

**THE CORPORATION OF THE
TOWNSHIP OF PRINCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of Prince

Report on the financial statements

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

Management's Responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles and for such internal control as management determines as 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 control 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 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.

Unqualified Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated statement of financial position of the Corporation as at December 31, 2011, the results of its consolidated operations, consolidated statement of changes in net financial assets (net debt) and consolidated cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants LLP
Licensed Public Accountants
Sault Ste. Marie, Canada
January 15, 2013

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31,	2011	2010
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ 257,373
Taxes receivable	136,495	96,214
Accounts receivable	559,774	188,881
Other assets	1,530	2,123
	<u>697,799</u>	<u>544,591</u>
FINANCIAL LIABILITIES		
Bank indebtedness, caused by outstanding cheques	\$ 73,496	\$ -
Accounts payable and accrued liabilities	93,889	154,489
Deferred revenue (note 7)	141,660	131,308
Demand loan (note 8)	-	1,055
Employee benefit obligation (note 4)	5,216	5,216
	<u>314,261</u>	<u>292,068</u>
NET FINANCIAL ASSETS	<u>383,538</u>	<u>252,523</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets (note 10)	1,357,662	1,245,064
Commitment (note 9)		
ACCUMULATED SURPLUS	<u>\$ 1,741,200</u>	<u>\$ 1,497,587</u>

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ CAO

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
CONSOLIDATED STATEMENT OF OPERATIONS**

YEAR ENDED DECEMBER 31, (with comparative figures for the prior year)	Budget (Unaudited) 2011	Actual 2011	Actual 2010
Revenues			
Taxation, net	\$ 874,645	\$ 884,987	\$ 797,721
Province of Ontario	683,201	740,936	703,075
Government of Canada grants	128,315	117,932	85,945
User charges	30,000	37,304	36,851
Licenses, permits and rents	20,730	23,921	31,023
Penalties and interest on taxes	11,500	19,368	15,869
Investment income	5,000	2,950	9,763
Donations and other	20,725	47,512	20,760
Other municipalities	9,000	10,892	6,999
Total revenues	1,783,116	1,885,802	1,708,006
Expenditures			
General government	415,278	494,648	373,326
Protection to persons and property	220,545	197,253	195,327
Transportation services	164,700	198,128	233,128
Environmental services	58,122	44,415	50,531
Health services	28,406	53,120	70,193
Social and family services	422,414	456,214	493,232
Social housing	133,409	105,520	116,004
Recreation and cultural services	78,096	85,479	85,221
Planning and development	17,500	7,412	12,622
Total	1,538,470	1,642,189	1,629,584
Annual Surplus	244,646	243,613	78,422
Accumulated Surplus, beginning of year	1,497,587	1,497,587	1,419,165
Accumulated Surplus, end of year	\$ 1,742,233	\$ 1,741,200	\$ 1,497,587

THE CORPORATION OF THE TOWNSHIP OF PRINCE

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)

YEAR ENDED DECEMBER 31,	2011	2010
Annual Surplus	\$ 243,613	\$ 78,422
Acquisition of Tangible Capital Assets	(165,730)	(261,643)
Amortization of Tangible Capital Assets	53,132	38,793
	<u>(112,598)</u>	<u>(222,850)</u>
Change in Net Financial Assets	131,015	(144,428)
Net Financial Assets (Net Debt), Beginning of Year	252,523	396,951
Net Financial Assets (Net Debt), End of Year	<u>\$ 383,538</u>	<u>\$ 252,523</u>

THE CORPORATION OF THE TOWNSHIP OF PRINCE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	\$ 243,613	\$ 78,422
Amortization of capital assets	53,132	38,793
Uses and Sources:		
Increase in taxes receivable	(40,281)	(2,420)
Increase in other assets	593	(251)
Increase (decrease) in accounts payable and accrued liabilities	(60,600)	66,945
Increase in accounts receivable	(370,893)	(57,146)
Increase in deferred revenue	10,352	44,854
	<u>(460,829)</u>	<u>51,982</u>
Net increase (decrease) in cash from operating activities	(164,084)	169,197
CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES		
Purchase of tangible capital assets	(165,730)	(261,643)
Repayment of demand loan	(1,055)	(6,860)
	<u>(166,785)</u>	<u>(268,503)</u>
Net decrease in cash and equivalents	(330,869)	(99,306)
Cash and cash equivalents, beginning of year	257,373	356,679
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ (73,496)</u>	<u>\$ 257,373</u>

THE CORPORATION OF THE TOWNSHIP OF PRINCE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2011

The Corporation of the Township of Prince ("the Township") is a municipality in the Province of Ontario, Canada. The Township conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Township of Prince are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE TOWNSHIP:

REPORTING ENTITY

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of the Corporation of the Township of Prince. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Township, and which are owned or controlled by the Corporation of the Township of Prince. The Public Library, Museum and Parent /Child Resource Centre are accordingly consolidated in these financial statements.

All material inter-entity transactions and balances are eliminated on consolidation.

NON-CONSOLIDATED ENTITIES

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma Health Unit
SSM District Services Administration Board

ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS

The taxation, other revenue, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements.

TRUST FUNDS

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Statement of Financial Position."

ACCRUAL ACCOUNTING

The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures 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.

THE CORPORATION OF THE TOWNSHIP OF PRINCE

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2011

NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge liabilities but are held for use in the provision of services. The useful lives of such assets extend beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the accumulated surplus (deficit), provides the Change in Net Financial Assets for the year.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives as follows:

	<u>Useful Life - Years</u>
Non Linear assets	
Land improvements	20-25
Buildings and building components	20-40
Vehicles	4-20
Machinery and equipment	3-20
Linear assets	
- Road bases	40
- Road paved surface	25
- Bridges and structures	25-75

Works of art and historical treasures are property that has cultural, aesthetic, or historical value that is worth preserving perpetually. Works of art and historical treasures would not be recognized as tangible capital assets in government financial statements because a reasonable estimate of the future benefits associated with such property can not be determined. Disclosure of the existence of such property is required under PSAB.

Tangible Capital Assets meeting the aforementioned description for the Township is:

Prince Museum and Display

THE CORPORATION OF THE TOWNSHIP OF PRINCE

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2011

TANGIBLE CAPITAL ASSETS (CONT'D)

Township of Prince has a capitalization threshold of \$5,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Township's threshold for pooled assets is \$5,000.

Contributions of tangible capital assets are recorded a fair value at the date of receipt and that fair value is also recorded as revenue.

Leases are classified as a capital or operating lease. Leases that transfer substantially all the benefits and risks incidental to township of the property are accounted for as a capital lease. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

SURPLUS LAND

The carrying value of surplus land is based on the purchase and development costs and does not reflect any gain that may arise if the land sells for more than the carrying value.

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 revenue in the fiscal year the services are performed. From time to time the Township receives development charges under the authority of provincial legislation and Township by-laws.

RESERVE AND RESERVE FUNDS

Amounts that are approved by the Township Council are set aside for reserves and reserve funds for future operating and capital purposes. Transfer to/from reserves and reserve funds are an adjustment to the respective fund when approved.

THE CORPORATION OF THE TOWNSHIP OF PRINCE

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2011

FINANCIAL INSTRUMENTS

The Township's financial instruments consist of cash and term deposits, taxes receivable, accounts receivable and other assets, accounts payable and accrued liabilities, other current liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments.

FUTURE EMPLOYEE BENEFITS

The municipality participates in the following benefit plans:

(a) Pension Plan

The municipality provides pension benefits to substantially all employees through the Ontario Municipal Employee Retirement Fund (OMERS), a multi-employer plan. The pension expense to the municipality is equal to the municipality's contributions due to the plan in the period.

(b) Sick Leave

The municipality's employees may accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The municipality accrues the cost of these employee future benefits over the periods in which the employees can earn the benefits. The cost of these employee future benefits is determined using management's best estimate.

GOVERNMENT GRANTS AND TRANSFERS

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period of the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

BUDGET FIGURES

The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a projected-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 expenditures.

COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year financial statement presentation.

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2011

1. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

The following contributions were made by the Township to these boards:

	2011	2010
Algoma Health Unit	\$ 26,908	\$ 26,295
Sault Ste. Marie District Social Services Administration Board	251,608	308,784
	\$ 278,516	\$ 335,079

The Township is contingently liable for its share of any accumulated deficits of the above boards as well as long term liabilities issued by other Municipalities for these boards.

2. TAXATION AND PAYMENTS TO SCHOOL BOARDS

During 2011, the Municipality collected and transferred property taxes in the amount of \$246,514 (2010 - \$238,313).

3. TRUST FUNDS

Trust funds administrated by the Township amounting to \$ 41,249 (2010 - \$ 38,604) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

4. PENSION AGREEMENTS AND FUTURE EMPLOYEE BENEFITS

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its full-time 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 the length of service and rates of pay.

The amount contributed to OMERS was \$20,998 (2010 - \$18,135) the current year service and is included as an expenditure on the Consolidated Statement of Financial Activities. No pension liability for this type of plan is included in the municipality's financial statements.

The municipality's employees may accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The municipality accrues the cost of these employee future benefits over the periods in which the employees can earn the benefits. The cost of these benefits is determined using management's best estimate.

The estimated liability at December 31, 2011 is \$5,216 (2010 - \$5,216).

THE CORPORATION OF THE TOWNSHIP OF PRINCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011

5. BUDGET RECONCILIATION

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by Council, Library, Museum Boards and Parent/Child Resource Centre differs from the budget in the Consolidated Statement of Operations as a result of numerous factors and material changes due to PSAB reporting requirements.

	Revenues 2011	Expenditures 2011
Council, Library Board, Museum Board, and Parent/Child Resource Centre - approved budgets		
Operating fund	\$ 1,783,116	\$ 1,538,470
Reserves and Reserve funds	-	111,686
	<u>1,783,116</u>	<u>1,650,156</u>
Capital Budget	-	129,100
Total Approved by Council, Boards and Resource Centre	1,783,116	1,779,256
Less Reserves and Reserve funds	-	(111,686)
Less Tangible Capital Assets Capitalized	-	(129,100)
Plus: Budgeted amortization expense	NIL	NIL
Budget per Consolidated Statement of Operations	<u>\$ 1,783,116</u>	<u>\$ 1,538,470</u>

6. ACCUMULATED SURPLUS

The total accumulated surplus of individual fund surplus and reserves and reserve funds of \$ 1,741,200 (2010 - \$ 1,497,587) respectively are made up of the following:

	2011	2010
Surplus		
Invested in Tangible Capital Assets	\$ 1,357,662	\$ 1,245,064
- Library	5,791	2,553
- Museum	(11,322)	(11,789)
- Parent Child Resource Centre	(1,137)	(876)
Amounts to be recovered		
- long term borrowing	-	(1,055)
	<u>1,350,994</u>	<u>1,233,897</u>
Reserves set aside for specific purposes by Council		
- for working capital	169,343	86,187
- other	21,686	-
- Museum restoration	11,899	11,899
- Recreation, current purposes	1,397	1,397
- Roads	86,874	86,874
- Hospital	-	10,000
- Fire	20,000	10,000
- Parks	20,000	10,000
	<u>331,199</u>	<u>216,357</u>
Reserve funds set aside for specific purpose by Council		
- Parks	33,332	25,525
- Fire	25,675	21,808
	<u>59,007</u>	<u>47,333</u>
Accumulated Surplus	<u>\$ 1,741,200</u>	<u>\$ 1,497,587</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2011

7. DEFERRED REVENUE

	2011	2010
Other deferred revenue	\$ 22,799	\$ 22,928
Federal Gas Tax	118,861	108,380
	<u>\$ 141,660</u>	<u>\$ 131,308</u>

The Township of Prince has entered into an agreement with the Association of Municipalities of Ontario for the transfer of Federal Gas Tax Revenues. In order to spend the funding the Township must submit for approval of an eligible project and ensure that the funds will result in net incremental capital spending.

8. DEMAND LOAN

	2011	2010
(a) Total long term liabilities incurred by Township	<u>\$ -</u>	<u>\$ 1,055</u>

The loan term liabilities of the Township consist of a demand loan with Northern Credit Union. The loan is repayable with bi-weekly payments of \$264 plus interest at a rate of prime plus 1%. The loan is secured by a general security agreement and a resolution passed by council authoring the borrowing.

(b) Approval of the Ontario Municipal Board has been obtained for the long term liability in (a) issued in the name of the Township.

9. COMMITMENT

In 2009 the Township entered into a five year agreement with the City of Sault Ste. Marie to provide police services. The agreement expires in 2013 and is payable yearly as follows:

2012	\$121,705
2013	\$130,226

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2011

10. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS

	Cost					Accumulated Amortization			2011	2010
	2011 Opening Balance	Additions and Betterments	Disposals/ Transfers	2011 Closing Balance	2011 Opening Balance	2011 Amortization Expense	Accumulated Amortization on Disposals	2011 Ending Balance	Net Book Value	Net Book Value
General Capital Assets										
Land	\$ 114,491	\$ -	\$ -	\$ 114,491	\$ -	\$ -	\$ -	\$ -	\$ 114,491	\$ 114,491
Buildings	152,334	27,345	-	179,679	60,556	4,323	-	64,879	114,800	91,778
Equipment and machinery	31,202	93,314	-	124,516	2,960	8,981	-	11,941	112,575	28,242
Technology equipment	5,824	1,802	-	7,626	5,824	751	-	6,575	1,051	-
Furniture and fixtures	8,397	-	-	8,397	560	839	-	1,399	6,998	7,837
Assets Work-in-process	9,005	-	(9,005)	-	-	-	-	-	-	9,005
	321,253	122,461	(9,005)	434,709	69,900	14,894	-	84,794	349,915	251,353
Infrastructure Assets										
Buildings	24,634	-	-	24,634	3,079	1,232	-	4,311	20,323	21,555
Vehicles and machinery	84,291	-	-	84,291	9,033	7,981	-	17,014	67,277	75,258
Linear	2,069,758	52,274	-	2,122,032	1,172,860	29,025	-	1,201,885	920,147	896,898
	2,178,683	52,274	-	2,230,957	1,184,972	38,238	-	1,223,210	1,007,747	993,711
	\$ 2,499,936	\$ 174,735	\$ (9,005)	\$ 2,665,666	\$ 1,254,872	\$ 53,132	\$ -	\$ 1,308,004	\$ 1,357,662	\$ 1,245,064

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2011

10. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS (Continued)

	Cost				Accumulated Amortization			2010	2009
	2010 Opening Balance	Additions and Betterments	Disposals/ Transfers	2009 Closing Balance	2010 Opening Balance	2010 Amortization Expense	Accumulated Amortization on Disposals	2010 Ending Balance	Net Book Value
General Capital Assets									
Land	\$ 114,491	\$ -	\$ -	\$ 114,491	\$ -	\$ -	\$ -	\$ -	\$ 114,491
Buildings	83,834	68,500	-	152,334	57,926	2,630	-	60,556	91,778
Equipment and machinery	6,397	24,805	-	31,202	1,633	1,327	-	2,960	28,242
Technology equipment	5,824	-	-	5,824	5,824	-	-	5,824	-
Furniture and fixtures	-	8,397	-	8,397	-	560	-	560	7,837
Assets Work-in-process	-	9,005	-	9,005	-	-	-	-	9,005
	210,546	110,707	-	321,253	65,383	4,517	-	69,900	251,353
Infrastructure Assets									
Buildings	24,634	-	-	24,634	1,847	1,232	-	3,079	21,555
Vehicles and machinery	32,713	51,578	-	84,291	2,521	6,512	-	9,033	75,258
Linear	1,970,400	99,358	-	2,069,758	1,146,328	26,532	-	1,172,860	896,898
	2,027,747	150,936	-	2,178,683	1,150,696	34,276	-	1,184,972	993,711
	\$ 2,238,293	\$ 261,643	\$ -	\$ 2,499,936	\$ 1,216,079	\$ 38,793	\$ -	\$ 1,254,872	\$ 1,245,084
									\$ 1,022,214

THE CORPORATION OF THE TOWNSHIP OF PRINCE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2011

11. SEGMENTED INFORMATION

The Township of Prince is a diversified municipal government institution that provides a wide range of services to more than 971 citizens. Services include water, roads, fire, police, waste management, recreation programs, economic development, land use planning and health and social services. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Township services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, along with the services they provide, and are as follows:

General Government

General Government consists of Office of the Mayor, Council expenses, Administrative Services (including Clerks, Elections, Communications, Legal and Information Technology Services). Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.

Protection Services

This section consists of Fire, Police, Animal Control, Building Services, and Emergency measures. Police Services ensure the safety of the lives and property of citizens; preserve peace and order; prevent crimes from occurring; detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection and extinguishment of fires. The Building Services processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

Transportation Services

This area is responsible for management of Roadways including traffic and winter control.

Environmental Services

This area is responsible for Waste Disposal and Recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements.

THE CORPORATION OF THE TOWNSHIP OF PRINCE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2011

11. SEGMENTED INFORMATION (Continued)

Health and Social Services

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to aged persons, Cemetery Services as well as the Township's levy contributions to the Health Unit and Hospital. Children Services deliver child care services and assist with costs of child care via the provision of subsidies.

Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and other programs and provides management of arenas and leisure facilities. This section also contributes to the information needs of the Township's citizens through the provision of the library and cultural services and by preserving local history and managing archived data.

Planning and Development Services

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development ensures that the Township of Prince is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that Prince is an enjoyable and beautiful community to live, work and play. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to Current Fund services based on a percentage of operations.

**CORPORATION OF THE TOWNSHIP OF PRINCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2011

11. SEGMENTED INFORMATION - SERVICE BUNDLE - 2011 (CONT'D)

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
Revenues								
Taxation (net)	\$ 168,148	\$ 150,448	\$ 115,048	\$ 17,700	\$ 389,394	\$ 35,399	\$ 8,850	\$ 884,987
Government transfers and grants	-	124,638	93,349	-	568,649	72,232	-	858,868
User Charges	5,731	-	-	14,709	2,341	12,523	2,000	37,304
Other	52,286	25,543	405	-	19,136	7,273	-	104,643
	226,165	300,629	208,802	32,409	979,520	127,427	10,850	1,885,802
Expenditures								
Salaries, wages and benefits	154,125	7,381	70,820	-	198,723	22,144	-	453,193
Materials and Contracts	340,523	185,794	91,306	44,415	416,131	50,283	7,412	1,135,864
Amortization	-	4,078	36,002	-	-	13,052	-	53,132
	494,648	197,253	198,128	44,415	614,854	85,479	7,412	1,642,189
Annual Surplus (deficit)	\$ (268,483)	\$ 103,376	\$ 10,674	\$ (12,006)	\$ 364,666	\$ 41,948	\$ 3,438	\$ 243,613

**CORPORATION OF THE TOWNSHIP OF PRINCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2011

11. SEGMENTED INFORMATION - SERVICE BUNDLE - 2010 (CONT'D)

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
Revenues								
Taxation (net)	\$ 151,567	\$ 135,613	\$ 103,704	\$ 15,954	\$ 350,997	\$ 31,909	\$ 7,977	\$ 797,721
Government transfers and grants	-	115,406	-	-	614,758	58,856	-	789,020
User Charges	5,619	-	-	13,400	3,721	12,311	1,800	36,851
Other	50,175	8,999	-	-	17,703	7,537	-	84,414
	207,361	260,018	103,704	29,354	987,179	110,613	9,777	1,708,006
Expenditures								
Salaries, wages and benefits	128,373	7,286	86,780	-	198,723	22,144	-	443,306
Materials and Contracts	244,953	186,132	113,013	50,531	480,706	59,528	12,622	1,147,485
Amortization	-	1,909	33,335	-	-	3,549	-	38,793
	373,326	195,327	233,128	50,531	679,429	85,221	12,622	1,629,584
Annual Surplus (deficit)	\$ (165,965)	\$ 64,691	\$ (129,424)	\$ (21,177)	\$ 307,750	\$ 25,392	\$ (2,845)	\$ 78,422

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
LIBRARY BOARD
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

CALAM ROSSI
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AUDITORS' COMMENTS

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of
Prince

The audited consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2011 and our report thereon dated January 15, 2013 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.



Chartered Accountants LLP

Licensed Public Accountants
Sault Ste. Marie, Canada
January 15, 2013

THE CORPORATION OF THE TOWNSHIP OF PRINCE

PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2011 (with comparative figures for the prior year)

	2011	2010
Revenue		
Grants - Province	\$ 3,893	\$ 4,138
Township contribution	4,257	2,200
Calendar	6,179	5,880
Other	1,095	1,657
	<u>15,424</u>	<u>13,875</u>
Expenditures		
Books	4,030	3,895
Fund raising	2,199	2,177
Honorarium	3,221	3,146
Office supplies and equipment and improvements	1,146	1,166
Amortization	1,590	560
	<u>12,186</u>	<u>10,944</u>
Annual Surplus	3,238	2,931
Accumulated Surplus (deficit), beginning of year	2,553	(378)
Accumulated Surplus, end of year	\$ 5,791	\$ 2,553

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2011	2010
Financial Assets		
Cash	\$ 14,440	\$ 10,920
Accounts receivable	2,070	2,069
Prepaid expenses	-	650
	<u>16,510</u>	<u>13,639</u>
Financial Liabilities		
Accounts payable	7,109	7,605
Deferred revenue	11,660	11,318
	<u>18,769</u>	<u>18,923</u>
Net Financial Assets (Net Debt)	(2,259)	(5,284)
Non-Financial Assets		
Tangible capital Assets (note 10 - page 13)	8,050	7,837
Accumulated Surplus (Deficit)		
Surplus (deficit)	(2,259)	(5,284)
Investment in tangible capital assets	8,050	7,837
Accumulated Surplus (Deficit), end of year	\$ 5,791	\$ 2,553

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2011

BASIS OF ACCOUNTING

(a) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(b) Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives in accordance with the rates and policies disclosed on pages 7 and 8 of this annual report.

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
MUSEUM BOARD
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

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AUDITORS' COMMENTS

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of
Prince

The audited consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2011 and our report thereon dated January 15, 2013 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.



Chartered Accountants LLP

Licensed Public Accountants
Sault Ste. Marie, Canada
January 15, 2013

THE CORPORATION OF THE TOWNSHIP OF PRINCE

MUSEUM BOARD STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2011 (with comparative figures for the prior year)

	2011	2010
Revenue		
Grants - Province	\$ 2,784	\$ 2,723
Township contribution	1,000	-
Other	-	9
	<u>3,784</u>	<u>2,732</u>
Expenditures		
Honorarium	2,710	2,767
Professional fees	607	631
	<u>3,317</u>	<u>3,398</u>
Annual Surplus (deficit)	467	(666)
Accumulated Deficit, beginning of year	(11,789)	(11,123)
Accumulated Deficit, end of year	<u>\$ (11,322)</u>	<u>\$ (11,789)</u>

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2011	2010
Financial Assets		
Cash	\$ 2,108	\$ 1,678
Accounts receivable	86	86
	<u>2,194</u>	<u>1,764</u>
Financial Liabilities		
Accounts payable	1,617	1,654
Net Financial Assets	<u>577</u>	<u>110</u>
Accumulated Surplus		
Reserve	11,899	11,899
Accumulated deficit, end of year	<u>(11,322)</u>	<u>(11,789)</u>
	<u>\$ 2,194</u>	<u>\$ 1,764</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2011

BASIS OF ACCOUNTING

(a) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(b) Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives in accordance with the rates and policies disclosed on pages 7 and 8 of this annual report.

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
PARENT/CHILD RESOURCE CENTRE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

CALAM ROSSI
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AUDITORS' COMMENTS

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of
Prince

The audited the consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2011 and our report thereon dated January 15, 2013 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in blue ink that reads "Calam Rossi" followed by a stylized flourish.

Chartered Accountants LLP

Licensed Public Accountants
Sault Ste. Marie, Canada
January 15, 2013

THE CORPORATION OF THE TOWNSHIP OF PRINCE

PARENT/CHILD RESOURCE CENTRE STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2011 (with comparative figures for the prior year)

	2011	2010
Revenue		
Grants - District Social Services Board	\$ 88,376	\$ 91,208
Grants - Government of Canada	62,560	63,102
Grants - Ontario Early Years Centre	134,551	120,655
Other	7,596	6,435
	<u>293,083</u>	<u>281,400</u>
Expenditures		
Administration	9,180	10,138
Occupancy	9,642	9,600
Postage, stationary and office supplies	2,063	1,931
Program supplies	51,659	61,210
Wages and benefits	220,800	198,723
	<u>293,344</u>	<u>281,602</u>
Annual Deficit	\$ (261)	\$ (202)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2011	2010
Assets		
Cash	\$ 15,950	\$ 16,759
Accounts receivable	-	2,870
	<u>\$ 15,950</u>	<u>\$ 19,629</u>
Liabilities		
Current		
Accounts payable	\$ 3,676	\$ 3,734
Due to township	5,081	7,971
Deferred revenue	8,330	8,800
	<u>17,087</u>	<u>20,505</u>
Accumulated Surplus (Deficit)		
Deficit, beginning of year	(876)	(674)
Annual deficit	(261)	(202)
Accumulated Deficit, end of year	(1,137)	(876)
	<u>\$ 15,950</u>	<u>\$ 19,629</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2011

BASIS OF ACCOUNTING

(a) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
TRUST FUNDS
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of Prince

Report on the financial statements

We have audited the accompanying statements of the Corporation of the Township of Prince's Trust Funds, which comprise of the statement of financial position as at December 31, 2011, and the statement of Trust Continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles and for such internal control as management determines as 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 control 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 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.

Unqualified Opinion

In our opinion, these financial statements present fairly, in all material respects, the statement of financial position of the Corporation's Trust Funds as at December 31, 2011, and the statement of Trust Continuity for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants LLP
Licensed Public Accountants
Sault Ste. Marie, Canada
January 15, 2013

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31, 2011)

	2011	2010
ASSETS		
Cash	\$ 41,249	\$ 38,604
LIABILITIES		
Due to Township	\$ 152	\$ 152
Fund balance		
To be used to offset user charges	41,097	38,452
FUND BALANCE	\$ 41,249	\$ 38,604

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
STATEMENT OF TRUST CONTINUITY**

YEAR ENDED DECEMBER 31, 2011 (with comparative figures for the prior year)

	2011	2010
Balance, beginning of year	\$ 38,452	\$ 36,441
Revenue		
Sale of Plots	2,618	1,988
Investment income	27	23
	<u>2,645</u>	<u>2,011</u>
Balance, end of year	<u>\$ 41,097</u>	<u>\$ 38,452</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2011

BASIS OF ACCOUNTING

(a) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.