

**CORPORATION OF THE
TOWN OF SOUTH BRUCE PENINSULA
TRUST FUNDS
FINANCIAL STATEMENT**

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

TRUST FUNDS

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GAVILLER & COMPANY LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Council of the **Town of South Bruce Peninsula**:

Report on the Financial Statements

We have audited the accompanying financial statements for the trust funds of the Town of South Bruce Peninsula, which comprise the balance sheet as at December 31, 2011, and the statement of continuity 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 the 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 auditors' 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 Municipality'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 Municipality'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 balance sheet for the trust funds of the Town of South Bruce Peninsula as at December 31, 2011, and the statement of continuity for the year then ended in accordance with Canadian public sector accounting standards

Gaviller & Company LLP

Licensed Public Accountants

Walkerton, Ontario

April 17, 2012

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

TRUST FUNDS STATEMENT OF CONTINUITY FOR THE YEAR ENDED DECEMBER 31, 2011

	Ontario Home Renewal Program \$	Cemetery Care & Maintenance \$	Total 2011 \$	Total 2010 \$
BALANCE, BEGINNING OF YEAR	3,152	248,452	251,604	247,082
Receipts				
Interest earned	2,325	-	2,325	4
Plot sales	-	5,250	5,250	4,799
Expenditures				
Administration fees	304	-	304	16
Transfer to Province of Ontario	5,173	-	5,173	266
BALANCE, END OF YEAR	-	253,702	253,702	251,603

BALANCE SHEET AS AT DECEMBER 31, 2011

	Ontario Home Renewal Plan \$	Cemetery Care & Maintenance \$	Total 2011 \$	Total 2010 \$
ASSETS				
Cash	5,477	252,828	258,305	237,966
Investments (Note 2)	-	-	-	12,700
Due from Town of South Bruce Peninsula	-	606	606	-
Loans Receivable (Note 3)	-	-	-	3,151
Interest Receivable	-	268	268	-
	5,477	253,702	259,179	253,817
LIABILITIES				
Due to Town of South Bruce Peninsula	304	-	304	1,947
Due to Province of Ontario	5,173	-	5,173	266
	5,477	-	5,477	2,213
TOTAL ASSETS AND FUND BALANCE	-	253,702	253,702	251,604

The accompanying notes are an integral part
of the financial statement

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF ACCOUNTING

The financial information of the Corporation of the Town of South Bruce Peninsula Trust Funds 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 Ontario Ministry of Municipal Affairs and Housing except that tangible capital assets are expensed in the statement of continuity in the year of acquisition.

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.

(B) USE OF ESTIMATES

The preparation of financial information in accordance with Canadian public sector accounting standards 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.

(C) BASIS OF CONSOLIDATION

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

2. INVESTMENTS

The total investments of \$NIL (2010 - \$12,700) reported on the balance sheet at cost have a market value of \$NIL (2010 - \$12,700) at the end of the year.

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 are limited to \$7,500 of which the maximum forgivable portion is \$4,000.

Ontario Home Renewal Program loans receivable at December 31, 2011 comprise repayable loans of \$NIL (2010 - \$3,151).

The program was discontinued in 1993 and all funds will be returned to the Province of Ontario when collected. Any balance in the bank account is owing to the Province and the Municipality. Municipalities will be provided an administration fee of five percent of the balances collected after December 31, 1993 and are permitted to retain the interest earned on unremitted OHRP trust account balances.