as revenue in the period that the events giving rise to the transfer occur; providing that the transfer is authorized, eligibility criteria, if any, have been met by the recipient, and a reasonable estimate of the amount can be made.
Non-Financial Assets	Tangible capital and other non-financial assets are accounted for as assets by the organization because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.

**The Corporation of the Municipality of West Grey
Public Library Board
Summary of Significant Accounting Policies**

December 31, 2009

**Tangible
Capital Assets**

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair market value at the date of contribution. Where fair market value cannot be reasonably determined, contributed tangible capital assets are recorded at a nominal amount. Amortization is calculated on a straight-line basis over the estimated useful life of the asset. The useful lives of the assets are based on estimates made by management as follows:

Books - 15 years
Furniture, fixtures, and computers - 7 to 50 years

**Employee
Future Benefits**

Defined contribution plan accounting is applied to the Board's multi-employer defined benefit pension plan.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances, and investments in money market instruments with maturities of three months or less.

**The Corporation of the Municipality of West Grey
Public Library Board
Notes to Financial Statements**

December 31, 2009

1. Tangible Capital Assets

	2009		2008	
	Furniture, Fixtures and Computer	Total	Furniture, Fixtures and Computer	Total
Cost, beginning of year	\$ 244,141	\$ 244,141	\$ 231,580	\$ 231,580
Additions	40,293	40,293	36,333	36,333
Disposals	(20,306)	(20,306)	(23,772)	23,772
Cost, end of year	264,128	264,128	244,141	244,141
Accumulated amortization, beginning of year	114,403	114,403	118,929	118,929
Amortization	18,993	18,993	17,254	17,254
Disposals	(20,306)	(20,306)	(21,780)	(21,780)
Accumulated amortization, end of year	113,090	113,090	114,403	114,403
Net carrying amount, end of year	\$ 151,038	\$ 151,038	\$ 129,738	\$ 129,738

**The Corporation of the Municipality of West Grey
Public Library Board
Notes to Financial Statements**

December 31, 2009

2. Employee Future Benefits Liability

Pension Plan

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 4 members of its staff. This 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 to OMERS for 2009 was \$6,261. The contribution rate for 2009 was 6.3% to 12.8% depending on age and income level (2008 was 6.5% to 10.7% depending on age and income level).

OMERS is a multi-employer plan, therefore any pension plan 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. The last available report for the OMERS plan was December 31, 2009. At that time the plan reported a \$1.5 billion actuarial deficit (2008 - \$0.3 billion deficit), based on actuarial liabilities of \$54.3 billion (2008 - \$50.1 billion) and actuarial assets of \$52.7 billion (2007 - \$49.8 billion). Effective 2010, contribution rates for employees and employers have been increased to address the funding deficit.

3. Accumulated Surplus

The accumulated surplus reported on the statement of financial position is comprised of the following:

	<u>2009</u>	<u>2008</u>
General surplus	\$ -	\$ (2,422)
Amount invested in tangible capital assets	151,038	129,738
Reserves	61,134	65,793
	<u>\$ 212,172</u>	<u>\$ 193,109</u>

**The Corporation of the Municipality of West Grey
Public Library Board
Notes to Financial Statements**

December 31, 2009

4. Budget Amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the statement of financial activities for comparative purposes. The budget amounts for The Corporation of the Municipality of West Grey Public Library Board are as approved by Council and have been restated to conform to the basis of presentation of the revenues and expenditures on the statement of financial activities. The budget figures have not been audited.

The following is a reconciliation of the budget approved by Council:

	2009 Budget	2009 Actual	2008 Actual
Annual surplus (deficit)	\$ (20,031)	\$ 19,063	\$ (2,651)
Capital acquisitions, disposals and write-down	(61,000)	(40,293)	(36,334)
Amortization	18,993	18,993	17,254
Gain on disposal of capital assets	-	-	1,993
Transfers to reserves	-	(13,700)	-
Transfers from reserves for operations	17,460	2,105	2,901
Transfers from reserves for capital	47,000	16,254	14,415
	2,422	2,422	(2,422)
General surplus, beginning of year	(2,422)	(2,422)	-
	\$ -	\$ -	\$ (2,422)

**The Corporation of the Municipality of West Grey
Public Library Board
Notes to Financial Statements**

December 31, 2009

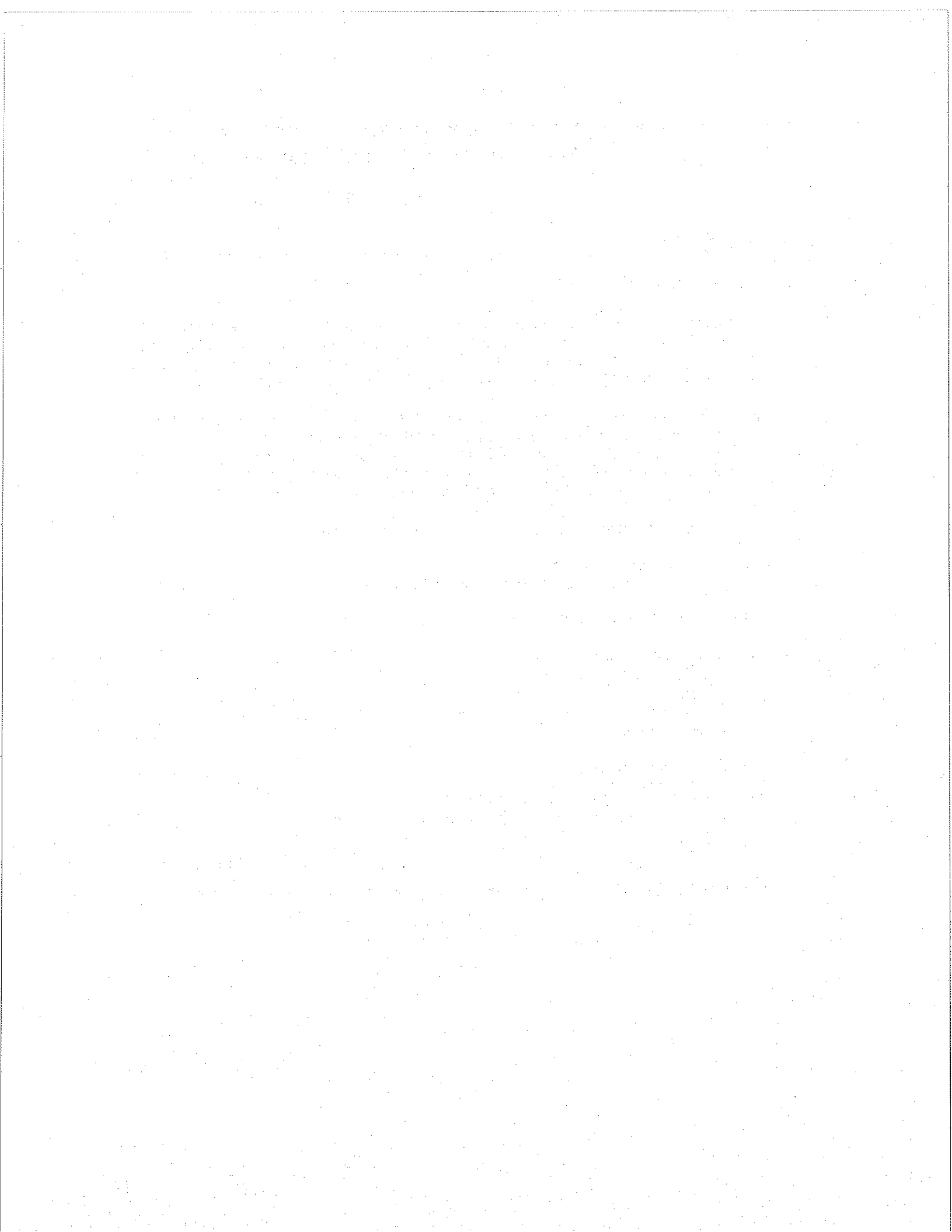
5. Change in Accounting Principles

On January 1, 2009 the municipality adopted the revised accounting standards Section 1000 - Financial Statement Concepts, Section 1100 - Financial Statement Objectives, Section 1200 - Financial Statement Presentation, and Section 3150 - Tangible Capital Assets. As a result of the adoption, the presentation of the financial statements changed from the prior year.

In addition, the standards require the recognition of all non-financial assets including tangible capital assets, prepaid expenses, and inventories of supplies as assets in the statement of financial position. Amortization of tangible capital assets is reported as an expense on the statement of operations. This change in accounting policy has been applied retroactively with the restatement of the prior period.

The impact on the 2008 balances of adopting the standards was as follows:

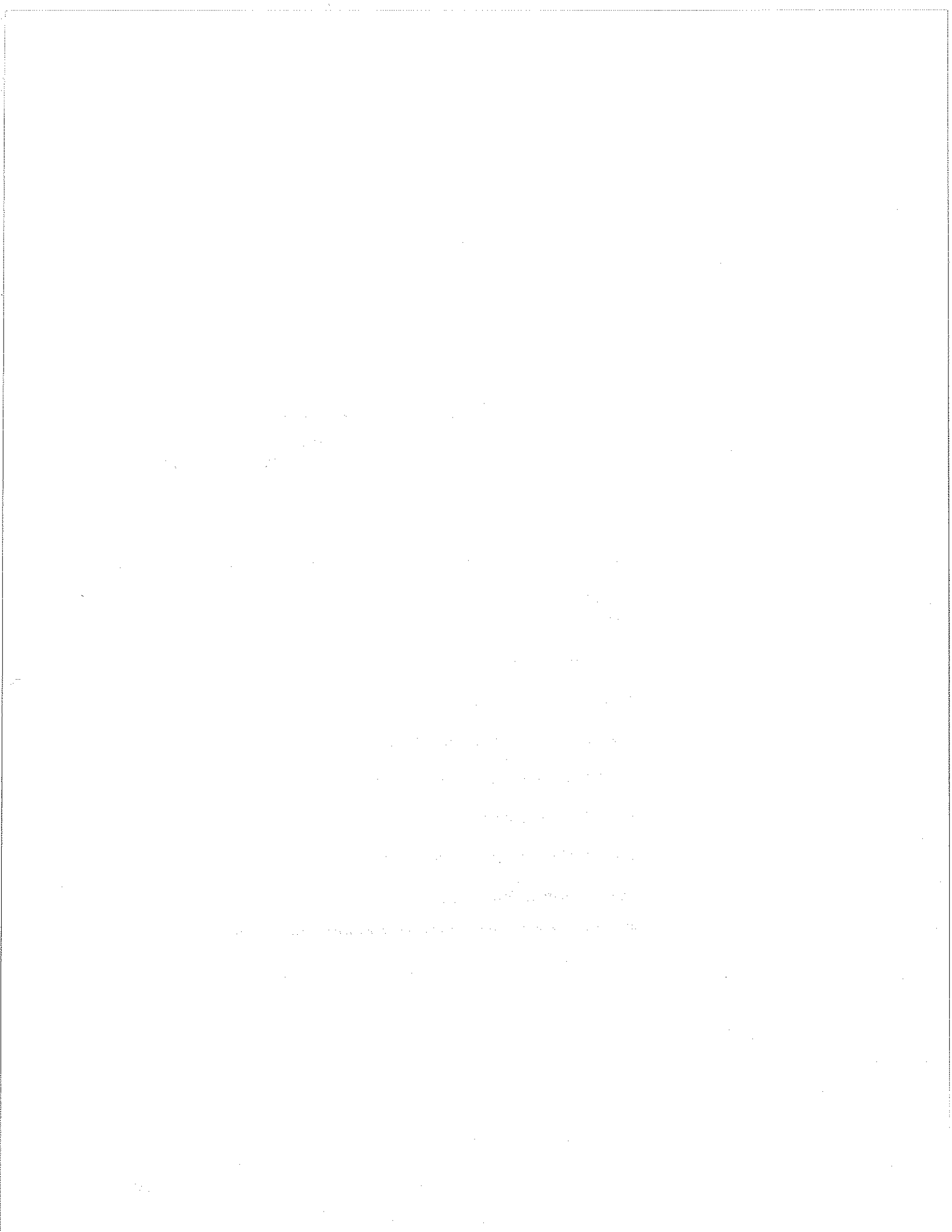
Statement of Financial Position	
Increase in non-financial assets for tangible capital assets	<u>\$ 129,738</u>
Increase in accumulated surplus	<u>\$ 129,738</u>
Statement of Operations	
Decrease (increase) in expenses:	
Amortization	\$ (17,254)
Capital expenditures	36,333
Loss on disposition	<u>(1,992)</u>
Increase in annual surplus	17,087
Increase in opening accumulated surplus for the net book value of tangible capital assets at January 1, 2008	<u>112,651</u>
	<u>\$ 129,738</u>



**Elmwood Fire Department
Financial Statements
For the year ended December 31, 2009**

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Auditors' Report

**To the Members of Council, Inhabitants and Ratepayers
of The Corporation of the Municipality of Brockton and
The Corporation of the Municipality of West Grey**

We have audited the consolidated statement of financial position of the Elmwood Fire Department as at December 31, 2009 and the consolidated statements of operations, change in net debt and cash flow for the year then ended. These financial statements are the responsibility of management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Elmwood Fire Department as at December 31, 2009 and the results of its operations, changes in net debt and cash flow for the year then ended in accordance with the accounting principles disclosed in the summary of significant accounting policies accompanying the financial statements.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario
December 10, 2010

Elmwood Fire Department
Consolidated Statement of Financial Position

December 31	2009	2008
		(Restated - See Note 6)
Assets and Liabilities		
Financial assets		
Cash	\$ 60,581	\$ 32,032
Accounts receivable	28,736	-
Due from West Grey	20,176	15,773
	109,493	47,805
Liabilities		
Accounts payable and accrued liabilities	2,106	2,419
Capital lease	11,674	14,480
	13,780	16,899
Net financial assets	95,713	30,906
Non-financial assets		
Tangible capital assets (Note 1)	462,351	477,247
Accumulated surplus (Note 4)	\$ 558,064	\$ 508,153

**Elmwood Fire Department
Consolidated Statement of Operations**

For the year ended December 31	Budget 2009	Actual 2009	Actual 2008
			(Restated - See Note 6)
Revenue			
Requisitions			
Municipality of Brockton	\$ 81,445	\$ 81,445	\$ 79,709
Municipality of West Grey	108,674	108,674	108,062
Fire calls	1,000	30,526	3,880
Donations	-	-	4,310
Other	-	196	681
	<u>191,119</u>	<u>220,841</u>	<u>196,642</u>
Expenses			
Amortization	38,461	38,461	35,254
Salaries	79,032	69,568	72,631
Benefits	2,800	1,407	1,332
Mileage	3,000	2,847	2,810
Training	4,700	5,503	4,074
Memberships	3,500	1,668	1,929
Supplies	3,000	2,007	3,034
Telephone and office	5,000	5,394	2,990
Dispatch	4,900	4,680	4,593
Communications	5,000	527	911
Maintenance - equipment	9,000	8,073	6,037
- vehicle	8,000	7,716	15,934
- building	5,000	3,717	5,787
Professional fees	1,400	1,400	-
Insurance	9,300	8,491	8,389
Utilities	4,800	6,238	5,433
Fuel	3,000	1,901	2,800
Interest	-	1,332	1,038
	<u>189,893</u>	<u>170,930</u>	<u>174,976</u>
Annual surplus	<u>1,226</u>	<u>49,911</u>	<u>21,666</u>
Accumulated surplus, beginning of the year	30,906	508,153	14,988
Change in accounting principles (Note 6)	-	-	471,499
Accumulated surplus, beginning of the year as restated	<u>30,906</u>	<u>508,153</u>	<u>486,487</u>
Accumulated surplus, end of year	<u>\$ 32,132</u>	<u>\$ 558,064</u>	<u>\$ 508,153</u>

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

Elmwood Fire Department
Consolidated Statement of Change in Net Debt

For the year ended December 31	Budget 2009	Actual 2009	Actual 2008
			(Restated - See note 6)
Annual surplus	\$ 1,226	\$ 49,911	\$ 21,666
Acquisition of tangible capital assets	(24,687)	(23,565)	(41,002)
Amortization expense	38,461	38,461	35,254
	13,774	14,896	(5,748)
Change in net financial assets	15,000	64,807	15,918
Net financial assets, beginning of year	30,906	30,906	14,988
Net financial assets, end of year	\$ 45,906	\$ 95,713	\$ 30,906

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

Elmwood Fire Department
Consolidated Statement of Cash Flow

For the year ended December 31	2009	2008
		(Restate -d See note 6)
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 49,911	\$ 21,666
Items not involving cash		
Amortization of tangible capital assets	<u>38,461</u>	<u>35,254</u>
	88,372	56,920
Change in balances		
Increase in accounts receivable	(28,736)	-
Increase in amount due from West Grey	(4,403)	(9,260)
Increase (decrease) in accounts payable	<u>(313)</u>	<u>285</u>
	54,920	47,945
Capital activities		
Acquisition of tangible capital assets	<u>(23,565)</u>	<u>(41,002)</u>
Financing activities		
Additions to long-term liabilities	-	16,200
Repayment of long-term liabilities	<u>(2,806)</u>	<u>(1,720)</u>
	(2,806)	14,480
Net change in cash and cash equivalents	28,549	21,423
Cash and cash equivalents, beginning of year	<u>32,032</u>	<u>10,609</u>
Cash and cash equivalents, end of year	\$ 60,581	\$ 32,032

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

Elmwood Fire Department Summary of Significant Accounting Policies

December 31, 2009

Management Responsibility

The consolidated financial statements of the Elmwood Fire Department are the representation of management. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Basis of Consolidation

The Elmwood Fire Department has been proportionately consolidated with the financial statements of the Municipality of Brockton and the Municipality of West Grey as follows:

Municipality of Brockton	40.95%
Municipality of West Grey	59.05%

Basis of Accounting

These financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses 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.

Revenue Recognition

User fee revenue is recognized when earned, as services are rendered to customers, providing the amount is fixed or determinable, and collectibility is reasonably assured.

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, and eligibility criteria have been met by the recipient and reasonable estimates of the amounts can be made.

Elmwood Fire Department
Summary of Significant Accounting Policies

December 31, 2009

Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the organization because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.

Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair market value at the date of contribution. Where fair market value cannot be reasonably determined, contributed tangible capital assets are recorded at a nominal amount. Amortization is calculated on a straight-line basis over the estimated useful life of the asset. The useful lives of the assets are based on estimates made by management as follows:

Vehicles 5 to 30 years
Equipment 5 to 25 years

**Elmwood Fire Department
Notes to Financial Statements**

December 31, 2009

1. Tangible Capital Assets

	2009				2008			
	Land and buildings	Machinery and equipment	Vehicles	Total	Land and buildings	Machinery and equipment	Vehicles	Total
Cost, beginning of year	\$ 195,582	\$ 102,990	\$ 560,426	\$ 858,998	\$ 195,582	\$ 61,988	\$ 560,426	\$ 817,996
Additions	-	23,564	-	23,564	-	41,002	-	41,002
Cost, end of year	195,582	126,554	560,426	882,562	195,582	102,990	560,426	858,998
Accumulated amortization, beginning of year	95,092	50,460	236,199	381,751	90,866	43,838	211,794	346,498
Amortization	4,226	9,829	24,405	38,460	4,226	6,622	24,405	35,253
Accumulated amortization, end of year	99,318	60,289	260,604	420,211	95,092	50,460	236,199	381,751
Net carrying amount, end of year	\$ 96,264	\$ 66,265	\$ 299,822	\$ 462,351	\$ 100,490	\$ 52,530	\$ 324,227	\$ 477,247

**Elmwood Fire Department
Notes to Financial Statements**

December 31, 2009

2. Long-Term Liabilities

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

	<u>2009</u>	<u>2008</u>
Capital lease payable, 10% payable \$345 monthly principal and interest, due April 2013	<u>\$ 11,674</u>	<u>\$ 14,480</u>

3. Subsequent Events

Subsequent to December 31, 2009, the Municipality of West Grey gave notice to the Municipality of Brockton advising that they wish to cease participating as a partner in the Elmwood Fire Department and wish to enter into a fire protection agreement.

4. Accumulated Surplus

The accumulated surplus reported on the statement of financial position is comprised of the following:

	<u>2009</u>	<u>2008</u>
Amount invested in tangible capital assets	\$ 462,351	\$ 477,247
Reserve fund	107,387	45,386
Amounts to be recovered	<u>(11,674)</u>	<u>(14,480)</u>
	<u>\$ 558,064</u>	<u>\$ 508,153</u>

Elmwood Fire Department
Notes to Financial Statements

December 31, 2009

5. Budget Amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the statement of financial activities for comparative purposes. The budget amounts for The Corporation of Municipality of West Grey Public Library Board are as approved by Council and have been restated to conform to the basis of presentation of the revenues and expenditures on the statement of financial activities. The budget figures have not been audited.

The following is a reconciliation of the budget approved by Council:

	2009 Budget	2009 Actual	2008 Actual
Annual surplus	\$ 1,226	\$ 49,911	\$ 21,666
Annual deficit pertaining to reserve funds	-	(194)	(682)
Amortization	38,461	38,461	35,254
Acquisition of tangible capital assets	(24,687)	(23,565)	(41,002)
Change in unfunded liabilities	-	(2,806)	14,480
	15,000	61,807	29,716
General surplus, beginning of year	-	-	-
Surplus before transfers to reserves	15,000	61,807	29,716
Transfers to reserve per resolution	(15,000)	(61,807)	(29,716)
	\$ -	\$ -	\$ -

Elmwood Fire Department
Notes to Financial Statements

December 31, 2009

6. Change in Accounting Principles

On January 1, 2009 the municipality adopted the revised accounting standards Section 1000 - Financial Statement Concepts, Section 1100 - Financial Statement Objectives, Section 1200 - Financial Statement Presentation, and Section 3150 - Tangible Capital Assets. As a result of the adoption, the presentation of the financial statements changed from the prior year.

In addition, the standards require the recognition of all non-financial assets including tangible capital assets, prepaid expenses, and inventories of supplies as assets in the statement of financial position. Amortization of tangible capital assets is reported as an expense on the statement of operations. This change in accounting policy has been applied retroactively with the restatement of the prior period.

The impact on the 2008 balances of adopting the standards was as follows:

Statement of Financial Position

Increase in non-financial assets for tangible capital assets	<u>\$ 477,247</u>
Increase in accumulated surplus	<u>\$ 477,247</u>

Statement of Operations

Decrease (increase) in expenses:	
Amortization	\$ (35,254)
Capital expenditures	<u>41,002</u>
Increase in annual surplus	5,748
Increase in opening accumulated surplus for the net book value of tangible capital assets at January 1, 2008	<u>471,499</u>
	<u>\$ 477,247</u>

