

**CORPORATION OF THE
TOWNSHIP OF DOURO-DUMMER**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

**CORPORATION OF THE
TOWNSHIP OF DOURO-DUMMER**

CONSOLIDATED FINANCIAL STATEMENTS

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TABLE OF CONTENTS

	Page Number
MANAGEMENT REPORT	
AUDITORS' REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 15
Schedule of Tangible Capital Assets	16
Schedules of Segment Disclosure	17 - 18
TRUST FUNDS	
Auditors' Report	19
Statement of Financial Position	20
Statement of Continuity	21
Notes to the Financial Statements	22 - 23
LOCAL BOARDS	
Douro-Dummer Township Public Library Board	24 - 33



TOWNSHIP OF DOURO-DUMMER

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CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

For The Year Ended December 31, 2009

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Douro-Dummer are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Douro-Dummer. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the external auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Collins Barrow Kawarthas LLP has full and free access to Council.

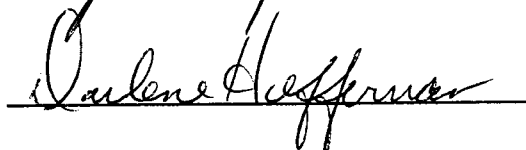
Reeve



Date

FEBRUARY 15, 2011

Treasurer



Date

FEBRUARY 15, 2011

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

We have audited the consolidated statement of financial position of the Corporation of the Township of Douro-Dummer as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Township's 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 Township as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 21, 2010

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
FINANCIAL ASSETS		
Cash	1,429,478	2,372,157
Short term investments (note 4)	1,756,808	1,216,848
Accounts receivable	501,088	196,865
Taxes receivable	879,622	779,801
TOTAL FINANCIAL ASSETS	4,566,996	4,565,671
LIABILITIES		
Accounts payable	1,511,432	613,953
Obligatory reserve funds (note 5)	242,157	243,304
Other deferred revenue	88,566	312,852
Landfill closure and post-closure liability (note 7)	351,841	363,488
Employee future benefits (note 6)	121,465	127,264
TOTAL LIABILITIES	2,315,461	1,660,861
NET FINANCIAL ASSETS	2,251,535	2,904,810
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	28,211,064	26,895,133
Prepaid expenses	13,243	12,645
Inventories of materials and supplies	39,660	34,294
TOTAL NON-FINANCIAL ASSETS	28,263,967	26,942,072
ACCUMULATED SURPLUS (note 9)	30,515,502	29,846,882

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
REVENUES			
Property taxation	3,180,797	3,193,463	3,071,662
User charges	657,177	663,597	789,937
Government of Canada	138,004	331,319	137,410
Province of Ontario	844,075	1,153,058	2,033,213
Other municipalities	4,000	3,650	-
Penalties and interest on taxes	120,000	138,771	116,745
Investment income	105,000	63,999	140,579
Donations	4,050	1,018	963
Developer contributions earned	117,674	112,778	16,480
TOTAL REVENUES	5,170,777	5,661,653	6,306,989
EXPENSES			
General government	828,339	862,383	993,645
Protection services	1,256,961	1,213,252	1,209,358
Transportation services	1,063,820	1,661,544	2,651,400
Environmental services	250,408	267,513	226,266
Health services	223,255	209,432	68,808
Recreation and cultural services	639,116	680,181	1,045,539
Planning and development	103,166	98,728	91,768
TOTAL EXPENSES	4,365,065	4,993,033	6,286,784
ANNUAL SURPLUS	805,712	668,620	20,205
ACCUMULATED SURPLUS - beginning of year	29,846,882	29,846,882	29,826,677
ACCUMULATED SURPLUS - end of year	30,652,594	30,515,502	29,846,882

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$ (Note 2)
ANNUAL SURPLUS	805,712	668,620	20,205
Amortization of tangible capital assets	-	991,889	900,733
Acquisition of tangible capital assets	(2,255,539)	(2,308,133)	(1,045,809)
Loss on disposal of tangible capital assets	-	313	578,481
(Increase)/decrease in prepaid expenses	-	(598)	55,275
(Increase)/decrease in inventories of materials and supplies	-	(5,366)	2,684
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,449,827)	(653,275)	511,569
NET FINANCIAL ASSETS - beginning of year	2,904,810	2,904,810	2,393,241
NET FINANCIAL ASSETS - end of year	1,454,983	2,251,535	2,904,810

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	668,620	20,205
Increase in accounts receivable	(304,223)	(31,980)
Increase in taxes receivable	(99,821)	(134,872)
(Increase)/decrease in prepaid expenses	(598)	55,275
(Increase)/decrease in inventories of materials and supplies	(5,366)	2,684
Increase in accounts payable	897,479	302,101
Increase/(decrease) in obligatory reserve funds	(1,147)	18,155
Increase/(decrease) in other deferred revenue	(224,286)	297,224
Decrease in landfill closure and post-closure liability	(11,647)	(48,144)
Decrease in employee future benefits	(5,799)	(4,278)
Non-cash charges to operations		
Amortization of tangible capital assets	991,889	900,733
Loss on disposal of tangible capital assets	313	578,481
Net increase in cash from operating transactions	1,905,414	1,955,584
CAPITAL		
Acquisition of tangible capital assets	(2,308,133)	(1,045,809)
INVESTING		
Increase in short term investments	(539,960)	(36,302)
INCREASE/(DECREASE) IN CASH	(942,679)	873,473
CASH - beginning of year	2,372,157	1,498,684
CASH - end of year	1,429,478	2,372,157

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

The Township of Douro-Dummer is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared 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 are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These financial statements include:

- Douro-Dummer Township Public Library Board

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Tangible Capital Assets

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

Land improvements	20 to 25 years
Buildings	10 to 50 years
Machinery and equipment	5 to 40 years
Vehicles	5 to 30 years
Computers	5 years
Roads and bridges	10 to 50 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets under construction are not amortized until put in service.

(d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-financial Assets

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

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Deferred Revenue

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(h) Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the Township upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no significant collection risk.

(i) Government Funding

Government funding is recognized in the financial statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs.
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

(k) Financial Instruments

The Township's financial instruments consist of cash, short term investments, accounts receivable, taxes receivable and accounts payable. It is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Township does not have any significant concentration of interest, currency or credit risk.

2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Township has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires municipalities and their local boards to record and amortize their tangible capital assets on their financial statements. Adjustments necessary to the 2008 financial information as a result of the Section are as follows:

Adjustment to 2008 Tangible Capital Assets

Assets previously expensed to December 31, 2008	\$ 38,420,902
Accumulated amortization to December 31, 2008, not previously recorded	<u>(11,525,769)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 26,895,133</u>

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY, continued

Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated	
Current fund	\$ 100,014
Reserves and reserve funds	2,941,300
	<u>3,041,314</u>
Net book value of tangible capital assets at January 1, 2008	27,328,537
Unfunded liabilities	<u>(543,174)</u>
Opening 2008 accumulated surplus as restated	<u>\$ 29,826,677</u>

Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$ 453,609
Add: Assets capitalized but previously expensed	1,045,809
Less: Amortization expense not previously recorded	(900,732)
Loss on sale of tangible capital assets	<u>(578,481)</u>
2008 annual surplus as restated	<u>\$ 20,205</u>

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2009, requisitions were made by the County of Peterborough and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	2,576,231	3,475,734
Taxation from other governments	1,473	2,855
<u>Amounts requisitioned and remitted</u>	<u>2,577,704</u>	<u>3,478,589</u>

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

4. SHORT TERM INVESTMENTS

The short term investments held at the end of the year, stated at cost, are comprised of the following:

	Market Value	2009	2008
	\$	\$	\$
Desjardins - fixed securities and income funds	1,427,201	1,404,394	716,344
One Fund - money market fund	245,415	249,710	246,952
GIC's - interest rates ranging 2.50% to 2.90% , maturing in March and December 2010	102,704	102,704	253,552
	1,775,320	1,756,808	1,216,848

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2009	2008
	\$	\$
Parkland	14,865	20,663
Development charges	7,591	82,085
Federal gas tax	219,701	140,556
	242,157	243,304

6. EMPLOYEE FUTURE AMOUNTS PAYABLE

The Township provides certain employee amounts that will require funding in future periods.

	2009	2008
	\$	\$
Post employment benefits	121,465	127,264

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

6. EMPLOYEE FUTURE AMOUNTS PAYABLE, continued

The Township provides eligible employees a defined benefit plan to pay costs of extended health and vision benefits after they retire. All benefits are provided upon retirement and continue for a period of 10 years, but not beyond the age 65, at which time the benefits cease. In the event of the death of a former eligible employee, the benefits coverage continues to the surviving spouse for a period of 2 years. The liability is not funded by the Township. The actuarial valuation as at December 31, 2009 was based on assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate 2.5%
Future health care premiums - first year 2008 10.0%
- increase over 10 years rate of inflation plus 1%

The post-employment benefit is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus. Composition of the amount is as follows:

	2009	2008
	\$	\$
Accrued benefit obligation at January 1	127,264	131,542
Current year benefit cost	3,544	3,222
Interest on post-employment benefit liability	6,657	6,927
Less: benefit payments	(16,000)	(14,427)
Accrued benefit obligation at December 31	121,465	127,264

7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$351,841 (2008 - \$363,488) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the three closed sites owned by the Township. The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Township has a landfill reserve of \$70,949 (2008 - \$85,259) and the remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining post-closure costs of the three closed sites. The total discounted future cash flows for closure and post-closure cost is estimated at \$351,841 as at December 31, 2009 (2008 - \$363,488).

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

8. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2009	2008
	\$	\$
General		
Land and land improvements	3,792,457	3,785,792
Buildings	1,083,033	1,079,408
Machinery and equipment	1,011,806	766,950
Vehicles	1,951,133	1,915,739
Computers	42,816	59,818
Infrastructure		
Roads and bridges	18,912,986	18,855,193
	26,794,231	26,462,900
Assets under construction	1,416,833	432,233
	28,211,064	26,895,133

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2008 - \$Nil) and no interest capitalized (2008 - \$Nil)

The allocation of tangible capital assets by segment is as follows:

	2009	2008
	\$	\$
General government	540,197	430,473
Protection services	1,459,075	1,523,946
Transportation services	21,561,883	20,541,534
Environmental services	140,783	157,960
Recreation and cultural services	2,017,079	1,749,173
Planning and development	2,492,047	2,492,047
	28,211,064	26,895,133

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2009	2008
	\$	\$
Surplus/(Deficit)		
Township	-	(84,775)
Library	2,260	2,259
Unfunded post employment and landfill liabilities	(473,306)	(490,752)
	(471,046)	(573,268)
Invested In Capital Assets		
Tangible capital assets - net book value	28,211,064	26,895,133
Surplus	27,740,018	26,321,865
Reserves		
Working funds	826,788	826,788
Self insurance	44,640	57,055
Post employment benefits	31,233	31,233
Future capital projects	1,818,626	2,560,100
Future operations	36,883	32,059
Total Reserves	2,758,170	3,507,235
Reserve Funds		
Future capital projects	17,314	17,782
	30,515,502	29,846,882

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

10. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
Salaries and benefits	1,770,136	1,609,782	1,676,985
Materials	1,297,954	1,113,764	2,268,249
Contracted services	1,007,878	991,546	762,259
Rents and financial expenses	7,700	2,992	17,646
External transfers	281,397	282,747	82,431
Amortization	-	991,889	900,733
Loss on disposal of capital assets	-	313	578,481
	4,365,065	4,993,033	6,286,784

11. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions required on account of current service in 2009 were \$57,069 (2008 - \$54,020).

12. TRUST FUNDS

Trust funds administered by the Township amounting to \$41,378 (2008 - \$44,470) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

13. BUDGET FIGURES

The budget, approved by the Township, for 2009 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

14. CONTINGENT LIABILITIES

The Township, in the course of its operations, has been named in several lawsuits the outcome of which is indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

15. COMMITMENTS

The Township acts as a collection agent for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2009 is \$46,783 (2008 - \$78,854). These loans and related payments are not reported on the Consolidated Statement of Financial Position nor the Statement of Operations and Accumulated Surplus.

The Township accepted a tender for the reconstruction of the Dummer-Asphodel Boundary Road with the total cost of the project to be shared equally with the Township of Asphodel-Norwood. The remaining commitment for the Township at the end of the year is \$17,916. This commitment will be funded from a provincial grant.

The Township has entered into an agreement to upgrade University Road. The total estimated cost to the Township is approximately \$1,079,102 which is to be financed from provincial and federal grants, reserves and taxation. The net cost to December 31, 2009 is \$618,420 leaving a remaining commitment for the Township of \$460,682.

The Township has entered into an agreement to complete the municipal office addition/renovation. The total estimated cost to the Township is approximately \$1,204,820 which is to be financed from provincial and federal grants, reserves and taxation. The net cost to December 31, 2009 is \$136,900 leaving a remaining commitment for the Township of \$1,067,920.

16. SEGMENTED INFORMATION

The Township of Douro-Dummer is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segment information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control, and street lighting.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

16. SEGMENTED INFORMATION, continued

Environmental Services

The environmental function is responsible for providing waste collection and waste disposal services to ratepayers.

Health Services

The health services function consists of the health centre and activities of the cemetery board.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Township.

17. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2009

	General					Infrastructure	Assets Under Construction	Totals
	Land and land improvements	Buildings	Machinery and Equipment	Vehicles	Computers	Roads and Bridges		
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	3,852,374	3,929,382	1,623,533	3,307,181	138,087	25,138,112	432,233	38,420,902
Add: additions during the year	-	-	11,485	-	-	-	2,296,648	2,308,133
Less: disposals during the year	-	2,500	6,808	-	-	41,894	-	51,202
Internal transfers	15,849	59,426	335,955	231,741	-	669,077	(1,312,048)	-
Balance, end of year	3,868,223	3,986,308	1,964,165	3,538,922	138,087	25,765,295	1,416,833	40,677,833
ACCUMULATED AMORTIZATION								
Balance, beginning of year	66,582	2,849,974	856,583	1,391,442	78,269	6,282,919	-	11,525,769
Add: additions during the year	9,184	55,801	95,776	203,155	17,002	610,971	-	991,889
Less: disposals during the year	-	2,500	-	6,808	-	41,581	-	50,889
Balance, end of year	75,766	2,903,275	952,359	1,587,789	95,271	6,852,309	-	12,466,769
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,792,457	1,083,033	1,011,806	1,951,133	42,816	18,912,986	1,416,833	28,211,064

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2009

	General Government \$	Protection Services \$	Transportation Services \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	635,468	1,141,663	857,878	167,183	23,255	284,600	83,416	3,193,463
User charges	13,797	110,106	11,977	77,082	1,241	428,865	20,529	663,597
Government transfers - operating	566,710	18,533	40,411	-	-	28,072	-	653,726
Government transfers - capital	94,768	-	710,883	-	-	25,000	-	830,651
Other municipalities	-	3,650	-	-	-	-	-	3,650
Penalties and interest on taxes	138,771	-	-	-	-	-	-	138,771
Investment income	52,324	-	-	-	-	11,675	-	63,999
Donations	353	200	-	-	-	465	-	1,018
Developer contributions earned	3,400	-	78,000	-	-	31,378	-	112,778
Total revenues	1,505,591	1,274,152	1,699,149	244,265	24,496	810,055	103,945	5,661,653
Expenses								
Salaries and benefits	537,105	252,280	453,459	33,156	623	271,652	61,507	1,609,782
Materials	213,390	181,533	368,752	19,714	3,509	319,882	6,984	1,113,764
Contracted services	63,465	612,299	70,559	197,466	5,300	12,220	30,237	991,546
Rents and financial expenses	2,911	50	-	-	-	31	-	2,992
External transfers	2,283	80,464	-	-	200,000	-	-	282,747
Amortization	43,229	86,626	768,461	17,177	-	76,396	-	991,889
Loss on disposal of capital assets	-	-	313	-	-	-	-	313
Total expenses	862,383	1,213,252	1,661,544	267,513	209,432	680,181	98,728	4,993,033
Net surplus/deficit	643,208	60,900	37,605	(23,248)	(184,936)	129,874	5,217	668,620

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2008

	General Government \$	Protection Services \$	Transportation Services \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	151,967	1,169,615	1,071,797	176,769	252,022	153,234	96,258	3,071,662
User charges	9,502	164,622	10,895	75,522	-	507,936	21,460	789,937
Government transfers - operating	946,584	13,860	39,888	-	-	46,935	-	1,047,267
Government transfers - capital	-	-	993,356	130,000	-	-	-	1,123,356
Other municipalities	-	-	-	-	-	-	-	-
Penalties and interest on taxes	116,745	-	-	-	-	-	-	116,745
Investment income	139,968	-	-	-	-	611	-	140,579
Donations	263	-	-	-	-	700	-	963
Developer contributions earned	3,780	-	-	-	-	12,700	-	16,480
Total revenues	1,368,809	1,348,097	2,115,936	382,291	252,022	722,116	117,718	6,306,989
Expenses								
Salaries and benefits	488,816	265,643	582,840	29,762	985	253,198	55,741	1,676,985
Materials	166,851	204,557	1,371,847	43,225	67,823	403,741	10,205	2,268,249
Contracted services	68,621	545,262	-	122,754	-	-	25,622	762,259
Rents and financial expenses	2,160	-	-	15,486	-	-	-	17,646
External transfers	413	80,416	-	-	-	1,402	200	82,431
Amortization	65,816	97,913	627,462	15,039	-	94,503	-	900,733
Loss on disposal of capital assets	200,968	15,567	69,251	-	-	292,695	-	578,481
Total expenses	993,645	1,209,358	2,651,400	226,266	68,808	1,045,539	91,768	6,286,784
Net surplus/deficit	375,164	138,739	(535,464)	156,025	183,214	(323,423)	25,950	20,205



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AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

We have audited the statement of financial position of the Trust Funds of the Corporation of the Township of Douro-Dummer 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 the Township's 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 Township 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.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 21, 2010

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2009

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2009 Total \$	2008 Total \$
FINANCIAL ASSETS						
Cash	-	20,971	-	1,425	22,396	33,994
Investments (note 2)	7,424	-	-	-	7,424	7,112
Loans receivable (note 3)	-	12,971	-	-	12,971	15,272
Due from Township	-	-	3,700	179	3,879	4,994
	7,424	33,942	3,700	1,604	46,670	61,372
LIABILITIES AND TRUST FUND BALANCES						
CURRENT LIABILITIES						
Due to Township	-	515	-	-	515	5,934
Due to Province	-	4,777	-	-	4,777	10,968
	-	5,292	-	-	5,292	16,902
FUND BALANCE	7,424	28,650	3,700	1,604	41,378	44,470
	7,424	33,942	3,700	1,604	46,670	61,372

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2009

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2009 Total \$	2008 Total \$
BALANCE - beginning of year	7,112	30,951	4,815	1,592	44,470	52,812
RECEIPTS						
Interest earned	312	2,990	-	12	3,314	5,916
EXPENSES						
Administration fees	-	515	-	-	515	1,437
Transfer to Province	-	4,776	-	-	4,776	10,061
Transfer to Township	-	-	1,115	-	1,115	-
Bad debts	-	-	-	-	-	2,760
	-	5,291	1,115	-	6,406	14,258
BALANCE - end of year	7,424	28,650	3,700	1,604	41,378	44,470

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which 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) Financial Instruments

The Trust Funds financial instruments consist of cash, investments, loans receivable, due from township, due to township and due to Province. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Funds does not have any significant concentration of credit, currency or interest rate risk.

2. CASH AND INVESTMENTS

Included in cash and investments are the following investments recorded at cost:

	2009	2008
	\$	\$
Desjardins Securities - GIC 4.45% due June 18, 2010	7,000	7,000
Desjardins Securities - cash on hand	424	112
	7,424	7,112
Market Value	7,591	7,280

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

3. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing 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 is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued 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 balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2009 are comprised of repayable loans of \$12,971 (2008 - \$15,272).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

4. CEMETERY PERPETUAL CARE

Cemetery perpetual care trust fund is funded by the sale of cemetery plots. The funds are invested and earnings derived thereof are used to perform perpetual care at the cemetery. The operations and investment of the trust funds are undertaken by the municipality in accordance with the regulations of the Cemeteries Act.

**CORPORATION OF THE
TOWNSHIP OF DOURO-DUMMER**

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2009

AUDITORS' REPORT

TO THE MEMBERS OF THE DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD, THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

We have audited the statement of financial position of the Douro-Dummer Township Public Library Board of the Corporation of the Township of Douro-Dummer as at December 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's 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 Board as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 21, 2010

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009	Restated 2008
	\$	\$
		(Note 2)
FINANCIAL ASSETS		
<u>Due from Township</u>	5,582	21,858
NET FINANCIAL ASSETS	5,582	21,858
NON-FINANCIAL ASSETS		
<u>Tangible capital assets (note 3)</u>	52,966	52,401
ACCUMULATED SURPLUS (note 4)	58,548	74,259

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
REVENUES			
Municipal contributions	33,058	31,162	33,591
Province of Ontario	22,107	20,914	19,130
User charges	550	875	1,159
TOTAL REVENUES	55,715	52,951	53,880
EXPENSES			
Salaries, wages and benefits	31,490	37,069	23,301
Subscriptions and videos	500	457	490
Supplies, materials and rentals	2,250	2,563	2,565
Public relations and advertising	300	1,047	1,450
Memberships, staff training & mileage	700	1,035	607
Utilities	5,500	6,383	6,038
Property maintenance and repairs	10,075	8,188	11,078
Contracted services	1,500	1,000	1,000
Amortization	-	10,920	10,517
Loss on disposal of capital assets	-	-	2,617
TOTAL EXPENSES	52,315	68,662	59,663
ANNUAL SURPLUS/(DEFICIT)	3,400	(15,711)	(5,783)
ACCUMULATED SURPLUS - beginning of year	74,259	74,259	80,042
ACCUMULATED SURPLUS - end of year	77,659	58,548	74,259

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$ (Note 2)
ANNUAL SURPLUS/(DEFICIT)	3,400	(15,711)	(5,783)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	-	10,920	10,517
ACQUISITION OF TANGIBLE CAPITAL ASSETS	(10,300)	(11,485)	(22,947)
LOSS ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	-	-	2,617
DECREASE IN NET FINANCIAL ASSETS	(6,900)	(16,276)	(15,596)
NET FINANCIAL ASSETS - beginning of year	21,858	21,858	37,454
NET FINANCIAL ASSETS - end of year	14,958	5,582	21,858

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	(15,711)	(5,783)
Decrease in due from township	16,276	15,596
Non-cash charges to operations		
Amortization of tangible capital assets	10,920	10,517
Loss on disposal of tangible capital assets	-	2,617
Net increase in cash from operating transactions	11,485	22,947
CAPITAL		
Acquisition of tangible capital assets	(11,485)	(22,947)
INCREASE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(c) Financial Instruments

The Board's financial instrument consists of amount due from Township. It is management's opinion that the fair value of the financial instrument is not materially different from its carrying value unless otherwise noted. The Board does not have any significant concentration of credit, currency or interest rate risk.

(d) Government funding

Government funding is recognized in the financial statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(e) Reserves

Certain amounts, as approved by the Board, are not set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Tangible Capital Assets

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

Buildings and building improvements	15 to 50 years
Equipment and books	5 to 40 years
Computers	5 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(g) Non-Financial Assets

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

2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Board has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires municipalities and their local boards to record and amortize their tangible capital assets on their financial statements. Adjustments necessary to the 2008 financial information as a result of the Section are as follows:

Adjustment to 2008 Tangible Capital Assets

Assets previously expensed to December 31, 2008	\$ 254,658
Accumulated amortization to December 31, 2008, not previously recorded	<u>(202,257)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 52,401</u>

Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated	
Current fund	\$ 2,259
Reserves and reserve funds	<u>35,195</u>
	37,454
Net book value of tangible capital assets at January 1, 2008	<u>42,588</u>
Opening 2008 accumulated surplus, as restated	<u>\$ 80,042</u>

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY, continued

Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$ (15,596)
Add: Assets capitalized but previously expensed	22,947
Less: Amortization expense not previously recorded	(10,517)
Loss on sale of tangible capital assets	<u>(2,617)</u>
2008 annual surplus as restated	<u>\$ (5,783)</u>

3. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Land \$	Building \$	Equipment \$	Computer \$	2009 Totals \$	2008 Totals \$
COST						
Balance, beginning of year	4,120	58,479	184,180	7,879	254,658	276,353
Add: additions during the year	-	-	11,485	-	11,485	22,947
Less: disposals during the year	-	-	-	-	-	44,642
Balance, end of year	4,120	58,479	195,665	7,879	266,143	254,658
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	44,315	150,063	7,879	202,257	233,765
Add: additions during the year	-	803	10,117	-	10,920	10,517
Less: disposals during the year	-	-	-	-	-	42,025
Balance, end of year	-	45,118	160,180	7,879	213,177	202,257
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,120	13,361	35,485	-	52,966	52,401

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2009	2008
	\$	\$
Surplus/(Deficit)		
Current fund	2,260	2,259
Invested In Capital Assets		
Tangible capital assets - net book value	52,966	52,401
Surplus	55,226	54,660
Reserves		
Future capital projects	3,322	19,599
	58,548	74,259

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2009 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

6. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.