

Financial statements of

**The Corporation of the
Municipality of Clarington
Trust Funds**

December 31, 2010

The Corporation of the Municipality of Clarington Trust Funds

December 31, 2010

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Independent auditor's report

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To the Board of Trustees, Members of Council, Inhabitants and Ratepayers of the Municipality of Clarington

We have audited the accompanying financial statements of the Corporation of the Municipality of Clarington Trust Funds which comprise the statement of financial position as at December 31, 2010, the statements of operations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Municipality of Clarington Trust Funds as at December 31, 2010, and its financial performance for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

The financial statements of the Corporation of the Municipality of Clarington Trust Funds for the year ended December 31, 2009 were audited by another auditor who expressed an unmodified opinion on those statements on July 7, 2010.



Markham, Canada
July 4, 2011

Chartered Accountants
Licensed Public Accountants

The Corporation of the Municipality of Clarington
Trust Funds
Statement of Financial Position
as at December 31, 2010

	Due from the Municipality of Clarington	Investments	Total Fund Balance
Bowmanville Cemetery	8,569	790,064	798,633
Bondhead Cemetery	800	97,671	98,471
Trulls Cemetery	-	1,774	1,774
Advent Cemetery	-	918	918
Lovekin Cemetery	-	10,000	10,000
Orono Cemetery	7,773	221,649	229,422
St. George's Cemetery	512	40,379	40,891
Vanderveer Legacy Trust	-	1,000	1,000
Montague Trust	-	21,176	21,176
Host Community Fund (note 6)	-	10,000,000	10,000,000
Estate of Irene Rinch/Newcastle Community Hall	-	165,026	165,026
Estate of Irene Rinch/Bowmanville Museum	-	122,194	122,194
Estate of Mildred Sturch/Bowmanville Museum	-	6,366	6,366
	<u>17,654</u>	<u>11,478,216</u>	<u>11,495,871</u>
 Total - 2009 (restated - note 5)	 <u>21,566</u>	 <u>11,447,174</u>	 <u>11,468,740</u>

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

The Corporation of the Municipality of Clarington
Trust Funds
Statement of Operations
as at December 31, 2010

	Revenues			Expenses			Excess of revenues over (expenses)	Balance, beginning of year (restated - note 5)	Total 2010
	Care and maintenance receipts (note 4)	Interest earned	Total	Contribution to cemeteries	Other	Total			
Bowmanville Cemetery	58,661	4,301	62,962	4,301	-	4,301	58,661	739,972	798,633
Bondhead Cemetery	8,127	10,685	18,812	10,685	-	10,685	8,127	90,344	98,471
Trulls Cemetery	-	(32)	(32)	(32)	-	(32)	-	1,774	1,774
Advent Cemetery	-	6	6	6	-	6	-	918	918
Lovekin Cemetery	-	192	192	192	-	192	-	10,000	10,000
Orono Cemetery	7,773	3,077	10,850	3,077	-	3,077	7,773	221,649	229,422
St. George's Cemetery	1,440	1,969	3,409	1,969	-	1,969	1,440	39,451	40,891
Vanderveer Legacy Trust	-	77	77	77	-	77	-	1,000	1,000
Montague Trust	-	602	602	-	-	-	602	20,574	21,176
Host Community Fund	-	295,070	295,070	-	295,070	295,070	-	10,000,000	10,000,000
Estate of Irene Rinch/Newcastle Community Hall	-	4,695	4,695	-	-	-	4,695	160,331	165,026
Estate of Irene Rinch/Bowmanville Museum	-	3,392	3,392	-	-	-	3,392	118,802	122,194
Estate of Mildred Sturch/Bowmanville Museum	-	177	177	-	2,000	2,000	(1,823)	8,189	6,366
	76,001	324,210	400,211	20,275	297,070	317,345	82,867	11,413,004	11,495,871

The Corporation of the Municipality of Clarington Trust Funds

Notes to the financial statements

December 31, 2010

1. Significant accounting policies

The financial statements of the Corporation of Municipality of Clarington Trust Funds are the representations of management prepared in accordance with accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA") and reflect the following policies:

Basis of accounting

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenue.

Expenditures are recorded in the period the goods and services are acquired and a liability is incurred. Refunds are reported in the period issued.

Investments

Investments are recorded at cost which approximates fair value.

Use of estimates

The preparation of the periodic financial statements in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the period. Actual results could differ from these estimates.

2. Statement of cash flows

A statement of cash flows has not been included in these financial statements as the information is readily determinable from the financial statements presented.

3. Investments

The total investments held by the trust funds of \$11,478,216 (2009 - \$11,447,174) reported on Statement of Financial Position at cost have a market value of \$11,658,711 (2009 - \$11,543,944) including accrued interest at the end of the year.

4. Care and maintenance funds

The Care and Maintenance Funds administered by the Municipality are funded by the sale of cemetery plots. These funds are invested and interest earned is used to perform care and maintenance to the Municipality's cemeteries. The operations and investments of the Funds are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

5. Prior period restatement

The 2009 figures have been restated for purposes of the financial statements of the Corporation of the Municipality of Clarington Trusts Funds to include the Estates of Irene Rinch/Bowmanville Museum and Mildred Struch/Bowmanville Museum. The investments and capital fund balance have increased by \$118,802 (Estate of Irene Rinch/Bowmanville Museum) and \$8,189 (Estate of Mildred Sturch/Bowmanville Museum).

The Corporation of the Municipality of Clarington

Trust Funds

Notes to the financial statements

December 31, 2010

6. Host Community Fund

The Host Community Fund is administered by the Municipality. The capital is to be held in trust and earnings derived from the investment of these funds are available to be expended by the municipality at its discretion. The original capital payment received during the year ended December 31, 2001 shall be repaid on the last to occur of both (1) the day on which a license is refused by the Canadian Nuclear Safety Commission to construct the Clarington Facility as contemplated by the related agreement, and (2) the first day after the low-level radioactive waste now located at the Port Granby Waste Management Facility has been removed from Clarington and the site of the Port Granby Waste Management Facility has been cleaned up in accordance with the intent of the related agreement. If a license to construct the Port Granby Facility is granted by the Canadian Nuclear Safety Commission, on the date of the issuance of the license, Clarington's obligation in favour of Canada shall terminate, and the \$10,000,000 will become a grant to the Municipality.