
THE CORPORATION OF THE TOWNSHIP OF PERRY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

THE CORPORATION OF THE TOWNSHIP OF PERRY
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Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Perry

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Perry which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations, accumulated surplus, 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 financial position of The Corporation of the Township of Perry as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Without modifying our report, we draw attention to the budget figures which are provided for comparative purposes only. They have not been subject to audit procedures. Accordingly, we do not express an opinion on the budget figures.

The consolidated financial statements of The Corporation of the Township of Perry for the year ended December 31, 2009 were audited by another auditor who expressed an unmodified opinion on those statements dated March 16, 2010.

Grant Thornton LLP

North Bay, Canada
June 15, 2011

Chartered Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF PERRY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010	2009
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 2,536,433	\$ 2,129,957
Taxes receivable	364,769	335,948
Accounts receivable	197,124	212,697
Inventory of land held for resale	68,682	-
	3,167,008	2,678,602
LIABILITIES		
Accounts payable and accrued liabilities	197,244	172,212
Deferred revenue-general	4,692	1,758
Deferred revenue-obligatory reserve funds <i>(Note 4)</i>	165,725	294,726
Municipal debt <i>(Note 5)</i>	-	36,209
Employee benefits payable <i>(Note 7)</i>	5,778	9,549
Landfill closure and post-closure liability <i>(Note 8)</i>	295,721	244,336
	669,160	758,790
NET FINANCIAL ASSETS	2,497,848	1,919,812
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>(Note 10)</i>	3,942,205	4,629,421
Inventories of supplies	59,814	49,467
Prepaid expenses	16,923	18,201
	4,018,942	4,697,089
ACCUMULATED SURPLUS <i>(Note 11)</i>	\$ 6,516,790	\$ 6,616,901

Contingencies *(see Notes 2 and 9)*

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

THE CORPORATION OF THE TOWNSHIP OF PERRY
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget 2010 <i>(Unaudited - see Note 13)</i>	Actual 2010	Actual 2009
REVENUE			
Property taxes	\$ 2,086,706	\$ 2,109,625	\$ 1,907,219
User charges	44,200	43,205	48,688
Government transfers	1,127,036	1,131,314	1,470,737
Loss on disposal of tangible capital assets	-	(126,238)	(112,162)
Other	173,937	140,609	148,221
TOTAL REVENUE	3,431,879	3,298,515	3,462,703
EXPENSES			
General government	653,278	517,765	440,446
Protection to persons and property	549,953	513,019	514,412
Transportation services	1,623,520	1,337,739	1,589,289
Environmental services	279,879	312,003	245,149
Health services	144,654	147,891	133,359
Social and family services	298,374	297,620	304,369
Recreation and cultural services	184,243	173,356	161,844
Planning and development	113,230	99,233	99,503
TOTAL EXPENSES	3,847,131	3,398,626	3,488,371
ANNUAL DEFICIT <i>(Note 11)</i>	(415,252)	(100,111)	(25,668)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	6,616,901	6,616,901	6,642,569
ACCUMULATED SURPLUS, END OF YEAR	\$ 6,201,649	\$ 6,516,790	\$ 6,616,901

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF PERRY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget 2010 <i>(Unaudited - see Note 13)</i>	Actual 2010	Actual 2009
Annual deficit	\$ (415,252)	\$ (100,111)	\$ (25,668)
Acquisition of tangible capital assets	(415,820)	(411,526)	(819,285)
Contributed tangible capital assets	-	(2,500)	(5,847)
Amortization of tangible capital assets	1,010,000	899,463	1,009,334
Loss on disposal of tangible capital assets	-	126,238	112,162
Proceeds from disposal of tangible capital assets	-	6,859	95,000
Transfer of capital assets to inventories held for resale	-	68,682	-
Change in supplies inventories	-	(10,347)	54,848
Change in prepaid expense	-	1,278	6,582
Increase in net financial assets	178,928	578,036	427,126
Net financial assets, beginning of year	1,919,812	1,919,812	1,492,686
Net financial assets, end of year	\$ 2,098,740	\$ 2,497,848	\$ 1,919,812

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF PERRY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Operating transactions		
Annual deficit	\$ (100,111)	\$ (25,668)
Non-cash charges to operations:		
Amortization	899,463	1,009,334
Loss on disposal of tangible capital assets	126,238	112,162
Change in employee benefits payable	(3,771)	3,286
Change in landfill closure and post-closure liability	51,385	2,869
	973,204	1,101,983
Changes in non-cash items:		
Taxes receivable	(28,821)	(17,280)
Accounts receivable	15,573	(77,637)
Accounts payable and accrued liabilities	25,032	(32,909)
Deferred revenue-general	2,934	(470,594)
Deferred revenue-obligatory reserve funds	(129,001)	160,939
Inventories of supplies	(10,347)	54,848
Prepaid expenses	1,278	6,582
	(123,352)	(376,051)
Cash provided by operating transactions	849,852	725,932
Capital transactions		
Acquisition of tangible capital assets	(411,526)	(819,285)
Contributed tangible capital assets	(2,500)	(5,847)
Proceeds from disposal of tangible capital assets	6,859	95,000
Cash applied to capital transactions	(407,167)	(730,132)
Financing transactions		
Debt principal repayments	(36,209)	(61,771)
Cash applied to financing transactions	(36,209)	(61,771)
Net change in cash and cash equivalents	406,476	(65,971)
Cash and cash equivalents, beginning of year	2,129,957	2,195,928
Cash and cash equivalents, end of year	\$ 2,536,433	\$ 2,129,957
Cash flow supplementary information:		
Cash paid for interest	\$ 245	\$ 1,604

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Perry (the "Municipality") are prepared by management 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 adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and reserve and reserve fund balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated and proportionally consolidated entities

The following local board is consolidated:

Library

The following local committee is proportionally consolidated:

Waste Management

Inter-organizational transactions and balances between these organizations are eliminated.

(ii) Non-consolidated entities

The following joint boards are not consolidated:

North Bay Parry Sound District Health Unit

Parry Sound District Social Services Administration Board

District of Parry Sound (East) Home for the Aged

(iii) Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

(iv) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

(b) Basis of Accounting

(i) Accrual basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with financial institutions and short-term deposits with original maturities of three months or less.

(iii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

(a) 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. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements - 20 years
 Buildings - 50 years
 Machinery, equipment and furniture - 5 to 20 years
 Vehicles - 8 to 20 years
 Roads - 5 to 60 years
 Bridges - 60 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

(b) Inventories of supplies

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(iv) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

(v) Government transfers

Government transfers are 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.

(vi) Deferred revenue - general

The Municipality defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(vii) Deferred revenue-obligatory reserve funds

The Municipality receives gas tax revenue from the Federal Government and payments in lieu of parkland under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue.

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

(viii) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(ix) Pensions and employee benefits

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the Municipality's employ.

(x) Use of estimates

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for accounts receivable, estimated useful lives of tangible capital assets and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	2010	2009
District of Parry Sound Social Services Administration Board	\$ 223,204	\$ 252,132
North Bay Parry Sound District Health Unit	56,399	55,532
District of Parry Sound (East) Home for the Aged	74,170	50,633
	\$ 353,773	\$ 358,297

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2010

3. TRANSACTIONS ON BEHALF OF OTHERS

- (a) During the year, \$900,406 of taxation was levied on behalf of school boards (2009 \$854,786).
- (b) Trust funds administered by the Municipality amounting to \$3,797 (2009 \$3,697) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

4. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The balance of deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position is made up of the following:

	2010	2009
Recreational land (the Planning Act)	\$ 123,684	\$ 133,585
Federal Gas Tax	42,041	161,141
	\$ 165,725	\$ 294,726

5. MUNICIPAL DEBT

- (a) The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2010	2009
Scotiabank demand note, repaid in 2010	\$ -	\$ 36,209

- (b) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2010	2009
Principal payments	\$ 36,209	\$ 61,771
Interest	245	1,604
	\$ 36,454	\$ 63,375

The annual principal and interest payments required to service the Municipality's debt are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

6. CREDIT FACILITY AGREEMENT

The Municipality has an authorized operating loan with the Bank of Nova Scotia of \$150,000 which was unused at the end of the year. As security, the Municipality has pledged its revenue.

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

7. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and employees may become entitled to a cash payment when they leave the Municipality's employment. The liability for these accumulated days amounted to \$5,778 (2009 \$9,549) at the end of the year.

8. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final cover and landscaping of the landfill sites, management of groundwater and leachates, and ongoing environmental monitoring and site inspection and maintenance. Estimated expenditures related to the closure and subsequent maintenance of the sites are recognized in the financial statements over the operating life of the sites, in proportion to their utilized capacity.

The Municipality is currently responsible for two waste disposal sites as follows:

The Township of Perry landfill site stopped accepting waste in 2001 and is now in the monitoring stage. The liability for this landfill site is recorded at \$192,444 (2009 \$160,000) and represents the present value of closure and post-closure costs for 100% of the total site area, using an estimated long-term borrowing rate of 2.75% (2009 2.0%) and inflation rate of 2.1% (2009 2.0%). Post-closure care is estimated to be required for a period of 25 years.

The Townships of Perry and Kearney jointly operate a landfill site through the Kearney-Perry Joint Waste Management Committee. The liability for this landfill site is recorded at \$189,000 (2009 \$155,000) and represents the present value of closure and post-closure costs for 21% of the approved site area, using an estimated long-term borrowing rate of 2.75% (2009 2.0%) and inflation rate of 2.1% (2009 2.0%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$869,652 (2009 \$828,240), leaving an amount to be recognized of \$680,652 (2009 \$673,240). The estimated remaining capacity of the site is approximately 107,000 cubic metres, estimated to be filled in 39 years. Post-closure care is estimated to be required for a period of 25 years. The Committee has closure reserves of \$178,362 (2009 \$156,110) to fund this liability.

The Municipality has recognized \$103,277 (2009 \$84,336) in the financial statements related to its proportionate share of this liability.

As a result of changes to assumptions made in 2010 relating to the borrowing rate, inflation rate and post-closure monitoring costs, the overall estimated liability recorded by the Municipality has been increased by approximately \$47,821.

9. CONTINGENCIES

The Municipality has entered into an agreement with the Association of Municipalities of Ontario with respect to the transfer of federal gas tax revenues. The agreement contains specific provisions for the utilization of the funds, including a provision for repayment of a proportionate amount of funds in the event that, any time with 10 years from the date of completion of the eligible project the Municipality sells, leases, encumbers or otherwise disposes of, directly or indirectly any asset constructed, rehabilitated or improved, in whole or in part, with the financial assistance received under the terms of the agreement. At December 31, 2010, the Municipality has received a total of \$489,675 for the years 2005 to 2010, and has expended \$457,684 for the years 2005 to 2010.

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

10. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

2010							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 384,335	\$ 1,001,994	\$ 890,635	\$ 1,468,752	\$ 10,604,125	\$ 66,837	\$ 14,416,678
Additions and betterments	32,983	20,395	101,158	-	245,840	11,150	411,526
Contributed assets	-	-	2,500	-	-	-	2,500
Disposals and writedowns	(68,682)	(211,045)	(19,873)	(168,739)	(193,441)	-	(661,780)
Transfer between classes	-	-	-	66,837	-	(66,837)	-
BALANCE, END OF YEAR	348,636	811,344	974,420	1,366,850	10,656,524	11,150	14,168,924
ACCUMULATED AMORTIZATION							
Balance, beginning of year	84,835	429,046	263,722	737,682	8,271,972	-	9,787,257
Annual amortization	19,586	16,644	61,555	98,742	702,936	-	899,463
Amortization disposals	-	(81,230)	(19,873)	(165,457)	(193,441)	-	(460,001)
BALANCE, END OF YEAR	104,421	364,460	305,404	670,967	8,781,467	-	10,226,719
TANGIBLE CAPITAL ASSETS-NET	\$ 244,215	\$ 446,884	\$ 669,016	\$ 695,883	\$ 1,875,057	\$ 11,150	\$ 3,942,205

2009							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 371,299	\$ 969,821	\$ 849,696	\$ 1,366,468	\$ 10,363,057	\$ 111,831	\$ 14,032,172
Additions and betterments	13,036	32,173	335,243	96,437	331,475	10,922	819,286
Contributed assets	-	-	-	5,847	-	-	5,847
Disposals and writedowns	-	-	(294,304)	-	(146,323)	-	(440,627)
Transfer between classes	-	-	-	-	55,916	(55,916)	-
BALANCE, END OF YEAR	384,335	1,001,994	890,635	1,468,752	10,604,125	66,837	14,416,678
ACCUMULATED AMORTIZATION							
Balance, beginning of year	73,735	410,827	335,306	648,438	7,543,082	-	9,011,388
Annual amortization	11,100	18,219	47,464	89,244	843,307	-	1,009,334
Amortization disposals	-	-	(119,048)	-	(114,417)	-	(233,465)
BALANCE, END OF YEAR	84,835	429,046	263,722	737,682	8,271,972	-	9,787,257
TANGIBLE CAPITAL ASSETS-NET	\$ 299,500	\$ 572,948	\$ 626,913	\$ 731,070	\$ 2,332,153	\$ 66,837	\$ 4,629,421

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

11. ACCUMULATED SURPLUS

The 2010 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
RESERVES AND RESERVE FUNDS			
Working capital	\$ 555,721	\$ -	\$ 555,721
Election	17,500	(5,700)	11,800
Community improvement	146,890	(26,917)	119,973
Fire	18,381	15,250	33,631
Roads	225,255	180,536	405,791
Library	40,780	3,934	44,714
Emsdale Community Centre	50,726	132	50,858
Novar Community Centre	2,682	-	2,682
Replacement of building and equipment	722,561	206,191	928,752
Landfill and waste disposal	201,673	499	202,172
Recycling	3,619	-	3,619
Joint Waste Management Committee (2010: 54.644% ; 2009: 54.41%)	135,461	24,323	159,784
	2,121,249	398,248	2,519,497
OTHER			
Consolidated tangible capital assets	4,629,421	(687,216)	3,942,205
General operating surplus -			
Municipality	134,554	216,100	350,654
Library	8,461	(8,461)	-
Joint Waste Management Committee (2010: 54.644% ; 2009: 54.41%)	13,310	(7,377)	5,933
Unfunded amounts -			
Municipal debt	(36,209)	36,209	-
Employee benefits	(9,549)	3,771	(5,778)
Landfill closure and post-closure	(244,336)	(51,385)	(295,721)
	\$ 6,616,901	\$ (100,111)	\$ 6,516,790

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

12. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

Protection to Persons and Property

This segment includes fire, police, building inspection, conservation authority, emergency measures and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation services include roadway systems and winter control.

Environmental Services

This segment includes solid waste management.

Health Services

This segment includes cemeteries as well as payments to the district health unit.

Social and Family Services

This segment consists primarily of payments made to the district social services administration board and home for the aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and cultural services such as museums.

Library

This segment includes the consolidated library transactions of the Municipality and its Library Board.

Planning and Development

This segment includes activities related to planning, zoning and economic development.

Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and the municipality's annual Ontario Municipal Partnership Fund unconditional grant.

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

12. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2010

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Library Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,109,625	\$ 2,109,625
User charges	3,185	-	-	24,292	-	-	7,939	50	7,739	-	43,205
Government transfers -											
Canada	-	8,357	244,134	-	-	-	-	3,663	14,151	-	270,305
Ontario	17,171	15,979	4,588	62,913	-	-	-	13,155	2,774	630,800	747,380
Other municipalities	-	113,629	-	-	-	-	-	-	-	-	113,629
Gain (Loss) on disposal of capital assets	-	(1,687)	4,425	-	-	-	(516)	-	(128,460)	-	(126,238)
Other	1,111	35,467	2,625	2,554	106	-	11,799	3,802	21,787	61,358	140,609
TOTAL REVENUE	21,467	171,745	255,772	89,759	106	-	19,222	20,670	(82,009)	2,801,783	3,298,515
EXPENSES											
Salaries, wages and benefits	292,163	154,681	276,348	77,481	-	-	42,632	42,917	56,081	-	942,303
Long-term debt charges (interest)	-	-	-	-	-	245	-	-	-	-	245
Materials	103,904	69,767	199,292	15,191	-	-	25,510	20,985	22,373	-	457,022
Contracted services	113,655	240,609	71,199	175,930	91,492	-	5,460	2,095	18,372	-	718,812
Rents and financial expenses	2,771	-	3,309	19,407	-	-	1,185	-	335	-	27,007
External transfers	-	-	-	-	56,399	297,375	-	-	-	-	353,774
Amortization	5,272	47,962	787,591	23,994	-	-	9,643	22,929	2,072	-	899,463
TOTAL EXPENSES	517,765	513,019	1,337,739	312,003	147,891	297,620	84,430	88,926	99,233	-	3,398,626
ANNUAL SURPLUS (DEFICIT)	\$ (496,298)	\$ (341,274)	\$ (1,081,967)	\$ (222,244)	\$ (147,785)	\$ (297,620)	\$ (65,208)	\$ (68,256)	\$ (181,242)	\$ 2,801,783	\$ (100,111)

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

12. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2009

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Library Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,907,219	\$ 1,907,219
User charges	3,200	-	-	25,196	-	-	7,831	90	12,371	-	48,688
Government transfers -											
Canada	-	-	-	-	-	-	-	3,663	-	-	3,663
Ontario	14,840	-	586,311	26,711	-	-	-	14,967	-	704,800	1,347,629
Other municipalities	-	119,445	-	-	-	-	-	-	-	-	119,445
Loss on disposal of capital assets	-	-	(112,162)	-	-	-	-	-	-	-	(112,162)
Other	1,697	24,512	3,782	3,835	-	-	125	1,057	22,245	90,968	148,221
TOTAL REVENUE	19,737	143,957	477,931	55,742	-	-	7,956	19,777	34,616	2,702,987	3,462,703
EXPENSES											
Salaries, wages and benefits	262,634	172,252	279,328	73,400	-	-	43,986	36,656	52,515	-	920,771
Long-term debt charges (interest)	-	-	-	-	-	1,604	-	-	-	-	1,604
Materials	63,371	79,782	355,862	16,635	-	-	31,513	11,583	22,773	-	581,519
Contracted services	106,900	225,471	34,953	119,939	77,827	-	5,160	1,000	19,748	-	590,998
Rents and financial expenses	6,143	-	-	19,381	-	-	-	-	324	-	25,848
External transfers	-	-	-	-	55,532	302,765	-	-	-	-	358,297
Amortization	1,398	36,907	919,146	15,794	-	-	9,570	22,376	4,143	-	1,009,334
TOTAL EXPENSES	440,446	514,412	1,589,289	245,149	133,359	304,369	90,229	71,615	99,503	-	3,488,371
ANNUAL SURPLUS (DEFICIT)	\$ (420,709)	\$ (370,455)	\$ (1,111,358)	\$ (189,407)	\$ (133,359)	\$ (304,369)	\$ (82,273)	\$ (51,838)	\$ (64,887)	\$ 2,702,987	\$ (25,668)

THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2010

13. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general municipal operating surplus	\$ (125,005)
Decrease in Library Board operating surplus	(8,460)
Decrease in Joint Waste Management Committee operating surplus	(13,472)
Increase in consolidated reserves and reserve funds	289,655
ADJUSTMENTS:	
Budgeted acquisition of tangible capital assets	415,820
Amortization of tangible capital assets	(1,010,000)
Budgeted decrease in long-term liabilities	36,210
ANNUAL DEFICIT	\$ (415,252)

14. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain 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 amount contributed to OMERS for 2010 was \$38,721 (2009 \$35,219) for current service and is included as an expense on the Consolidated Statement of Operations

15. RELATED PARTY TRANSACTIONS

During the normal course of operations, the Municipality purchased materials in the amount of \$9,761 from a company owned by a Councillor and also purchased services in the amount of \$2,012 from a company owned by the spouse of a Councillor. All related party transactions are recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. COMPARATIVE FIGURES

Certain prior year figures presented for comparative purposes have been reclassified to conform with the basis of presentation adopted for the current year.