

**Township of St. Joseph**  
**Consolidated Financial Statements**  
**For the year ended December 31, 2010**

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**Consolidated Financial Statements**  
For the year ended December 31, 2010

**Contents**

<b>Independent Auditor's Report</b>	2
<b>Consolidated Financial Statements</b>	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Financial Assets	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7
Notes to Financial Statements	
Schedule 1 - Tangible Capital Assets	
Schedule 2 - Segment Disclosure	
 <b>Trust Funds</b>	
<b>Independent Auditor's Report</b>	19
<b>Financial Statements</b>	
Statement of Financial Position and Continuity and Summary of Significant Policies	20
 <b>St. Joseph Island Community Residential Alternative Program - Unaudited</b>	
<b>Independent Auditor's Comments</b>	22
<b>Financial Statements</b>	
Statements of Revenue and Operations	23
 <b>St. Joseph Township Public Library Board - Unaudited</b>	
<b>Independent Auditor's Comments</b>	26
<b>Financial Statements</b>	
Statements of Revenue and Expense and Financial Position	27
Statement of Continuity - Reserve for Building Fund	28
Schedule 1 - Community Access Program	29
Schedule 2 - Literacy Grant	30
 <b>St. Joseph Island Museum Board - Unaudited</b>	
<b>Independent Auditor's Comments</b>	32
<b>Financial Statements</b>	
Statements of Revenue and Expense and Financial Position	33
Statement of Continuity - Reserves	34
 <b>St. Joseph Township Cemetery Board - Unaudited</b>	
<b>Independent Auditor's Comments</b>	36
<b>Financial Statements</b>	
Statements of Revenue and Expense and Financial Position	37
 <b>St. Joseph Island Planning Board - Unaudited</b>	
<b>Independent Auditor's Comments</b>	39
<b>Financial Statements</b>	
Statements of Revenue and Expense, Financial Position and Reserve Continuity	40



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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
Township of St. Joseph

We have audited the accompanying consolidated financial statements of Township of St. Joseph, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations, 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 control as management determines is necessary to enable the preparation of consolidated 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 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

### *Opinion*

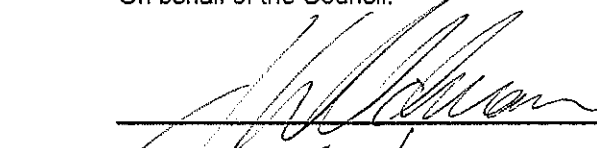
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Township of St. Joseph as at December 31, 2010 and the consolidated results of its operations, change in its net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

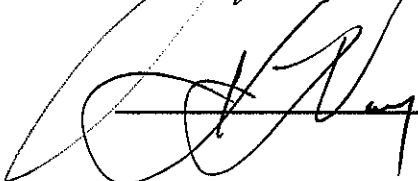
Chartered Accountants, Licensed Public Accountants  
Sault Ste. Marie, Ontario  
April 29, 2011

**Township of St. Joseph**  
**Consolidated Statement of Financial Position**

December 31	2010	2009
<b>Financial assets</b>		
Cash and short term investments	\$ 1,684,423	\$ 1,383,743
Taxes receivable	270,755	228,071
Accounts receivable	172,780	128,566
Inventories held for sale	6,915	350
	<b>2,134,873</b>	<b>1,740,730</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	141,805	79,138
Obligatory park reserve fund	17,190	21,942
Net long term debt (Note 3)	33,500	43,500
Accrued landfill closure and post closure costs (Note 4)	84,770	73,480
Post employment and retirement benefits (Note 5)	14,969	38,087
	<b>292,234</b>	<b>256,147</b>
<b>Net financial assets</b>	<b>1,842,639</b>	<b>1,484,583</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	9,029,603	9,154,206
	<b>9,029,603</b>	<b>9,154,206</b>
<b>Accumulated surplus (Note 2)</b>	<b>\$ 10,872,242</b>	<b>\$ 10,638,789</b>

On behalf of the Council:

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_ Treasurer

**Township of St. Joseph**  
**Consolidated Statement of Operations**

<b>For the year ended December 31</b>	<b>Budget</b>	<b>2010</b>	<b>2009</b>
<b>Revenue</b>			
Taxation (Note 1)	\$ 1,399,834	\$ 1,414,047	\$ 1,395,009
Government grants - Provincial	1,151,302	1,156,769	1,303,731
Government grants - Federal	121,693	120,822	88,114
Other municipalities	16,092	20,855	23,621
User fees and service charges	268,184	290,096	278,027
Licences, permits and rents	11,375	16,529	11,134
Interest fines and penalties	35,000	44,127	41,107
Investment income	1,400	2,585	3,343
Other	41,500	34,085	82,679
	<u>3,046,380</u>	<u>3,099,915</u>	<u>3,226,765</u>
<b>Expenses</b>			
General government	413,081	413,692	342,541
Protection services	182,903	189,158	172,410
Transportation services	577,196	566,400	399,799
Environmental services	366,115	360,485	376,536
Health services	275,416	301,501	280,585
Social and family services	746,544	732,816	868,388
Recreation and cultural services	314,126	281,444	273,506
Planning and development	23,365	20,966	28,463
	<u>2,898,746</u>	<u>2,866,462</u>	<u>2,742,228</u>
<b>Annual surplus (deficit)</b>	147,634	233,453	484,537
<b>Accumulated surplus, beginning of year</b>	<u>10,638,789</u>	<u>10,638,789</u>	<u>10,154,252</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 10,786,423</u>	<u>\$ 10,872,242</u>	<u>\$ 10,638,789</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Township of St. Joseph**  
**Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended December 31</b>	<b>Budget</b>	<b>2010</b>	<b>2009</b>
<b>Annual surplus (deficit)</b>	\$ 147,634	\$ 233,453	\$ 484,537
Acquisition of tangible capital assets	(185,834)	(246,231)	(295,704)
Amortization of tangible capital assets	366,500	360,966	358,944
Gain on disposal of tangible capital assets	-	(622)	(12,496)
Proceeds on sale of tangible capital assets	-	10,490	24,778
<b>Net change in net financial assets</b>	<b>328,300</b>	<b>358,056</b>	<b>560,059</b>
<b>Net financial assets, beginning of year</b>	<b>1,484,583</b>	<b>1,484,583</b>	<b>924,524</b>
<b>Net financial assets, end of year</b>	<b>\$ 1,812,883</b>	<b>\$ 1,842,639</b>	<b>\$ 1,484,583</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Township of St. Joseph**  
**Consolidated Statement of Cash Flows**

**For the year ended December 31**

**2010**

**2009**

**Operating transactions**

Annual surplus (deficit)	\$ 233,453	\$ 484,537
Amortization	360,966	358,944
Gain on disposal of tangible capital assets	(622)	(12,496)

	593,797	830,985
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Changes in non-cash working capital balances

Taxes receivable	(42,684)	(8,718)
Accounts receivable	(44,214)	46,520
Inventories held for sale	(6,565)	(350)
Accounts payable and accrued liabilities	62,667	(53,013)
Obligatory park reserve fund and deferred revenue	(4,752)	(10,453)
Accrued landfill costs	11,290	7,950
Accrued sick leave and retirement benefits	(23,118)	3,388

	546,421	816,309
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**Capital transactions**

Acquisition of tangible capital assets	(246,231)	(295,704)
Proceeds on sale of tangible capital assets	10,490	24,778

	(235,741)	(270,926)
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**Financing activities**

Repayment of long term debt	(10,000)	(10,000)
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**Net change in cash and cash equivalents**

	300,680	535,383
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**Cash and cash equivalents, beginning of year**

	1,383,743	848,360
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**Cash and cash equivalents, end of year**

	\$ 1,684,423	\$ 1,383,743
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The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## Township of St. Joseph

### Consolidated Summary of Significant Accounting Policies

December 31, 2010

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**Management Responsibility for Financial Statements** The consolidated financial statements of the municipality are the representation of management 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.

**Basis of Consolidation** These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of all municipal organizations, committees and boards which are owned or controlled by the municipality.

**Cash and Cash Equivalents** Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

**Tangible Capital Assets** Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	25 to 50 years
Buildings	25 to 50 years
Machinery and equipment	5 to 30 years
Vehicles	10 to 25 years
Furnishings and fixtures	5 to 20 years
Infrastructure - roads, bridges, culverts & streetlights	25 to 50 years
Water treatment and distribution infrastructure	50 years
Wastewater collection and disposal infrastructure	25 to 50 years

**Collection of Taxes on Behalf of Other Taxation Authorities** The municipality collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.

**Trust Funds** Funds held in trust by the municipality and their related operations are not included in these consolidated financial statements. The financial activity and financial position of the trust funds are reported separately.

**Retirement Benefits and Other Employee Benefit Plans** The municipality provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan. The municipality's contributions due during the period are expensed as incurred. The municipality provides other post-employment benefits. These costs accumulate over the period of service provided by employees and are determined using management's best estimates.



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**Township of St. Joseph**  
**Consolidated Summary of Significant Accounting Policies**

**December 31, 2010**

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<b>Deferred Revenue</b>	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.
<b>Government Transfers</b>	Government transfers, which include legislative grants, are recognized in the financial statements 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 amount can be made.
<b>Revenue Recognition</b>	<p>Taxes are recognized as revenue in the year they are levied.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.</p> <p>Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p>
<b>Solid Waste Landfills</b>	The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.
<b>Use of Estimates</b>	The preparation of 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Township of St. Joseph**  
**Notes to Consolidated Financial Statements**

**December 31, 2010**

**1. Taxation**

	2010	2009
Residential and multi-residential	\$ 1,695,192	\$ 1,672,027
Commercial and industrial	70,073	65,482
Taxation from other governments	14,027	13,864
	1,779,292	1,751,373
Deduct: amounts received or receivable for school boards	(365,245)	(356,364)
	\$ 1,414,047	\$ 1,395,009

**2. Accumulated surplus**

	2010	2009
Reserves set aside for specific purposes by Council		
Working funds	\$ 699,946	\$ 298,708
Replacement of equipment	12,422	12,422
Library capital	35,541	34,813
Museum - capital	55,739	54,780
- operations	638	118
Cemetery	500	500
Recreation	17,388	17,897
Waterworks operations	50,278	47,024
Sewage treatment operations	64,052	57,704
New Hospital	37,582	73,332
Fire	154,144	129,703
Planning	7,976	11,637
Road improvements	93,097	79,793
Special Projects	464,730	533,803
Future landfill closure and post-closure costs	45,000	40,000
Election costs	10,500	10,500
Business park construction	22,551	22,551
Matthews Memorial Hospital	8,981	4,919
Total reserves	1,781,065	1,430,204
Reserve funds set aside for specific purposes by Council		
Seniors amenity centre capital	33,027	32,243
Parking revenue	3,996	3,993
Total reserve funds	37,023	36,236
Total reserves	1,818,088	1,466,440
Equity in tangible capital assets	9,029,603	9,154,206
Boards surplus/deficit	24,551	18,143
	\$ 10,872,242	\$ 10,638,789

**Township of St. Joseph**  
**Notes to Consolidated Financial Statements**

**December 31, 2010**

**3. Net long term debt**

Net long term debt reported on the statement of financial position is comprised of the following:

	<b>2010</b>	<b>2009</b>
Northern Ontario Heritage Fund Corporation, interest free, marina loan	<b>\$ 33,500</b>	<b>\$ 43,500</b>

Principal payments due in the next five years are as follows:

2011	\$	10,000
2012		10,000
2013		10,000
2014		3,500
	<b>\$</b>	<b>33,500</b>

**4. Solid waste closure and post-closure liabilities**

Effective January 1, 2001, Ontario municipalities were required to adopt for the first time, rules for accounting for solid waste landfill closure and post-closure costs as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenditures recognized as at December 31, 2010, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post closure care activities discounted at the Township's average long term borrowing rate of 6.76%.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill site is 42.8% of its total estimated capacity and its estimated remaining life is 13 years, after which the period for post closure care is estimated to be 30 years.

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**Township of St. Joseph**  
**Notes Consolidated to Financial Statements**

**December 31, 2010**

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**5. Post employment and retirement benefits**

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

The municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$22,434 (2009 - \$20,282) to the plan. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expense. Contribution amounts are determined by OMERS which adjusts rates to reflect actuarial requirements. Any surplus or deficit of the pension plan is not included in the municipality's financial statements.

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment of 25% of their accumulated sick balance when they leave the Township's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$14,969 (2009 - \$38,087) at the end of the year. During the year, \$26,366 was paid to employees who left the Township's employment.

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**6. Trust funds**

Trust funds administered by the Township amounting to \$36,523 (2009 - \$34,323) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

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**7. Contingencies and commitments**

**Legal claims**

A claim has been made by a former lessee against the Township of St. Joseph with respect to an alleged improper termination of a lease agreement.

No provision for the above claim has been recorded in these financial statements as the outcome is not determinable. Any loss resulting from the resolution of the aforementioned claim will be charged to operations in the year of resolution.

**Commitments**

The Township has pledged a donation of approximately \$175,000 based on assessment to the Sault Area Hospital Foundation of which \$75,000 has been paid as at December 31, 2010. The commitment is to be fulfilled over a 15 year period. A reserve of \$37,582 is available for this purpose.

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**8. Public Sector Salary Disclosure Act**

For 2010, no employees were paid salaries, as defined in the Public Sector Salary Disclosure Act, 1996 of \$100,000 or more.

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## Township of St. Joseph

### Notes Consolidated to Financial Statements

**December 31, 2010**

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#### **9. Segmented information**

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal 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.

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

##### **General government**

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

##### **Protection**

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

##### **Transportation**

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

##### **Environmental**

The environmental department consist of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water to ratepayers, collecting and treating wastewater, and providing garbage collection and waste minimization programs and facilities for solid waste disposal.

##### **Health**

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries

##### **Social and family**

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing. In addition, the municipality provides alternative residential services for seniors.

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**Township of St. Joseph**  
**Notes Consolidated to Financial Statements**

**December 31, 2010**

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**9. Segmented information (continued)**

**Recreation and cultural**

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, rink facilities, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

**Planning**

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Schedule of Segment Disclosure.

**Township of St. Joseph**  
**Schedule 1 - Consolidated Tangible Capital Assets**

**For the year ended December 31, 2010**

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 612,306	\$ 1,166,425	\$ 4,052,804	\$ 260,660	\$ 268,025	-	\$ 7,458,946	\$ 94,640	\$ 13,913,806
Additions	-	66,711	64,294	86,089	-	-	29,137	-	246,231
Disposals	-	-	-	(13,157)	-	-	-	-	(13,157)
Capitalized construction	-	-	-	-	-	-	94,640	(94,640)	-
<b>Cost, end of year</b>	<b>612,306</b>	<b>1,233,136</b>	<b>4,117,098</b>	<b>333,592</b>	<b>268,025</b>	<b>-</b>	<b>7,582,723</b>	<b>-</b>	<b>14,146,880</b>
Accumulated amortization, beginning of year	-	723,596	1,229,435	138,096	108,061	-	2,560,412	-	4,759,600
Amortization	-	49,326	80,149	14,414	16,106	-	200,971	-	360,966
Disposals	-	-	-	(3,289)	-	-	-	-	(3,289)
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>772,922</b>	<b>1,309,584</b>	<b>149,221</b>	<b>124,167</b>	<b>-</b>	<b>2,761,383</b>	<b>-</b>	<b>5,117,277</b>
<b>Net carrying amount, end of year</b>	<b>\$ 612,306</b>	<b>\$ 460,214</b>	<b>\$ 2,807,514</b>	<b>\$ 184,371</b>	<b>\$ 143,858</b>	<b>\$ -</b>	<b>\$ 4,821,340</b>	<b>\$ -</b>	<b>\$ 9,029,603</b>

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$NIL (2009 - \$94,640).

The Municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

**Township of St. Joseph**  
**Schedule 1 - Consolidated Tangible Capital Assets (Continued)**

**For the year ended December 31, 2009 (comparative figures)**

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
<b>Cost, beginning of year</b>	\$ 618,083	\$ 1,158,475	\$ 4,016,404	\$ 260,660	\$ 208,884	\$ -	\$ 7,458,946	\$ -	\$ 13,721,452
Additions	-	7,950	36,400	-	156,714	-	-	94,640	295,704
Disposals	(5,777)	-	-	-	(97,573)	-	-	-	(103,350)
<b>Cost, end of year</b>	612,306	1,166,425	4,052,804	260,660	268,025	-	7,458,946	94,640	13,913,806
<b>Accumulated amortization, beginning of year</b>	-	676,938	1,145,978	125,893	183,024	-	2,359,891	-	4,491,724
Amortization	-	46,658	83,457	12,203	16,105	-	200,521	-	358,944
Disposals	-	-	-	-	(91,068)	-	-	-	(91,068)
<b>Accumulated amortization, end of year</b>	-	723,596	1,229,435	138,096	108,061	-	2,560,412	-	4,759,600
<b>Net carrying amount, end of year</b>	\$ 612,306	\$ 442,829	\$ 2,823,369	\$ 122,564	\$ 159,964	\$ -	\$ 4,898,534	\$ 94,640	\$ 9,154,206

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$94,640 (2008 - \$NIL).

The Municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.



## Township of St. Joseph Schedule 2 - Consolidated Segment Disclosure

For the year ended December 31, 2010

	General Government	Protection	Transportation	Environmental	Health	Social and Family and Cultural	Recreation and Cultural	Planning	Other/ Unallocated	Consolidated Total
<b>Revenue</b>										
Taxation	\$ 191,044	\$ 105,126	\$ 347,548	\$ 117,597	\$ 176,309	\$ 341,705	\$ 126,996	\$ 7,722	\$ -	\$ 1,414,047
Government grants - Provincial	124,796	68,671	227,029	94,432	115,170	380,480	141,146	5,045	-	1,156,769
Government grants - Federal	-	-	69,264	-	-	-	51,558	-	-	120,822
Other municipalities	-	8,138	-	-	-	-	5,895	6,822	-	20,855
User fees and service charges	5,087	-	2,267	153,573	800	23,420	102,004	2,945	-	290,096
Licences, permits and rents	16,529	-	-	-	-	-	-	-	-	16,529
Interest fines and penalties	44,127	-	-	-	-	-	-	-	-	44,127
Investment income	2,585	-	-	-	-	-	-	-	-	2,585
Other	34,085	-	-	-	-	-	-	-	-	34,085
	<b>418,253</b>	<b>181,935</b>	<b>646,108</b>	<b>365,602</b>	<b>292,279</b>	<b>745,605</b>	<b>427,599</b>	<b>22,534</b>	<b>-</b>	<b>3,099,915</b>
<b>Expenses</b>										
Salaries and benefits	270,399	27,965	148,222	55,867	4,435	104,370	69,938	1,760	-	682,956
Materials and supplies	29,321	43,366	103,322	30,173	462	45,549	122,236	1,170	-	375,599
Contracted services	112,429	102,774	173,953	118,115	405	22,546	36,173	17,611	-	584,006
Rents and financial expenses	-	-	174	8,696	-	-	1,835	425	-	11,130
External transfers and other	-	-	-	-	296,199	555,606	-	-	-	851,805
Amortization	1,543	15,053	140,729	147,634	-	4,745	51,262	-	-	360,966
	<b>413,692</b>	<b>189,158</b>	<b>566,400</b>	<b>360,485</b>	<b>301,501</b>	<b>732,816</b>	<b>281,444</b>	<b>20,966</b>	<b>-</b>	<b>2,866,462</b>
<b>Net surplus (deficit)</b>	<b>\$ 4,561</b>	<b>\$ (7,223)</b>	<b>\$ 79,708</b>	<b>\$ 5,117</b>	<b>\$ (9,222)</b>	<b>\$ 12,789</b>	<b>\$ 146,155</b>	<b>\$ 1,568</b>	<b>\$ -</b>	<b>\$ 233,453</b>

The accompanying summary of significant accounting policy is an integral part of these financial statements.

**Township of St. Joseph**  
**Schedule 2 - Consolidated Segment Disclosure (Continued)**

**For the year ended December 31, 2009 (comparative figures)**

	General Government	Protection	Transportation	Environmental	Health	Social and Family and Cultural	Recreation and Cultural	Planning	Other/ Unallocated	Consolidated Total
<b>Revenue</b>										
Taxation	\$ 151,295	\$ 98,083	\$ 406,356	\$ 49,790	\$ 168,098	\$ 405,199	\$ 104,958	\$ 11,230	\$ -	\$ 1,395,009
Government grants - Provincial	124,594	75,843	316,301	72,760	129,983	467,413	108,153	8,684	-	1,303,731
Government grants - Federal	8,049	-	80,065	-	-	-	-	-	-	88,114
Other municipalities	-	11,457	-	-	4,250	-	-	7,914	-	23,621
User fees and service charges	8,590	65	2,550	140,453	1,025	24,714	94,265	6,365	-	278,027
Licences, permits and rents	11,134	-	-	-	-	-	-	-	-	11,134
Interest fines and penalties	41,107	-	-	-	-	-	-	-	-	41,107
Investment income	3,343	-	-	-	-	-	-	-	-	3,343
Other	82,679	-	-	-	-	-	-	-	-	82,679
	<b>430,791</b>	<b>185,448</b>	<b>805,272</b>	<b>263,003</b>	<b>303,356</b>	<b>897,326</b>	<b>307,376</b>	<b>34,193</b>	<b>-</b>	<b>3,226,765</b>
<b>Expenses</b>										
Salaries and benefits	206,707	29,009	156,466	54,232	3,550	104,698	70,172	2,060	-	626,894
Materials and supplies	33,389	56,834	75,638	34,888	1,179	46,815	106,788	7,774	-	363,305
Contracted services	100,902	71,514	26,727	130,961	414	22,369	44,008	18,014	-	414,909
Rents and financial expenses	-	-	2,381	8,821	-	-	1,156	615	-	12,973
External transfers and other	-	-	-	-	275,442	689,761	-	-	-	965,203
Amortization	1,543	15,053	138,587	147,634	-	4,745	51,382	-	-	358,944
	<b>342,541</b>	<b>172,410</b>	<b>399,799</b>	<b>376,536</b>	<b>280,585</b>	<b>868,388</b>	<b>273,506</b>	<b>28,463</b>	<b>-</b>	<b>2,742,228</b>
<b>Net surplus (deficit)</b>	<b>\$ 88,250</b>	<b>\$ 13,038</b>	<b>\$ 405,473</b>	<b>\$ (113,533)</b>	<b>\$ 22,771</b>	<b>\$ 28,938</b>	<b>\$ 33,870</b>	<b>\$ 5,730</b>	<b>\$ -</b>	<b>\$ 484,537</b>

The accompanying summary of significant accounting policy is an integral part of these financial statements.

**Township of St. Joseph**  
**Trust Funds**  
**Financial Statements**  
**For the year ended December 31, 2010**



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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
Township of St. Joseph

We have audited the accompanying financial statements of the Trust Funds of Township of St. Joseph, which comprise the statement of financial position as at December 31, 2010 and 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 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 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.

### ***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of Township of St. Joseph as at December 31, 2010 and the continuity thereof for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
April 29, 2011

**Township of St. Joseph  
Trust Funds  
Cemetery Care and Maintenance  
Statement of Financial Position**

<u>December 31</u>	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Cash	\$ 36,523	\$ 34,323
<b>Fund Balances</b>		
Capital	\$ 36,523	\$ 34,323

**Statement of Continuity**

<u>For the year ended December 31</u>	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 34,323	\$ 32,523
<b>Revenue</b>		
Sale of plots	1,050	1,200
Monument charge and donations	1,150	600
	<u>2,200</u>	<u>1,800</u>
<b>Balance, end of year</b>	<b>\$ 36,523</b>	<b>\$ 34,323</b>

**Summary of Significant Accounting Policies**

**December 31, 2010**

**Basis of Accounting**                      Capital receipts and income are reported on the cash basis of accounting.

**St. Joseph Island  
Community Residential  
Alternative Program  
Financial Statements  
For the year ended December 31, 2010**



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## Independent Auditor's Comments

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To the Members of Council, Inhabitants and Ratepayers of  
Township of St. Joseph

The audited consolidated financial statements of the Township of St. Joseph for the year ended December 31, 2010 and our report thereon dated April 29, 2011 are presented in the preceding section of this annual report. The financial information presented hereinafter was 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. We do not express a separate audit opinion on the individual schedule of supplemental financial information.

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
April 29, 2011

## St. Joseph Island Community Residential Alternative Program Statement of Operations

<b>For the year ended December 31</b>	Budget (Unaudited)	2010 (Unaudited)	2009 (Unaudited)
	April 2009 to March 2010		
<b>Revenue</b>			
Province of Ontario - operating subsidy	\$ 157,657	\$ 157,267	\$ 154,090
User charges	27,908	22,932	23,384
Expenditure recoveries	592	313	505
Donations and other	-	176	1,330
	<b>186,157</b>	<b>180,688</b>	<b>179,309</b>
<b>Expenses</b>			
Employee salaries and wages	97,950	86,639	85,289
Employee benefits	18,324	17,097	17,479
Staff training	1,000	1,138	1,681
Advertising	600	1,130	558
Board / volunteer training and recognition	1,000	909	951
Building maintenance	11,150	8,350	12,262
Insurance	3,000	3,007	2,926
Minor equipment	3,000	107	3,726
Telephone	1,600	1,165	1,640
Travel	13,900	14,254	12,262
Other - fees and general expenses	1,400	839	1,194
Professional fees	900	2,394	3,710
Supplies - office, postage, printing & stationery	2,200	2,283	2,119
Supplies - housekeeping, building & equipment	4,000	4,215	2,436
Supplies - food and dietary	19,770	21,776	17,825
Central administration charge	6,400	6,528	6,400
Amortization	4,745	4,745	4,745
	<b>190,939</b>	<b>176,576</b>	<b>177,203</b>
<b>Net surplus (deficit)</b>	<b>\$ (4,782)</b>	<b>\$ 4,112</b>	<b>\$ 2,106</b>