

**CORPORATION OF THE
TOWNSHIP OF CLEARVIEW
VILLAGE OF CREEMORE BUSINESS IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2009**

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GAVILLER & COMPANY LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairperson and Members of The Village of Creemore
Business Improvement Area, Members of Council, Inhabitants
and Ratepayers of the **Corporation of the Township of Clearview:**

We have audited the statement of financial position of the **Village of Creemore Business Improvement Area** as at December 31, 2009, and the statements of operations, 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.

We were unable to obtain sufficient audit evidence to verify the completeness of the advertising revenue. Accordingly we were not able to determine whether any adjustments might be necessary to accounts receivable and accumulated surplus.

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 with respect to the completeness of the advertising revenue as described in the preceding paragraph, these financial statements present fairly in all material respects, the financial position of the **Village of Creemore Business Improvement Area** as at December 31, 2009 and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principle.

The auditor's report dated April 30, 2010 has been withdrawn and the associated financial statements have been withdrawn. Revisions to the financial statements are explained in Note 6.

Gaviller & Company LLP

Licensed Public Accountants

Collingwood, Ontario

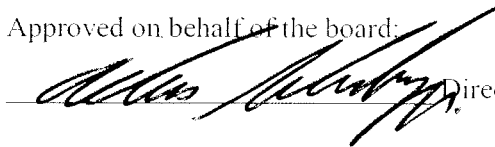
April 30, 2010 (except as to Note 6, which is as of September 16, 2010)

CORPORATION OF THE TOWNSHIP OF CLEARVIEW

VILLAGE OF CREEMORE BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2009	2008
	\$	\$ Restated (Note 4)
Financial assets		
Cash	13,274	21,930
Accounts receivable (Note 3)	3,829	3,543
	17,103	25,473
Liabilities		
Accounts payable	4,225	2,324
Net financial assets	12,878	23,149
Non-financial assets		
Tangible capital assets - net (Note 2)	9,965	6,411
Accumulated surplus (Note 5)	22,843	29,560

Approved on behalf of the board:

 Director

The accompanying notes are an integral part of
This financial statement.

CORPORATION OF THE TOWNSHIP OF CLEARVIEW

VILLAGE OF CREEMORE BUSINESS IMPROVEMENT AREA STATEMENT OF OPERATIONS AS AT DECEMBER 31

	Budget 2009	Actual 2009	Actual 2008
	\$	\$	\$ Restated (Note 4)
Revenues			
Taxation	20,000	20,000	20,000
Associate memberships	1,000	762	1,126
Advertising revenue (Note 3)	15,000	7,196	7,285
Miscellaneous (Note 3)	3,100	532	10,471
	39,100	28,490	38,882
Expenses			
Advertising expenses	20,000	16,303	21,917
Brochures, supplies and miscellaneous	14,150	12,165	16,151
Salaries and benefits	400	596	645
Website	4,000	5,775	-
Amortization	-	368	135
	38,550	35,207	38,848
Annual (deficit) surplus	550	(6,717)	34
Accumulated surplus, beginning of year	29,560	29,560	29,526
Accumulated surplus, end of year (Note 5)	30,110	22,843	29,560

The accompanying notes are an integral part of
This financial statement.

CORPORATION OF THE TOWNSHIP OF CLEARVIEW

VILLAGE OF CREEMORE BUSINESS IMPROVEMENT AREA STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Actual 2009	Actual 2008
	\$	\$ Restated (Note 4)
Annual (deficit) surplus	(6,717)	34
Acquisition of tangible capital assets	(3,922)	(5,378)
Amortization of tangible capital assets	368	135
Change in net financial assets	(10,271)	(5,209)
Net financial assets, beginning of year	23,149	28,358
Net financial assets, end of year	12,878	23,149

The accompanying notes are an integral part of
This financial statement.

CORPORATION OF THE TOWNSHIP OF CLEARVIEW

VILLAGE OF CREEMORE BUSINESS IMPROVEMENT AREA STATEMENT OF CASH FLOW AS AT DECEMBER 31

	2009	2008
	\$	\$ Restated (Note 4)
Cash flows from (for):		
Operating activities		
Annual (deficit) surplus	(6,717)	34
Non-cash items:		
Amortization expense	368	135
	(6,349)	169
Changes in:		
Accounts receivable	(286)	14,181
Accounts payable	1,901	(4,318)
Net change in cash from operations	(4,734)	10,032
Capital activities		
Acquisition of tangible capital assets	(3,922)	(5,378)
Net change in cash position	(8,656)	4,654
Cash, beginning of year	21,930	17,276
Cash, end of year	13,274	21,930

The accompanying notes are an integral part of
This financial statement.

CORPORATION OF THE TOWNSHIP OF CLEARVIEW

VILLAGE OF CREEMORE BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

1. Significant accounting policies

(a) Basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting 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) Revenue recognition

The organization recognizes taxation levy revenue upon the Township's approval of the budgeted amount. Associate memberships are recorded when cash is received. Advertising revenue is recorded when cash is received.

(c) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net financial assets for the year.

(i) 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, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Equipment	- 20 years
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2. Tangible capital assets

Included in this balance is equipment with a cost of \$10,966 (2008 - \$7,044) and accumulated amortization of \$1,001 (2008 - \$633).

3. Prior period error

During the year it was discovered that management did not record \$2,343 in advertising and \$1,200 in miscellaneous revenue earned in 2008 but collected in 2009. This resulted in the prior period accounts receivable balance being understated \$3,543. See Note 4 for the impact of this error on the annual and accumulated surplus.

CORPORATION OF THE TOWNSHIP OF CLEARVIEW

VILLAGE OF CREEMORE BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

4. Change in accounting policies

The municipality has implemented Sections 1200 and 3150 of the PSAB handbook. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. Tangible capital assets were formerly expensed as acquired.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

Accumulated surplus:	\$
Surplus	8,694
Reserve	10,912
Accumulated surplus, as previously reported	19,606
Net book value of tangible capital assets recorded	6,411
Adjustment for accounts receivable not recorded (Note 3)	3,543
Accumulated surplus, as restated	29,560
Annual surplus:	
Excess of expenditures over revenue, as previously reported	(8,754)
Assets capitalized but previously expensed	5,380
Amortization expense not previously recorded	(135)
Adjustments for accounts receivable not recorded (Note 3)	3,543
Annual surplus, as restated	34

5. Accumulated surplus

The accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2009	2008
	\$	\$
Invested in tangible capital assets	9,965	6,411
Surplus	4,184	14,455
Reserves	8,694	8,694
Total accumulated surplus	22,843	29,560

6. Subsequent event

On September 16, 2010 it was discovered that additions of \$2,867 did not meet the criteria to record as tangible capital assets. The impact of this discovery is the tangible capital asset - net balance decreased by \$2,807, amortization expense decreased by \$60 and brochures, supplies and miscellaneous expense increased by \$2,867.