

**CORPORATION OF THE
MUNICIPALITY OF BRIGHTON
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009**

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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

For The Year Ended December 31, 2009

MANAGEMENT REPORT

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

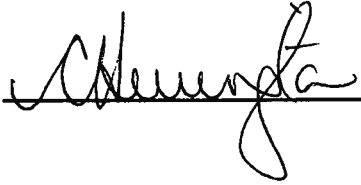
The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

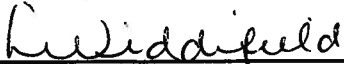
The Municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Municipality's assets are appropriately accounted for and adequately safeguarded.

The Municipality's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Municipality's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Municipality of Brighton. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the external auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Municipality. Collins Barrow Kawarthas LLP has full and free access to Council.

Mayor  Date Nov 1 / 10

Treasurer  Date Nov 1 / 10

AUDITORS' REPORT**TO THE MEMBERS OF COUNCIL
INHABITANTS AND RATEPAYERS OF THE
CORPORATION OF THE MUNICIPALITY OF BRIGHTON**

We have audited the consolidated statement of financial position of the Corporation of the Municipality of Brighton as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Municipality's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 20, 2010

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
FINANCIAL ASSETS		
Cash	3,287,232	6,352,501
Accounts receivable (note 4)	1,116,753	707,353
Taxes receivable	853,285	808,215
TOTAL FINANCIAL ASSETS	5,257,270	7,868,069
LIABILITIES		
Accounts payable and accrued	1,411,364	2,838,010
Deferred revenue - obligatory reserve funds (note 5)	1,312,016	1,251,552
Deferred revenue - other	5,984	7,299
Long term debt	-	10,000
TOTAL LIABILITIES	2,729,364	4,106,861
NET FINANCIAL ASSETS	2,527,906	3,761,208
NON-FINANCIAL ASSETS		
Tangible capital assets (note 6)	61,897,475	59,945,696
Inventory	51,272	55,274
TOTAL NON-FINANCIAL ASSETS	61,948,747	60,000,970
ACCUMULATED SURPLUS (note 8)	64,476,653	63,762,178

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
REVENUES			
Property taxation	5,171,519	5,181,746	4,934,060
User charges	2,460,686	2,415,934	2,314,319
Government of Canada	307,027	403,571	233,044
Province of Ontario	877,265	1,305,873	3,479,628
Other municipalities	-	-	10,000
Penalties and interest on taxes	130,000	142,912	139,683
Investment income	86,000	124,680	208,319
Donations	6,050	15,371	21,445
Contributed capital assets	-	954,673	2,550,122
Developer contributions earned	246,500	285,392	292,891
TOTAL REVENUES	9,285,047	10,830,152	14,183,511
EXPENSES			
General government	978,560	1,085,155	933,642
Protection services	2,507,526	2,241,607	2,206,581
Transportation services	1,623,486	3,279,405	3,398,321
Environmental services	888,223	1,748,715	1,583,819
Health services	204,816	132,474	192,171
Recreation and cultural services	1,161,277	1,278,456	1,120,316
Planning and development	318,729	349,865	300,612
TOTAL EXPENSES	7,682,617	10,115,677	9,735,462
ANNUAL SURPLUS	1,602,430	714,475	4,448,049
ACCUMULATED SURPLUS - beginning of year	63,762,178	63,762,178	59,314,129
ACCUMULATED SURPLUS - end of year	65,364,608	64,476,653	63,762,178

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
ANNUAL SURPLUS	1,602,430	714,475	4,448,049
Amortization of tangible capital assets	-	2,408,007	2,281,506
Acquisition of tangible capital assets	(3,499,902)	(3,452,632)	(3,066,543)
Loss on disposal of tangible capital assets	-	47,519	104,279
Contributed capital assets	-	(954,673)	(2,550,122)
Decrease in inventory	-	4,002	4,001
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,897,472)	(1,233,302)	1,221,170
NET FINANCIAL ASSETS - beginning of year	3,761,208	3,761,208	2,540,038
NET FINANCIAL ASSETS - end of year	1,863,736	2,527,906	3,761,208

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009	Restated 2008
	\$	\$
		(Note 2)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	714,475	4,448,049
(Increase)/decrease in accounts receivable	(409,400)	51,729
(Increase)/decrease in taxes receivable	(45,070)	7,834
Decrease in inventory	4,002	4,001
Increase/(decrease) in accounts payable and accrued	(1,426,646)	1,778,461
Increase in deferred revenue - obligatory reserve funds	60,464	128,339
Decrease in deferred revenue - other	(1,315)	(14,963)
Non-cash charges to operations		
Amortization of tangible capital assets	2,408,007	2,281,506
Loss on disposal of tangible capital assets	47,519	104,279
Contributed capital assets	(954,673)	(2,550,122)
Net increase in cash from operating transactions	397,363	6,239,113
CAPITAL		
Acquisition of tangible capital assets	(3,452,632)	(3,066,543)
FINANCING		
Debt principal repayments	(10,000)	(48,087)
INCREASE/(DECREASE) IN CASH	(3,065,269)	3,124,483
CASH - beginning of year	6,352,501	3,228,018
CASH - end of year	3,287,232	6,352,501

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

The Municipality of Brighton is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are controlled by the Municipality. These financial statements include:

- Brighton Public Library Board
- Brighton Downtown Business Improvement Area Board
- Mount Hope Cemetery Board

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land Improvements	10 to 50 years
Buildings	15 to 50 years
Machinery and Equipment	5 to 30 years
Vehicles	10 to 20 years
Roads and Bridges	10 to 50 years
Water and Sewer Systems	10 to 50 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Assets under construction are not amortized until put in service.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Municipality because they can be used to provide municipal services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold.

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Deferred Revenue

Deferred 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 revenues in the fiscal year the services are performed.

(h) Taxation

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Municipality's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Municipality is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the Municipality upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no significant collection risk.

(i) Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.
- The amount recorded as allowance for doubtful accounts receivable and taxes receivable are based on management's estimate of future payments on receivable account balances.

(k) Financial Instruments

The Municipality's financial instruments consist of cash, taxes receivable, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Municipality does not have any significant concentration of interest, currency or credit risk.

(l) Inventory

Inventories of lots and niches of Mount Hope Cemetery are reflected at the lower of cost or net realizable value and this cost is allocated to cost of sales on a unit-by-unit basis in a manner expected to reduce the carrying value to nil when all of the units have been sold.

2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Municipality has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires municipalities and their local boards to record and amortize their tangible capital assets on their financial statements. Adjustments necessary to the 2008 financial information as a result of the Section are as follows:

Adjustment to 2008 Tangible Capital Assets

Assets previously expensed to December 31, 2008	\$ 87,675,130
Accumulated amortization to December 31, 2008, not previously recorded	<u>(27,729,434)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 59,945,696</u>

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY, continued

Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated	
Current fund	\$ 385,577
Capital fund	(2,573,007)
Reserves and reserve funds	<u>4,785,555</u>
	2,598,125
Net book value of tangible capital assets at January 1, 2008	56,714,816
Long-term debt related to tangible capital assets	(58,087)
Cemetery inventory at January 1, 2008	<u>59,275</u>
Opening 2008 accumulated surplus as restated	<u>\$ 59,314,129</u>

Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$ 1,221,170
Add: Assets capitalized but previously expensed	3,066,543
Contributed capital assets	2,550,122
Less: Amortization expense not previously recorded	(2,281,506)
Loss on sale of tangible capital assets	(104,279)
Cemetery cost of sales	<u>(4,001)</u>
2008 annual surplus as restated	<u>\$ 4,448,049</u>

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2009, requisitions were made by the County of Northumberland and School Boards requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	3,072,391	4,534,482
Taxation from other governments	11,773	234,416
	<u>3,084,164</u>	<u>4,768,898</u>
Amounts requisitioned and remitted	<u>3,084,164</u>	<u>4,768,898</u>

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

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

4. ACCOUNTS RECEIVABLE

	2009	2008
	\$	\$
Federal government receivables	228,821	104,582
Provincial government receivables	187,175	5,248
Water and sewer customer accounts	412,585	403,838
Due from Brighton District Curling Club	33,605	36,709
Other receivables	284,567	186,976
Allowance for doubtful accounts	(30,000)	(30,000)
	1,116,753	707,353

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized below:

	2009	2008
	\$	\$
Development charges	1,219,694	1,160,520
Parkland	41,566	91,032
Gas tax	50,756	-
	1,312,016	1,251,552

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

6. TANGIBLE CAPITAL ASSETS

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

	2009	2008
	\$	\$
General		
Land	3,322,902	3,186,304
Land improvement	1,522,267	1,464,148
Buildings	8,177,433	6,110,273
Machinery and equipment	1,000,721	676,185
Vehicles	1,002,624	1,168,943
Infrastructure		
Roads and bridges	38,127,015	38,282,115
Water and sewer	7,568,009	7,097,906
	60,720,971	57,985,874
Assets under construction	1,176,504	1,959,822
	61,897,475	59,945,696

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

During the year there were no write-downs of assets (2008 - \$Nil) and no interest capitalized (2008 - \$Nil)

	2009	2008
	\$	\$
General government	744,724	742,560
Protection services	567,700	643,818
Transportation services	42,759,630	41,982,813
Environmental services	13,094,763	12,558,079
Health services	37,806	22,290
Recreation and cultural services	4,692,852	3,996,136
	61,897,475	59,945,696

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Municipality does not have any obligations for landfill sites since the County of Northumberland assumed waste management responsibilities for the County in 1990. The Municipality has completed a settlement with the County for its landfill site in prior years.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

8. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of individual fund surplus/(deficit) and reserves and reserve funds as follows:

	2009	2008
	\$	\$
Surplus/(Deficit)		
Municipality	249,232	225,928
Public Library Board	1,889	(61)
Business Improvement Area Board	(3,906)	(5,353)
Cemetery	4,360	1,774
	251,575	222,288
Invested In Capital Assets		
Tangible capital assets - net book value	61,897,475	59,945,696
Long term debt	-	(10,000)
Unfunded capital	(3,857,326)	(2,989,592)
	58,040,149	56,946,104
Surplus	58,291,724	57,168,392
Reserves		
Working funds	386,625	226,625
Contingencies	272,557	74,130
General government	130,699	146,522
Transportation	377,363	279,756
Recreation and culture	280,144	141,528
Special assistance grant (community care)	-	151,392
Water	110,396	158,323
Acquisition of capital assets	694,423	1,462,095
Protection	47,948	18,842
Total Reserves	2,300,155	2,659,213
Reserve Funds		
Urban infrastructure	1,855,646	2,115,197
Sewer	1,805,640	1,590,237
Transportation	94,235	139,481
Fire services	28,553	28,327
Recreation and culture	61,900	61,331
Medical student	38,800	-
Total Reserve Funds	3,884,774	3,934,573
	64,476,653	63,762,178

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

8. ACCUMULATED SURPLUS - (Continued)

(b) Unfinanced capital is comprised of:

	2009	2008
	\$	\$
Administration	(80,000)	(95,000)
Fire	(10,000)	(25,000)
Roads	(227,299)	(150,000)
Water	(2,207,559)	(1,968,262)
Parks	(1,332,468)	(751,330)
	(3,857,326)	(2,989,592)

9. EXPENSES BY OBJECT

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

	Budget 2009	Actual 2009	Actual 2008
	\$	\$	\$
Salaries and benefits	3,421,037	3,295,858	2,981,716
Interest charges	-	-	1,526
Materials	911,972	2,520,298	2,434,687
Contracted services	2,924,383	1,493,313	1,510,584
Rents and financial expenses	39,900	51,700	44,880
External transfers	385,325	298,983	376,284
Amortization	-	2,408,007	2,281,506
Loss on disposal of assets	-	47,518	104,279
	7,682,617	10,115,677	9,735,462

10. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time 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.

Contributions required on account of current service in 2009 were \$137,042 (2008 - \$125,172).

11. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$186,193 (2008 - \$181,433) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality financial position or operations.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

12. BUDGET FIGURES

The budget, approved by the Municipality, for 2009 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

13. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$4,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.5% per annum. Council authorized the temporary borrowing limit by By-law 2009-022. At December 31, 2009 there was a balance outstanding of \$Nil (2008 - \$Nil).

The Municipality also has a non-revolving term facility agreement with its main financial institution. The amount is limited to \$1,500,000 via a fixed rate loan. Any balance borrowed will accrue interest at a fixed rate to be quoted by the bank and fixed at the time of borrowing. At December 31, 2009 there was a balance outstanding of \$Nil (2008 - \$Nil)

14. CONTINGENT LIABILITIES

The Municipality, in the course of its operations, has been named in several lawsuits the outcome of which is indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

15. COMMITMENTS

The Municipality has entered into a contract for the reconstruction of Drewery Street for \$748,980. The remaining commitment at December 31, 2009 is \$307,082. The Municipality plans to finance this project from future property taxation.

The Municipality has entered into a contract for the reconstruction of Dufferin and Oliphant Streets for \$737,380. The remaining commitment at December 31, 2009 is \$199,233. The Municipality plans to finance this project from reserves.

Subsequent to year end, the Municipality entered into a contract for the construction of the Ontario Street Pedestrian Bridges and Sidewalk in the amount of \$272,360. The Municipality plans to finance this project from reserves.

Subsequent to year end, the Municipality entered into a contract for the construction of a barrier free elevator for the Municipal Office for the amount of \$308,600. The Municipality plans to finance this project from reserve and reserve funds.

Subsequent to year end, the Municipality entered into a contract for the construction of an addition to the Public Works & Environmental Services building in the amount of \$225,950. The Municipality plans to finance this project from development charges and internal and external debt.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

16. SEGMENTED INFORMATION

The Municipality of Brighton is a municipal government institution that provides a range of services to its citizens. Municipal services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segmented Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Municipality and its programs and services.

Protection Services

Protection services include police, fire, conservation authority, protective inspection and emergency measures.

Transportation Services

The activities of the transportation function include construction and maintenance of the Municipality's roads and bridges, winter control, parking and street lighting.

Environmental Services

The environmental function is responsible for providing storm sewer, water and sewer services to urban residents.

Health Services

The health services function consists of external transfers to the medical centre and the activities of the cemetery board.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Municipality.

17. COMPARATIVE FIGURES

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

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2009

	General			Infrastructure			Totals	
	Land	Land Improvement	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges		Water and Sewer
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	3,186,304	2,197,520	8,205,220	1,833,896	3,163,371	53,116,947	14,012,050	1,959,822
Add: additions during the year	136,598	129,341	659,555	519,469	29,931	1,066,647	699,915	1,165,849
Less: disposals during the year	-	-	-	50,885	158,166	157,015	51,050	-
Internal transfers	-	-	1,650,363	-	-	207,127	91,677	(1,949,167)
Balance, end of year	3,322,902	2,326,861	10,515,138	2,302,480	3,035,136	54,233,706	14,752,592	1,176,504
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	733,372	2,094,947	1,157,711	1,994,428	14,834,832	6,914,144	-
Add: additions during the year	-	71,222	242,758	179,019	189,858	1,419,997	305,153	-
Less: disposals during the year	-	-	-	34,971	151,774	148,138	34,714	-
Balance, end of year	-	804,594	2,337,705	1,301,759	2,032,512	16,106,691	7,184,583	-
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,322,902	1,522,267	8,177,433	1,000,721	1,002,624	38,127,015	7,568,009	1,176,504
								61,897,475

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2009

	Recreation and					Consolidated		
	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$		Cultural Services \$	Planning and Development \$
Revenues								
Property taxation	520,248	1,606,341	1,892,892	-	86,017	689,690	386,558	5,181,746
User charges	76,784	245,261	47,410	1,565,344	146,470	266,727	67,938	2,415,934
Government transfers - operating	94,930	422,944	345,053	-	17,645	206,236	70,395	1,157,203
Government transfers - capital	-	-	550,870	-	-	1,371	-	552,241
Penalties and interest on taxes	142,912	-	-	-	-	-	-	142,912
Investment income	110,080	226	1,113	12,693	-	568	-	124,680
Donations	5,505	-	-	-	3,250	4,094	2,522	15,371
Contributed capital assets	-	-	429,936	524,737	-	-	-	954,673
Developer contributions earned	22,991	10,000	19,901	146,000	-	86,500	-	285,392
Total revenues	973,450	2,284,772	3,287,175	2,248,774	253,382	1,255,186	527,413	10,830,152
Expenses								
Salaries and benefits	696,568	555,196	770,254	490,044	30,802	558,529	194,465	3,295,858
Materials	340,084	209,552	899,703	568,488	37,258	367,611	97,602	2,520,298
Contracted services	17,071	1,275,147	81,579	51,457	-	58,559	9,500	1,493,313
Rents and financial expenses	5,115	12,185	29,194	-	-	5,206	-	51,700
External transfers	-	103,408	-	-	61,842	95,435	38,298	298,983
Amortization	26,317	76,119	1,526,528	585,949	2,572	190,522	-	2,408,007
Loss on disposal of assets	-	-	22,197	22,727	-	2,594	-	47,518
Internal transfers	-	10,000	(50,050)	30,050	-	-	10,000	-
Total expenses	1,085,155	2,241,607	3,279,405	1,748,715	132,474	1,278,456	349,865	10,115,677
Net surplus/(deficit)	(111,705)	43,165	7,770	500,059	120,908	(23,270)	177,548	714,475

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2008

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development Consolidated \$
Revenues								
Property taxation	624,361	1,449,907	1,786,111	9,374	-	111,824	768,149	4,934,060
User charges	56,792	271,829	50,488	38,568	1,467,122	117,166	228,851	2,314,319
Government transfers - operating	1,052,479	43,925	-	-	-	800	36,191	1,133,395
Government transfers - capital	-	-	1,486,356	-	78,830	-	1,014,091	2,579,277
Other municipalities	-	-	-	-	-	-	10,000	-
Penalties and interest on taxes	139,683	-	-	-	-	-	-	139,683
Investment income	165,507	1,006	3,278	36,226	-	-	2,302	208,319
Donations	8,800	-	-	-	-	3,615	5,470	21,445
Contributed capital assets	-	-	1,512,136	1,037,986	-	-	-	2,550,122
Developer contributions earned	1,832	91,059	200,000	-	-	-	-	292,891
Total revenues	2,049,454	1,857,726	5,038,369	1,122,154	1,545,952	233,405	2,065,054	14,183,511
Expenses								
Salaries and benefits	554,005	458,743	781,587	-	472,226	29,874	513,416	2,981,716
Interest charges	-	-	1,526	-	-	-	-	1,526
Materials	328,255	200,266	989,834	-	497,979	39,804	298,908	2,434,687
Contracted services	19,987	1,348,667	72,484	-	30,682	-	34,764	1,510,584
Rents and financial expenses	4,554	14,325	20,920	-	242	-	4,839	44,880
External transfers	-	99,636	-	-	-	121,126	119,241	36,281
Amortization	26,841	76,119	1,500,621	-	552,640	1,367	123,918	2,281,506
Loss on disposal of assets	-	-	79,049	-	-	-	25,230	104,279
Internal transfers	-	8,825	(47,700)	-	30,050	-	-	8,825
Total expenses	933,642	2,206,581	3,398,321	-	1,583,819	192,171	1,120,316	9,735,462
Net surplus/(deficit)	1,115,812	(348,855)	1,640,048	1,122,154	(37,867)	41,234	944,738	(29,215)

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF BRIGHTON

We have audited the statement of financial position of the Trust Fund of the Corporation of the Municipality of Brighton as at December 31, 2009 and the statement of continuity of the Trust Fund for the year then ended. These financial statements are the responsibility of the Municipality's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Fund of the Municipality as at December 31, 2009 and the continuity of the Trust Fund for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 20, 2010

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

**TRUST FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2009**

	2009	2008
	\$	\$
FINANCIAL ASSETS		
Cash	186,433	181,669
LIABILITIES AND TRUST FUND BALANCE		
CURRENT LIABILITIES		
Due (to) from Cemetery Board	240	236
FUND BALANCE	186,193	181,433
	186,433	181,669

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2009

	2009	2008
	\$	\$
BALANCE - beginning of year	181,433	177,960
RECEIPTS		
Monument care	560	813
Sale of plots and niches	4,200	2,660
Interest	1,476	5,900
	6,236	9,373
EXPENSES		
Transfer to Cemetery Board	1,476	5,900
BALANCE - end of year	186,193	181,433

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON
TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements represent the Mount Hope Cemetery Trust Funds, the Municipality's only trust. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Financial Instruments

The Trust Fund financial instruments consist of cash and due to cemetery board. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Fund does not have any significant concentration of credit, currency or interest rate risk.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

2. CEMETERY TRUST FUNDS

Cemetery Trust funds consist of the Perpetual Care Fund and the Monument Care Fund with balances at December 31, 2009 of \$164,883 (2008 - \$160,683) and \$21,310 (2008 - \$20,750), respectively. The Perpetual Care Fund is funded by the sale of cemetery plots and the Monument Care Fund is funded by fees charged on the sale of monuments. The funds are invested and earnings derived therefrom are used to perform perpetual care and monument maintenance to the Mount Hope Cemetery. The operations and investments of the trust funds are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

**CORPORATION OF THE
MUNICIPALITY OF BRIGHTON**

BRIGHTON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2009

AUDITORS' REPORT**TO THE MEMBERS OF THE BRIGHTON PUBLIC LIBRARY BOARD,
THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE
CORPORATION OF THE MUNICIPALITY OF BRIGHTON**

We have audited the statement of financial position of the Brighton Public Library Board of the Corporation of the Municipality of Brighton as at December 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board derives revenue from donations, fines and fees, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to donations, fines and fee revenue, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 20, 2010

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
FINANCIAL ASSETS		
Cash	22,194	17,500
Accounts receivable	4,207	4,676
TOTAL FINANCIAL ASSETS	26,401	22,176
LIABILITIES		
Accounts payable	7,528	4,049
Deferred revenue	5,884	7,254
TOTAL LIABILITIES	13,412	11,303
NET FINANCIAL ASSETS	12,989	10,873
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	146,567	140,574
ACCUMULATED SURPLUS (note 4)	159,556	151,447

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
REVENUES			
Municipal contributions	204,500	196,500	169,550
Government grants (note 7)	34,031	33,684	45,879
Interest	500	239	2,893
Donations, fines and fees	10,200	10,969	11,582
Book and bag sales	2,000	2,248	2,670
Miscellaneous	2,061	2,959	2,321
Non-resident user fees	200	250	275
TOTAL REVENUES	253,492	246,849	235,170
EXPENSES			
Salaries and employee benefits	176,800	174,365	167,309
Amortization	-	40,989	41,534
Supplies	4,250	3,666	3,808
Professional fees	900	851	754
Travel	1,600	1,016	1,346
Computer	9,500	11,621	26,446
Literacy grant	3,292	1,371	1,139
Communication	3,300	2,309	2,491
Outreach programs	1,400	775	1,031
Professional development	750	229	353
Sundry	900	1,548	1,730
TOTAL EXPENSES	202,692	238,740	247,941
ANNUAL SURPLUS/(DEFICIT)	50,800	8,109	(12,771)
ACCUMULATED SURPLUS - beginning of year	151,447	151,447	164,218
ACCUMULATED SURPLUS - end of year	202,247	159,556	151,447

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
ANNUAL SURPLUS/(DEFICIT)	50,800	8,109	(12,771)
Amortization of tangible capital assets	-	40,989	41,534
Acquisition of tangible capital assets	(54,292)	(46,982)	(53,132)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(3,492)	2,116	(24,369)
NET FINANCIAL ASSETS - beginning of year	10,873	10,873	35,242
NET FINANCIAL ASSETS - end of year	7,381	12,989	10,873

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	8,109	(12,771)
(Increase)/decrease in accounts receivable	469	(102)
Increase/(decrease) in accounts payable	3,479	(13,193)
Decrease in deferred revenue	(1,370)	(14,963)
Non-cash charges to operations		
Amortization of tangible capital assets	40,989	41,534
Net increase in cash from operating transactions	51,676	505
CAPITAL		
Acquisition of tangible capital assets	(46,982)	(53,132)
INCREASE/(DECREASE) IN CASH	4,694	(52,627)
CASH - beginning of year	17,500	70,127
CASH - end of year	22,194	17,500

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(c) Financial Instruments

The Board's financial instruments consist of cash, accounts receivable and accounts payable. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Board does not have any significant concentration of credit, currency or interest rate risk.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Equipment and Furnishings	15 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Deferred Revenue

Deferred revenues represent grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Board has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires municipalities and their local boards to record and amortize their tangible capital assets on their financial statements. Adjustments necessary to the 2008 financial information as a result of the Section are as follows:

Adjustment to 2008 Tangible Capital Assets

Assets previously expensed to December 31, 2008	\$ 362,100
Accumulated amortization to December 31, 2008, not previously recorded	<u>(221,526)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 140,574</u>

Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated	
Current fund	\$ 10,402
Reserves and reserve funds	<u>24,840</u>
	35,242
Net book value of tangible capital assets at January 1, 2008	<u>128,976</u>
Opening 2008 accumulated surplus, as restated	<u>\$ 164,218</u>

Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$ (24,369)
Add: Assets capitalized but previously expensed	53,132
Less: Amortization expense not previously recorded	<u>(41,534)</u>
2008 annual surplus as restated	<u>\$ (12,771)</u>

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

3. TANGIBLE CAPITAL ASSETS

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

	Equipment and Furnishings \$	Books \$	2009 Totals \$	2008 Totals \$
COST				
Balance, beginning of year	90,740	271,360	362,100	308,968
Add: additions during the year	-	46,982	46,982	53,132
Balance, end of year	90,740	318,342	409,082	362,100
ACCUMULATED AMORTIZATION				
Balance, beginning of year	74,168	147,358	221,526	179,992
Add: additions during the year	2,047	38,942	40,989	41,534
Balance, end of year	76,215	186,300	262,515	221,526
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	14,525	132,042	146,567	140,574

4. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus/(deficit) and reserves and reserve funds as follows:

	2009 \$	2008 \$
Surplus/(Deficit)		
Operating fund balance	1,889	(61)
Invested In Capital Assets		
Tangible capital assets - net book value	146,567	140,574
Surplus	148,456	140,513
Reserve Funds		
Working funds	11,100	10,934
	159,556	151,447

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2009 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

6. PENSION AGREEMENTS

The Board makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time 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 contributions on account of current service in 2009 amounted to \$7,305 (2008 - \$7,275).

7. GOVERNMENT GRANTS

	2009	2008
	\$	\$
One-time funding	2,675	2,149
Per household	16,256	16,256
Pay equity grant	13,383	13,383
Literacy grant	1,370	14,091
	33,684	45,879

8. COMPARATIVE FIGURES

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

**CORPORATION OF THE
MUNICIPALITY OF BRIGHTON**

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2009

AUDITORS' REPORT

TO THE MEMBERS OF THE BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD, THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF BRIGHTON

We have audited the statement of financial position of the Brighton Downtown Business Improvement Area Board of the Corporation of the Municipality of Brighton as at December 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donation and fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 20, 2010

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD

STATEMENT OF FINANCIAL POSITION

At December 31, 2009

	2009	2008
	\$	\$
FINANCIAL ASSETS		
Cash	5,470	5,978
LIABILITIES		
Accounts payable	1,876	1,331
Due to Municipality	7,500	10,000
TOTAL LIABILITIES	9,376	11,331
NET FINANCIAL LIABILITIES	(3,906)	(5,353)
ACCUMULATED DEFICIT (note 2)	(3,906)	(5,353)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
REVENUES			
Tax revenue (note 4)	22,500	22,500	21,000
Donations and fundraising	1,550	2,522	3,559
TOTAL REVENUES	24,050	25,022	24,559
EXPENSES			
Advertising and business promotion	6,660	4,867	3,066
General expenses	15,141	14,820	11,690
Improvements	5,500	2,796	23,662
Professional fees	893	1,092	788
TOTAL EXPENSES	28,194	23,575	39,206
ANNUAL SURPLUS/(DEFICIT)	(4,144)	1,447	(14,647)
ACCUMULATED SURPLUS/(DEFICIT) - beginning of year	(5,353)	(5,353)	9,294
ACCUMULATED DEFICIT - end of year	(9,497)	(3,906)	(5,353)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
ANNUAL SURPLUS/(DEFICIT)	(4,144)	1,447	(14,647)
NET FINANCIAL ASSETS (LIABILITIES) - beginning of year	(5,353)	(5,353)	9,294
NET FINANCIAL LIABILITIES - end of year	(9,497)	(3,906)	(5,353)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2009

	2009	Restated 2008
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	1,447	(14,647)
Increase/(decrease) in accounts payable	545	(148)
Increase/(decrease) in due to Municipality	(2,500)	10,000
Net decrease in cash from operating transactions	(508)	(4,795)
DECREASE IN CASH	(508)	(4,795)
CASH - beginning of year	5,978	10,773
CASH - end of year	5,470	5,978

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. Such amounts are not expected to change materially in the near term.

(c) Financial Instruments

The Board's financial instruments consist of cash, Due to Municipality and accounts payable. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Board does not have any significant concentration of credit, currency or interest rate risk.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the assets. The Board does not have any significant tangible capital assets.

2. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus/(deficit) as follows:

	2009	2008
	\$	\$
Surplus/(Deficit)		
Operations	(3,906)	(5,353)
	(3,906)	(5,353)

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2009 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

4. TAX REVENUE

Revenue is received through the Corporation of the Municipality of Brighton from an additional assessment on the businesses in the designated improvement area authorized by the Council

**CORPORATION OF THE
MUNICIPALITY OF BRIGHTON**

MOUNT HOPE CEMETERY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2009

AUDITORS' REPORT

TO THE MEMBERS OF THE MOUNT HOPE CEMETERY BOARD, THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF BRIGHTON

We have audited the statement of financial position of the Mount Hope Cemetery Board of the Corporation of the Municipality of Brighton as at December 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 20, 2010

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2009

	2009 \$	Restated 2008 \$ (Note 2)
FINANCIAL ASSETS		
Cash	4,457	11,416
Accounts receivable	239	236
TOTAL FINANCIAL ASSETS	4,696	11,652
LIABILITIES		
Accounts payable	-	170
Due to Municipality	51,608	64,982
TOTAL LIABILITIES	51,608	65,152
NET FINANCIAL LIABILITIES	(46,912)	(53,500)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	37,806	22,290
Inventory (note 6)	51,272	55,274
TOTAL NON-FINANCIAL ASSETS	89,078	77,564
ACCUMULATED SURPLUS (note 4)	42,166	24,064

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
REVENUES			
Municipal contribution	27,500	45,589	26,000
Sale of niches	13,000	10,200	11,390
Interments	7,500	16,100	9,745
Sale of plots	-	3,600	1,350
Scattering grounds	2,000	1,000	500
Interest	2,500	1,622	6,657
Donations	2,000	3,250	3,615
Niche inscriptions	3,000	3,000	2,700
Other	1,250	1,461	1,531
TOTAL REVENUES	58,750	85,822	63,488
EXPENSES			
Administration and general	2,550	1,996	2,576
Maintenance and care of plots	40,500	48,974	50,893
External transfers	10,175	10,175	9,620
Amortization	-	2,573	1,367
Cost of sales of inventory	-	4,002	4,001
TOTAL EXPENSES	53,225	67,720	68,457
ANNUAL SURPLUS/(DEFICIT)	5,525	18,102	(4,969)
ACCUMULATED SURPLUS - beginning of year	24,064	24,064	29,033
ACCUMULATED SURPLUS - end of year	29,589	42,166	24,064

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
ANNUAL SURPLUS/(DEFICIT)	5,525	18,102	(4,969)
Amortization of tangible capital assets	-	2,573	1,367
Acquisition of tangible capital assets	(1,300)	(18,089)	-
Decrease in inventory	-	4,002	4,001
INCREASE IN NET FINANCIAL ASSETS	4,225	6,588	399
NET FINANCIAL LIABILITIES - beginning of year	(53,500)	(53,500)	(53,899)
NET FINANCIAL LIABILITIES - end of year	(49,275)	(46,912)	(53,500)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009	Restated 2008
	\$	\$ (Note 2)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	18,102	(4,969)
(Increase)/decrease in accounts receivable	(3)	3,309
Decrease in inventory	4,002	4,001
Decrease in accounts payable	(170)	(133)
Decrease in due to Municipality	(13,374)	-
Non-cash charges to operations		
Amortization of tangible capital assets	2,573	1,367
Net increase in cash from operating transactions	11,130	3,575
CAPITAL		
Acquisition of tangible capital assets	(18,089)	-
INCREASE/(DECREASE) IN CASH	(6,959)	3,575
CASH - beginning of year	11,416	7,841
CASH - end of year	4,457	11,416

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. Such amounts are not expected to change materially in the near term.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(c) Financial Instruments

The Board's financial instruments consist of cash, accounts receivable, due to Municipality and accounts payable. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Board does not have any significant concentration of credit, currency or interest rate risk.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Machinery and equipment	20 years
Buildings	50 years
Roads	15 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Inventory

Inventories of lots and niches are reflected at the lower of cost or net realizable value and this cost is allocated to cost of sales on a unit-by-unit basis in a manner expected to reduce the carrying value to nil when all of the units have been sold.

2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Board has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires municipalities and their local boards to record and amortize their tangible capital assets on their financial statements. Adjustments necessary to the 2008 financial information as a result of the Section are as follows:

Adjustment to 2008 Tangible Capital Assets

Assets previously expensed to December 31, 2008	\$	30,298
Accumulated amortization to December 31, 2008, not previously recorded		<u>(8,008)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	\$	<u>22,290</u>

Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated		
Current fund	\$	11,083
Capital fund		<u>(64,982)</u>
		(53,899)
Net book value of tangible capital assets at January 1, 2008		23,657
Inventory at January 1, 2008		<u>59,275</u>
Opening 2008 accumulated surplus, as restated	\$	<u>29,033</u>

Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$	399
Less: Amortization expense not previously recorded		(1,367)
Cost of sales		<u>(4,001)</u>
2008 annual surplus/(deficit) as restated	\$	<u>(4,969)</u>

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

3. TANGIBLE CAPITAL ASSETS

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

	Land \$	Buildings \$	Machinery and Equipment \$	Roads \$	2009 Totals \$	2008 Totals \$
COST						
Balance, beginning of year	1	7,556	17,982	4,759	30,298	30,298
Add: additions during the year	-	-	-	18,089	18,089	-
Balance, end of year	1	7,556	17,982	22,848	48,387	30,298
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	604	3,596	3,808	8,008	6,641
Add: additions during the year	-	151	899	1,523	2,573	1,367
Balance, end of year	-	755	4,495	5,331	10,581	8,008
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1	6,801	13,487	17,517	37,806	22,290

4. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus/(deficit) as follows:

	2009 \$	2008 \$
Surplus/(Deficit)		
Operating fund balance	4,360	1,774
Invested In Capital Assets		
Tangible capital assets - net book value	37,806	22,290
	42,166	24,064

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2009 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

6. INVENTORY

	2009	2008
	\$	\$
Lots	764	766
Niches	50,508	54,509
	51,272	55,275

7. COMPARATIVE FIGURES

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

AUDITORS' REPORT

TO THE MEMBERS OF THE MOUNT HOPE CEMETERY BOARD, THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF BRIGHTON

We have audited the statement of financial position of the Mount Hope Cemetery Board Trust Fund of the Corporation of the Municipality of Brighton as at December 31, 2009 and the statement of continuity of the Trust Fund for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board's Trust Fund as at December 31, 2009 and the continuity of the Trust Fund for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 20, 2010

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2009

	Perpetual Care \$	Monument Care \$	2009 Total \$	2008 Total \$
FINANCIAL ASSETS				
Cash	165,123	21,310	186,433	181,669
LIABILITIES AND TRUST FUND BALANCE				
CURRENT LIABILITIES				
Due to Cemetery Board	240	-	240	236
FUND BALANCE	164,883	21,310	186,193	181,433
	165,123	21,310	186,433	181,669

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2009

	Perpetual Care \$	Monument Care \$	2009 Total \$	2008 Total \$
BALANCE - beginning of year	160,683	20,750	181,433	177,960
RECEIPTS				
Investment income	1,307	169	1,476	5,900
Capital receipts	4,200	560	4,760	3,473
	5,507	729	6,236	9,373
EXPENSES				
Transfers to cemetery operations	1,307	169	1,476	5,900
BALANCE - end of year	164,883	21,310	186,193	181,433

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

MOUNT HOPE CEMETERY BOARD TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Financial Instruments

The Trust Fund financial instruments consist of cash and due to Cemetery Board. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Fund does not have any significant concentration of credit, currency or interest rate risk.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

2. CEMETERY PERPETUAL CARE TRUST

These trust funds represent a portion of the sale of cemetery plots and monument foundations at Mount Hope Cemetery Board. The capital amounts are to be kept intact in perpetuity, with investment income earned on the funds used to maintain the cemeteries.