

**CORPORATION OF THE  
TOWNSHIP OF LIMERICK**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**CORPORATION OF THE  
TOWNSHIP OF LIMERICK**

**CONSOLIDATED FINANCIAL STATEMENTS**

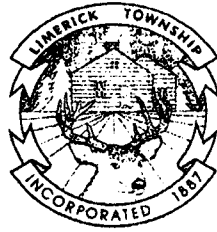
**DECEMBER 31, 2011**

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## CORPORATION OF THE TOWNSHIP OF LIMERICK

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### CORPORATION OF THE TOWNSHIP OF LIMERICK

For The Year Ended December 31, 2011

#### MANAGEMENT REPORT

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

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. 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 Limerick. 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 independent auditors' 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

A handwritten signature in black ink, appearing to read "David A. Adams", written over a horizontal line.

Date

A handwritten date "May 1, 2012" written over a horizontal line.

Clerk-Treasurer

A handwritten signature in black ink, appearing to read "J. Trumble", written over a horizontal line.

Date

A handwritten date "May 1st, 2012" written over a horizontal line.

**INDEPENDENT AUDITORS' REPORT****To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Limerick***Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Limerick, which comprise the consolidated statement of financial position as at December 31, 2011, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Township of Limerick as at December 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*Chartered Accountants  
Licensed Public AccountantsPeterborough, Ontario  
May 1, 2012

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2011

	2011	2010
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	511,017	495,735
Taxes receivable	213,006	204,859
Accounts receivable	142,292	319,790
<b>TOTAL FINANCIAL ASSETS</b>	<b>866,315</b>	<b>1,020,384</b>
<b>LIABILITIES</b>		
Short term debt	-	92,057
Accounts payable	105,691	421,781
Deferred revenue - obligatory reserve funds (note 4)	31,878	9,546
Long term debt (note 5)	333,264	237,229
Landfill closure and post-closure liability (note 7)	266,799	244,957
<b>TOTAL LIABILITIES</b>	<b>737,632</b>	<b>1,005,570</b>
<b>NET FINANCIAL ASSETS</b>	<b>128,683</b>	<b>14,814</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	2,158,624	2,235,581
<b>ACCUMULATED SURPLUS (note 6)</b>	<b>2,287,307</b>	<b>2,250,395</b>

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

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2011

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
<b>REVENUES</b>			
Property taxation	640,017	642,083	497,203
User charges	37,200	33,888	33,286
Government of Canada	-	4,971	158,883
Province of Ontario	211,700	220,065	437,777
Other municipalities	-	20,000	20,000
Penalties and interest on taxes	23,000	29,147	25,419
Investment income	-	3,136	1,384
Gain on sale of assets	-	-	1,505
Federal gas tax revenue earned	22,000	-	39,491
Other grants	-	-	63,000
<b>TOTAL REVENUES</b>	<b>933,917</b>	<b>953,290</b>	<b>1,277,948</b>
<b>EXPENSES</b>			
General government	202,085	189,406	172,170
Protection services	203,829	183,009	179,511
Transportation services	397,373	427,005	360,860
Environmental services	62,210	70,269	67,742
Health services	1,350	3,076	5,704
Recreation and cultural services	34,966	39,882	31,719
Planning and development	17,000	3,731	4,244
<b>TOTAL EXPENSES</b>	<b>918,813</b>	<b>916,378</b>	<b>821,950</b>
<b>ANNUAL SURPLUS</b>	<b>15,104</b>	<b>36,912</b>	<b>455,998</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>2,250,395</b>	<b>2,250,395</b>	<b>1,794,397</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>2,265,499</b>	<b>2,287,307</b>	<b>2,250,395</b>

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

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2011

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
<b>ANNUAL SURPLUS</b>	15,104	36,912	455,998
Amortization of tangible capital assets	135,724	165,864	135,017
Acquisition of tangible capital assets	(43,105)	(88,907)	(726,077)
Gain on disposal of tangible capital assets	-	-	(1,505)
Proceeds on sale of tangible capital assets	-	-	3,505
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	107,723	113,869	(133,062)
<b>NET FINANCIAL ASSETS - beginning of year</b>	14,814	14,814	147,876
<b>NET FINANCIAL ASSETS - end of year</b>	122,537	128,683	14,814

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

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2011

	2011	2010
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus	36,912	455,998
Increase in taxes receivable	(8,147)	(43,900)
(Increase)/decrease in accounts receivable	177,498	(243,465)
Increase/(decrease) in accounts payable	(316,090)	305,973
Increase/(decrease) in deferred revenue - obligatory reserve funds	22,332	(19,416)
Decrease in deferred revenue - other	-	(32,703)
Non-cash charges to operations		
Amortization of tangible capital assets	165,864	135,017
Gain on disposal of tangible capital assets	-	(1,505)
Increase in landfill closure and post-closure liability	21,842	10,933
<b>Net increase in cash from operating transactions</b>	<b>100,211</b>	<b>566,932</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(88,907)	(726,077)
Proceeds on disposal of tangible capital assets	-	3,505
<b>Net decrease in cash from capital transactions</b>	<b>(88,907)</b>	<b>(722,572)</b>
<b>FINANCING</b>		
Long term debt issued	154,941	167,313
Debt principal repayments	(58,906)	(49,282)
<b>Net increase in cash from financing transactions</b>	<b>96,035</b>	<b>118,031</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>107,339</b>	<b>(37,609)</b>
<b>CASH - beginning of year</b>	<b>403,678</b>	<b>441,287</b>
<b>CASH - end of year</b>	<b>511,017</b>	<b>403,678</b>
<b>Comprised of:</b>		
Cash	511,017	495,735
Short term debt	-	(92,057)
	<b>511,017</b>	<b>403,678</b>

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



# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

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The Township of Limerick 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 Township of Limerick.

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 years
Buildings	40 - 50 years
Roadways	10 - 20 years
Machinery and equipment	4 - 20 years
Vehicles	5 - 10 years
Computer software and hardware	4 - 10 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 categorized as assets under construction are not amortized until they are put into 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 LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

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### 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 revenue represents grants and 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 revenues 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 LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

### 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.

#### (k) Financial Instruments

The Township's financial instruments consist of cash, taxes receivable, accounts receivable, short term debt, accounts payable and long term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments, except for long term bank loans, approximates their fair values and that the Township does not have any significant concentration of currency or credit risk. The Township has long term debt which are at a variable rate of interest and as such represents an interest rate risk to the Township should interest rates fluctuate.

### 2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2011, requisitions were made by the County of Hastings 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	241,124	304,923
Taxation from other governments	65	2,312
<b>Amounts requisitioned and remitted</b>	<b>241,189</b>	<b>307,235</b>

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

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

### 3. TANGIBLE CAPITAL ASSETS

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

	2011	2010
	\$	\$
General		
Land	55,295	55,295
Land improvements	12,122	12,880
Buildings	208,716	219,409
Machinery and equipment	201,093	228,845
Vehicles	247,415	266,332
Infrastructure		
Roads	766,504	286,992
Bridges	667,479	643,547
	2,158,624	1,713,300
Assets under construction	-	522,281
	2,158,624	2,235,581

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

During the year there were no write-downs of assets (2010 - \$Nil) and no interest capitalized (2010 - \$Nil).

	2011	2010
	\$	\$
General government	195,213	206,531
Protection services	29,072	41,070
Transportation services	1,853,449	1,902,810
Health services	4,548	4,548
Recreation and cultural services	76,342	80,622
	2,158,624	2,235,581

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

### 4. 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:

	2011	2010
	\$	\$
Parkland	9,466	9,466
Federal gas tax	22,412	80
	31,878	9,546

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2011	2010
	\$	\$
Balance - beginning of year	9,546	28,961
Federal gas tax	22,332	19,996
Interest	-	80
	22,332	20,076
Less transfer to operations:		
Federal gas tax	-	39,491
Balance - end of year	31,878	9,546

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

### 5. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2011 \$	2010 \$
Lease agreement with Pacific and Western Bank of Canada, repayable in blended monthly installments of \$1,830, interest at 5.89% per annum, due February 2014, secured by specific equipment.	43,763	62,541
Long term bank loan, due July 2020, repayable in blended monthly installments of \$1,395, interest at prime rate.	143,598	160,338
Long term bank loan, due May 2021, repayable in blended monthly installments of \$1,291, interest at prime rate plus 1%.	145,903	-
Long term bank loan, due June 2011, repayable in blended monthly installments of \$2,050, interest at prime rate, secured by specific equipment.	-	14,350
	<b>333,264</b>	<b>237,229</b>

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

- (c) Interest paid during the year on long term debt amounted to \$17,406 (2010 - \$7,247).

- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2012	52,149	11,676	63,825
2013	53,354	9,348	62,702
2014	34,963	7,404	42,367
2015	32,234	6,264	38,498
2016	32,234	5,142	37,376
	204,934	39,834	244,768
2017 and subsequent years	128,330	9,449	137,779
	<b>333,264</b>	<b>49,283</b>	<b>382,547</b>

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

### 6. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2011	2010
	\$	\$
<b>Surplus/(Deficit)</b>		
Operations	204,696	1,620
Unfunded landfill closure and post closure costs	(266,799)	(244,957)
	(62,103)	(243,337)
<b>Invested in Capital Assets</b>		
Tangible capital assets - net book value	2,158,624	2,235,581
Long term debt	(333,264)	(237,229)
Unfunded capital	-	(27,336)
	1,825,360	1,971,016
<b>Surplus</b>	1,763,257	1,727,679
<b>Reserves</b>		
Acquisition of capital assets	225,142	278,808
Working funds	40,983	40,983
<b>Total Reserves</b>	266,125	319,791
<b>Reserve Funds</b>		
Waste disposal	120,183	115,183
Fire capital	57,730	47,730
Roads	80,012	40,012
<b>Total Reserve Funds</b>	257,925	202,925
	2,287,307	2,250,395

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

### 7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$266,799 (2010 - \$244,957) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the Township of Limerick. 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 fund of \$120,183 (2010 - \$115,183) 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 life of the landfill. The landfill site is presently at 100% of its capacity, however timing of closure for the site has not been set as the Township is attempting to get approval to keep the site open.

### 8. EXPENSES BY OBJECT

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

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
Salaries and benefits	271,224	252,913	250,604
Interest charges	-	17,406	7,247
Materials	392,770	343,933	318,397
Contracted services	93,635	112,282	88,072
Rents and financial expenses	1,000	960	1,171
External transfers	24,460	23,020	21,442
Amortization	135,724	165,864	135,017
	<u>918,813</u>	<u>916,378</u>	<u>821,950</u>

### 9. TRUST FUNDS

Trust funds administered by the Township amounting to \$7,946 (2010 - \$7,632) 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.

### 10. BUDGET FIGURES

The budget, approved by the Township, for 2011 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.



# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

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### 11. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$200,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2011-02. At December 31, 2011 there was a balance outstanding of \$Nil.

### 12. CONTINGENT LIABILITIES

The Township, in the course of its operations is subject to claims, lawsuits and contingencies. The Township records settlements as liabilities in the period they are reasonably determined. Although it is possible that liabilities may arise in other instances for which no accruals have been made, the Township does not believe that such an outcome will significantly impair its operations or have a material adverse effect on its financial position.

### 13. SEGMENTED INFORMATION

The Township of Limerick 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 segmented 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, protective inspection and control and emergency measures.

#### **Transportation Services**

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

#### **Environmental Services**

The environmental function is responsible for waste collection, waste disposal, and recycling.

#### **Health Services**

The health services function consists of the activities of the cemetery.

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# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

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### 13. SEGMENTED INFORMATION, continued

#### **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.

### 14. COMPARATIVE FIGURES

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

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2011

	General					Infrastructure		Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads	Bridges		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>									
Balance, beginning of year	55,295	15,162	439,563	450,165	385,986	446,127	670,363	522,281	2,984,942
Add: additions during the year	-	-	-	-	21,424	29,348	38,135	-	88,907
Internal transfers	-	-	-	-	-	522,281	-	(522,281)	-
Balance, end of year	55,295	15,162	439,563	450,165	407,410	997,756	708,498	-	3,073,849
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	-	2,282	220,154	221,320	119,654	159,135	26,816	-	749,361
Add: additions during the year	-	758	10,693	27,752	40,341	72,117	14,203	-	165,864
Balance, end of year	-	3,040	230,847	249,072	159,995	231,252	41,019	-	915,225
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	55,295	12,122	208,716	201,093	247,415	766,504	667,479	-	2,158,624

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2011

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	69,567	137,117	347,577	52,599	996	34,227	-	642,083
User charges	4,894	5,500	2,954	7,605	2,080	1,375	9,480	33,888
Government transfers - operating	206,700	8,394	-	-	-	-	-	215,094
Government transfers - capital	-	-	9,942	-	-	-	-	9,942
Other municipalities	-	20,000	-	-	-	-	-	20,000
Penalties and interest on taxes	29,147	-	-	-	-	-	-	29,147
Investment income	3,136	-	-	-	-	-	-	3,136
<b>Total revenues</b>	<b>313,444</b>	<b>171,011</b>	<b>360,473</b>	<b>60,204</b>	<b>3,076</b>	<b>35,602</b>	<b>9,480</b>	<b>953,290</b>
<b>Expenses</b>								
Salaries and benefits	104,041	22,044	107,290	14,377	-	5,161	-	252,913
Interest charges	-	-	17,406	-	-	-	-	17,406
Materials	72,527	43,080	163,423	34,050	3,076	24,046	3,731	343,933
Contracted services	-	89,822	618	21,842	-	-	-	112,282
Rents and financial expenses	960	-	-	-	-	-	-	960
External transfers	560	16,065	-	-	-	6,395	-	23,020
Amortization	11,318	11,998	138,268	-	-	4,280	-	165,864
<b>Total expenses</b>	<b>189,406</b>	<b>183,009</b>	<b>427,005</b>	<b>70,269</b>	<b>3,076</b>	<b>39,882</b>	<b>3,731</b>	<b>916,378</b>
<b>Net surplus/(deficit)</b>	<b>124,038</b>	<b>(11,998)</b>	<b>(66,532)</b>	<b>(10,065)</b>	<b>-</b>	<b>(4,280)</b>	<b>5,749</b>	<b>36,912</b>

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2010

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	-	125,983	316,959	54,261	-	-	-	497,203
User charges	3,579	4,640	1,896	7,602	-	1,845	13,724	33,286
Government transfers - operating	125,880	16,490	-	5,179	5,704	92,937	-	246,190
Government transfers - capital	-	-	350,470	-	-	-	-	350,470
Other municipalities	-	20,000	-	-	-	-	-	20,000
Penalties and interest on taxes	25,419	-	-	-	-	-	-	25,419
Investment income	1,384	-	-	-	-	-	-	1,384
Gain on sale of assets	-	1,505	-	-	-	-	-	1,505
Federal gas tax revenue earned	-	-	39,491	-	-	-	-	39,491
Other grants	63,000	-	-	-	-	-	-	63,000
<b>Total revenues</b>	<b>219,262</b>	<b>168,618</b>	<b>708,816</b>	<b>67,042</b>	<b>5,704</b>	<b>94,782</b>	<b>13,724</b>	<b>1,277,948</b>
<b>Expenses</b>								
Salaries and benefits	97,758	25,342	108,375	15,619	-	3,510	-	250,604
Interest charges	-	-	7,247	-	-	-	-	7,247
Materials	61,923	49,496	137,489	41,190	5,704	18,351	4,244	318,397
Contracted services	-	77,139	-	10,933	-	-	-	88,072
Rents and financial expenses	1,171	-	-	-	-	-	-	1,171
External transfers	-	15,536	-	-	-	5,906	-	21,442
Amortization	11,318	11,998	107,749	-	-	3,952	-	135,017
<b>Total expenses</b>	<b>172,170</b>	<b>179,511</b>	<b>360,860</b>	<b>67,742</b>	<b>5,704</b>	<b>31,719</b>	<b>4,244</b>	<b>821,950</b>
<b>Net surplus/(deficit)</b>	<b>47,092</b>	<b>(10,893)</b>	<b>347,956</b>	<b>(700)</b>	<b>-</b>	<b>63,063</b>	<b>9,480</b>	<b>455,998</b>

**INDEPENDENT AUDITORS' REPORT****To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Limerick***Report on the Financial Statements*

We have audited the accompanying financial statements of the Trust Fund of the Corporation of the Township of Limerick, which comprise the statement of financial position as at December 31, 2011, 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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, these financial statements present fairly, in all material respects, the financial position of the Trust Fund of the Township as at December 31, 2011 and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*Chartered Accountants  
Licensed Public AccountantsPeterborough, Ontario  
May 1, 2012

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2011

	2011 Cemetery Perpetual Care \$	2010 Cemetery Perpetual Care \$
<b>FINANCIAL ASSETS</b>		
Cash	845	752
Investments (note 2)	7,218	7,218
	<b>8,063</b>	<b>7,970</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Due to Township	117	338
<b>FUND BALANCE</b>		
Capital	7,946	7,632
	<b>8,063</b>	<b>7,970</b>

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

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2011

	2011	2010
	\$	\$
<b>BALANCE - beginning of year</b>	7,632	7,315
<b>RECEIPTS</b>		
Interest earned	226	255
Lot sales	100	400
	326	655
<b>EXPENSES</b>		
Transfer to operations	-	338
Bank charges	12	-
	12	338
<b>BALANCE - end of year</b>	7,946	7,632

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



# CORPORATION OF THE TOWNSHIP OF LIMERICK

## TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2011

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### 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 Fund financial instruments consist of cash, investments and due to Township. 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 Fund does not have any significant concentration of credit, currency or interest rate risk.

### 2. CASH AND INVESTMENTS

The investment is a GIC with the interest rate of 3.1% and maturing August 14, 2013.

### 3. CEMETERY PERPETUAL CARE

The Perpetual Care Fund administered by the Treasurer of the Township of Limerick is funded by the sale of cemetery plots and monuments. These funds are invested and earnings derived therefrom are used to perform perpetual care maintenance to the township's cemeteries. The operations and investments of the Fund are undertaken by the Treasurer in accordance with the regulations of the Cemeteries Act.