

**THE CORPORATION OF THE
TOWNSHIP OF FAUQUIER AND
STRICKLAND**

**INDEPENDENT AUDITOR'S REPORT AND
SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2011

**INDEPENDENT AUDITOR'S REPORT ON
THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**

**To the members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of Fauquier and Strickland**

The accompanying summary consolidated financial statements of the Corporation of the Township of Fauquier and Strickland, which comprise the summary consolidated statement of financial position as at December 31, 2011 and the summary consolidated statements of financial activities, changes in net debt and cash flows are derived from the audited consolidated financial statements of the Corporation of the Township of Fauquier and Strickland for the year ended December 31, 2011. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated April 30, 2012.

The summary consolidated financial statements do not contain all the disclosures required by Canadian generally accepted principles for local governments. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Corporation of the Township of Fauquier and Strickland.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the Canadian generally accepted principles for local governments.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Corporation of the Township of Fauquier and Strickland for the year ended December 31, 2011 are a fair summary of those financial statements, in accordance with Canadian generally accepted principles for local governments.

Chartered Accountants
Licenced Public Accountants
April 30, 2012

**THE CORPORATION OF THE TOWNSHIP OF
FAUQUIER AND STRICKLAND**

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

	2011	2010
FINANCIAL ASSETS		
Cash	\$ 138,514	\$ 928,035
Term deposits	718,253	564,195
Taxes receivable	31,545	36,145
Water and sewer charges receivable	8,168	7,681
Trade and other receivables	484,149	117,064
	<hr/> 1,380,629	<hr/> 1,653,120
LIABILITIES		
Accounts payable and accrued liabilities	542,758	273,829
Post-employment benefits payable	75,611	80,397
Deferred revenue/obligatory reserve funds	271,548	434,074
Long-term liabilities	833,999	954,758
	<hr/> 1,723,916	<hr/> 1,743,058
NET DEBT	<hr/> (343,287)	<hr/> (89,938)
NON-FINANCIAL ASSETS		
Tangible capital assets	4,282,479	3,470,381
Inventories of supplies	4,585	5,281
Prepaid expenses	40,530	38,156
	<hr/> 4,327,594	<hr/> 3,513,818
ACCUMULATED SURPLUS	<hr/> \$ 3,984,307	<hr/> \$ 3,423,880

**THE CORPORATION OF THE TOWNSHIP OF
FAUQUIER AND STRICKLAND**

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

	Budget (Unaudited)	2011 Actual	2010 Actual
REVENUES			
Taxation and user charges	\$ 986,084	\$ 947,659	\$ 914,894
Grants - operations	420,517	353,822	438,797
Grants - tangible capital assets	935,420	608,545	594,742
Other	79,863	81,824	66,533
	<u>2,421,884</u>	<u>1,991,850</u>	<u>2,014,966</u>
EXPENDITURES			
General government	224,028	218,625	236,934
Protection services	113,555	117,659	116,716
Transportation services	345,153	422,297	421,279
Environmental services	245,884	286,243	278,412
Health and social services	232,967	219,403	272,077
Recreation and cultural services	152,463	165,093	177,959
Planning and development	-	2,103	1,484
	<u>1,314,050</u>	<u>1,431,423</u>	<u>1,504,861</u>
SURPLUS FOR THE YEAR	1,107,834	560,427	510,105
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,423,880</u>	<u>3,423,880</u>	<u>2,913,775</u>
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,531,714	\$ 3,984,307	\$ 3,423,880

**THE CORPORATION OF THE TOWNSHIP OF
FAUQUIER AND STRICKLAND**

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED DECEMBER 31, 2011

	2011	2010
SURPLUS FOR THE YEAR	\$ 560,427	\$ 510,105
TANGIBLE CAPITAL ASSETS ACTIVITY		
Amortization of tangible capital assets	219,802	206,997
Acquisition of tangible capital assets	(1,037,294)	(655,479)
Loss on disposal of tangible capital assets	5,394	-
	<u>(812,098)</u>	<u>(448,482)</u>
OTHER NON-FINANCIAL ASSET ACTIVITY		
Change in inventories and prepaid expenses	<u>(1,678)</u>	<u>(677)</u>
INCREASE/DECREASE IN NET DEBT	(253,349)	60,946
NET DEBT, BEGINNING OF YEAR	<u>(89,938)</u>	<u>(150,884)</u>
NET DEBT, END OF YEAR	\$ (343,287)	\$ (89,938)

**THE CORPORATION OF THE TOWNSHIP OF
FAUQUIER AND STRICKLAND**

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011

	2011	2010
OPERATING ACTIVITIES		
Surplus for the year	\$ 560,427	\$ 510,105
Items not affecting cash:		
Amortization of tangible capital assets	219,802	206,997
Loss on disposal of tangible capital assets	5,394	-
	<u>785,623</u>	<u>717,102</u>
Changes in:		
Taxes receivable	4,600	54,765
Water and sewer charges receivable	(487)	2,009
Trade and other receivables	(367,085)	(51,089)
Inventories of supplies	696	(1,366)
Prepaid expenses	(2,374)	689
Accounts payable and accrued liabilities	268,929	214,415
Post-employment benefits payable	(4,786)	(4,601)
Deferred revenue/obligatory reserve funds	(162,526)	(485,063)
	<u>522,590</u>	<u>446,861</u>
FINANCING ACTIVITY		
Debt principal payments	<u>(120,759)</u>	<u>(116,902)</u>
CAPITAL ACTIVITY		
Acquisition of tangible capital assets	<u>(1,037,294)</u>	<u>(655,479)</u>
DECREASE IN CASH POSITION	(635,463)	(325,520)
CASH POSITION, BEGINNING OF YEAR	<u>1,492,230</u>	<u>1,817,750</u>
CASH POSITION, END OF YEAR	\$ 856,767	\$ 1,492,230

CASH POSITION IS COMPRISED OF THE FOLLOWING:

	2011	2010
Cash	\$ 138,514	\$ 928,035
Term deposits	<u>718,253</u>	<u>564,195</u>
	<u>\$ 856,767</u>	<u>\$ 1,492,230</u>

THE CORPORATION OF THE TOWNSHIP OF FAUQUIER AND STRICKLAND

NOTE TO SUMMARY CONSOLIDATED FINANCIAL ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

1. Base of presentation

The accompanying summary consolidated financial statements have been prepared with the same accounting standards as the audited consolidated financial statements of the Corporation of the Township of Fauquier and Strickland for the year ended December 31, 2011.

The summary consolidated financial statements do not contain all the disclosure required by Canadian generally accepted principles for local governments and notes to the financial statements are not included.

The complete set of financial statements can be obtained from the management of the Corporation of the Township of Fauquier and Strickland.

**THE CORPORATION OF THE TOWNSHIP OF
FAUQUIER AND STRICKLAND**

CONSOLIDATED ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 2011

	2011	2010
RESERVES SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL		
General reserve	\$ 856,039	\$ 794,075
Fire capital	45,849	33,387
Community hall	13,931	15,690
Economic development	10,900	10,900
Landfill site - Haggart dump	27,500	25,000
Beautification committee	11,368	11,368
Cemetery reserve	12,029	12,029
Transition funding reserve	7,399	7,399
Library reserve	15,000	10,000
Water and sewer reserve	10,000	5,000
Roads reserve	-	25,000
	<hr/>	<hr/>
	1,010,015	949,848
Tangible capital assets - net book value	4,282,479	3,470,381
Long-term debt related to tangible capital assets	(833,999)	(954,758)
General surplus (deficit)	(474,188)	(41,591)
	<hr/>	<hr/>
	\$ 3,984,307	\$ 3,423,880

**THE CORPORATION OF THE TOWNSHIP OF
FAUQUIER AND STRICKLAND**

CONSOLIDATED TANGIBLE CAPITAL ASSETS SCHEDULE

YEAR ENDED DECEMBER 31, 2011

	2011	2010
Land and vacant land	\$ 4,436	\$ 4,436
Land improvements	12,882	14,538
Buildings	744,751	570,181
Vehicles, machinery and equipment	336,763	275,197
Furniture and fixtures	2,253	2,807
Computers	1,224	3,783
Roads	1,332,977	1,434,885
Water system	112,446	118,970
Sewer system	974,234	390,105
	3,521,966	2,814,902
Assets under construction	760,513	655,479
	\$ 4,282,479	\$ 3,470,381

The distribution by segment is as follows:

	2011	2010
General government	\$ 231,587	\$ 240,707
Protection to persons and property	192,667	200,731
Transportation services	1,560,681	1,603,002
Environmental services	1,244,260	1,142,125
Health services	74,954	80,743
Recreation and cultural services	978,330	203,073
	\$ 4,282,479	\$ 3,470,381

**THE CORPORATION OF THE TOWNSHIP OF
FAUQUIER AND STRICKLAND**

TRUST FUNDS

SUMMARY STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

	O.H.R.P.	Cemetery Care and Maintenance Fund	Total
FINANCIAL ASSETS			
Cash	\$ 783	\$ 35,891	\$ 36,674
Loans receivable	30,171	-	30,171
	<u>\$ 30,954</u>	<u>\$ 35,891</u>	<u>\$ 66,845</u>
LIABILITIES			
DUE TO MUNICIPALITY	\$ 97	\$ 443	\$ 540
DUE TO PROVINCE	760	-	760
	857	443	1,300
FUND BALANCE	<u>30,097</u>	<u>35,448</u>	<u>65,545</u>
	<u>\$ 30,954</u>	<u>\$ 35,891</u>	<u>\$ 66,845</u>

SUMMARY STATEMENT OF CONTINUITY OF TRUST FUNDS

YEAR ENDED DECEMBER 31, 2011

	O.H.R.P.	Cemetery Care and Maintenance Fund	Total
Balance, beginning of year	\$ 29,069	\$ 34,968	\$ 64,037
Interest earned	1,788	-	1,788
Payments received in the year	(760)	-	(760)
Sale of plots and monuments	-	480	480
Balance, end of year	<u>\$ 30,097</u>	<u>\$ 35,448</u>	<u>\$ 65,545</u>