

**FINANCIAL STATEMENTS**  
**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**For year ended**  
**DECEMBER 31, 2011**

**INDEPENDANT AUDITORS' REPORT**

To the Members of Council, Inhabitants and Ratepayers of the  
**CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**

We have audited the accompanying consolidated financial statements of **THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' 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 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 judgement, 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 of 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 SOUTH ALGONQUIN** as at December 31, 2011, and the results of its operations, change in net financial assets and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.



**CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS**

Pembroke, Ontario  
March 15, 2012

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 587,529	\$ 288,988
Taxes receivable (Note 3)	191,263	193,813
Accounts receivable	<u>199,090</u>	<u>485,721</u>
	<u>977,882</u>	<u>968,522</u>
<b>LIABILITIES</b>		
Bank indebtedness	-	200,000
Accounts payable and accrued liabilities	293,640	365,361
Deferred revenue (Note 4)	105,260	43,819
Solid waste landfill closure and post closure liabilities (Note 5)	81,323	65,108
Net long-term liabilities (Note 6)	<u>93,285</u>	<u>58,534</u>
	<u>573,508</u>	<u>732,822</u>
<b>NET FINANCIAL ASSETS</b>	404,374	235,700
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8)	<u>13,984,944</u>	<u>14,422,836</u>
<b>ACCUMULATED SURPLUS (Note 8)</b>	<u>\$ 14,389,318</u>	<u>\$ 14,658,536</u>

(See accompanying notes and schedule)

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budget <u>2011</u>	Actual <u>2011</u>	Actual <u>2010</u>
<b>REVENUE</b>			
Property taxation	\$ 1,531,396	\$ 1,535,527	\$ 1,442,804
Payment in lieu of taxes	20,000	20,861	20,054
Province of Ontario	982,916	1,001,261	1,647,430
Government of Canada	-	1,232	353,924
Licenses and permits	16,370	15,716	18,916
Penalties and interest	15,000	25,966	31,531
Rents	30,104	30,905	31,501
Fees, service charges	95,066	34,231	45,846
Investment income	-	112	10
Donations including tangible capital assets contibuted	-	24,376	48,500
Gain (loss) on disposal of capital assets	-	33,378	(161,017)
Sale of shoreline allowances	500	5,443	3
Gas tax funding and interest earned thereon	-	9,422	199,365
	<u>2,691,352</u>	<u>2,738,430</u>	<u>3,678,867</u>
<b>EXPENSES</b>			
General government	372,521	433,407	437,550
Protection to persons and property	353,006	360,653	331,888
Transportation services	657,214	1,149,627	1,356,483
Environmental services	208,330	219,212	211,053
Health services	17,488	17,653	15,857
Social and family services	555,016	554,016	666,201
Recreation and cultural services	162,558	231,289	174,683
Planning and development	40,247	41,791	43,976
	<u>2,366,380</u>	<u>3,007,648</u>	<u>3,237,691</u>
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)</b>	324,972	(269,218)	441,176
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>14,658,536</u>	<u>14,658,536</u>	<u>14,217,360</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 14,983,508</u>	<u>\$ 14,389,318</u>	<u>\$ 14,658,536</u>

(See accompanying notes and schedule)

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budget <u>2011</u>	Actual <u>2011</u>	Actual <u>2010</u>
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)</b>	\$ <u>324,972</u>	\$ <u>(269,218)</u>	\$ <u>441,176</u>
Acquisition of tangible capital assets	(255,392)	(230,770)	(1,362,967)
Proceeds on disposal of tangible capital assets	-	60,601	69,461
Amortization of tangible capital assets	-	641,439	649,352
(Gain) loss on sale of tangible capital assets	<u>-</u>	<u>(33,378)</u>	<u>161,017</u>
	<u>(255,392)</u>	<u>437,892</u>	<u>(483,137)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	69,580	168,674	(41,961)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>277,661</u>	<u>235,700</u>	<u>277,661</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ <u>347,241</u>	\$ <u>404,374</u>	\$ <u>235,700</u>

(See accompanying notes and schedule)

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenue over expenses (expenses over revenue)	\$ (269,218)	\$ 441,176
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	641,439	649,352
Loss (gain) on disposal of tangible capital assets	<u>(33,378)</u>	<u>161,017</u>
	338,843	1,251,545
Non-cash charges to operations (net change):		
Decrease (increase) in taxes receivable	2,550	(7,810)
Decrease (increase) in accounts receivable	286,631	800,946
Increase (decrease) in accounts payable and accrued liabilities	(71,721)	(910,370)
Increase (decrease) in deferred revenue	61,441	(121,799)
Increase in provision for landfill closure/post-closure	<u>16,215</u>	<u>28,377</u>
	<u>633,959</u>	<u>1,040,889</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Acquisition of tangible capital assets	(230,770)	(1,362,967)
Sale of tangible capital assets	<u>60,601</u>	<u>69,461</u>
	<u>(170,169)</u>	<u>(1,293,506)</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
(Decrease) increase in bank indebtedness	(200,000)	200,000
Long-term liabilities issued	82,000	-
Long-term liabilities repaid	<u>(47,249)</u>	<u>(42,714)</u>
	<u>(165,249)</u>	<u>157,286</u>
<b>NET CHANGE IN CASH</b>	298,541	(95,331)
<b>CASH, BEGINNING OF YEAR</b>	<u>288,988</u>	<u>384,319</u>
<b>CASH, END OF YEAR</b>	<u>\$ 587,529</u>	<u>\$ 288,988</u>

(See accompanying notes and schedule)

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2011**  
**SCHEDULE 1**

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Linear Assets</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>2011</u>	<u>2010</u>
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 43,942	\$ 316,355	\$ 3,176,695	\$ 15,250,787	\$ 527,101	\$ 1,082,412	\$ 20,397,292	\$ 18,875,434
Acquisition of tangible capital assets	-	10,497	-	11,150	-	126,037	147,684	1,804,076
Construction-in-progress	-	-	83,086	-	-	-	83,086	-
Disposal of tangible capital assets	-	-	-	-	-	(55,564)	(55,564)	(282,218)
BALANCE, END OF YEAR	<u>43,942</u>	<u>326,852</u>	<u>3,259,781</u>	<u>15,261,937</u>	<u>527,101</u>	<u>1,152,885</u>	<u>20,572,498</u>	<u>20,397,292</u>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	107,715	419,129	4,359,945	285,097	802,570	5,974,456	5,376,844
Annual amortization	-	17,356	56,599	477,939	19,406	70,139	641,439	649,352
Accumulated amortization on disposals	-	-	-	-	-	(28,341)	(28,341)	(51,740)
BALANCE, END OF YEAR	<u>-</u>	<u>125,071</u>	<u>475,728</u>	<u>4,837,884</u>	<u>304,503</u>	<u>844,368</u>	<u>6,587,554</u>	<u>5,974,456</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 43,942</u>	<u>\$ 201,781</u>	<u>\$ 2,784,053</u>	<u>\$ 10,424,053</u>	<u>\$ 222,598</u>	<u>\$ 308,517</u>	<u>\$ 13,984,944</u>	<u>\$ 14,422,836</u>
<b>2010 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 43,942</u>	<u>\$ 208,640</u>	<u>\$ 2,757,566</u>	<u>\$ 10,890,842</u>	<u>\$ 242,004</u>	<u>\$ 279,842</u>	<u>\$ 14,422,836</u>	<u>\$ 14,422,836</u>

(See accompanying notes)

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

The Township of South Algonquin is an incorporated municipality in the Province of Ontario. The Township conducts its operations as described by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Township of South Algonquin are the representations of management, prepared in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Township are as follows:

**Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Township and are, therefore, accountable to the Township Council for the administration of their financial affairs and resources. Included with the municipality are the following:

South Algonquin Recreation Board  
South Algonquin Public Library Board

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**Use of estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.



**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Landfill closure and post-closure liabilities**

The Township is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

**Government Transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

**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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

**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 is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Land improvements	15-50
Buildings	20-60
Linear Assets	15-40
Machinery and equipment	5-20
Vehicles	5-25

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.

**Contributions of Tangible Capital Assets**

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

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Natural Resources**

Natural resources that have not been purchased are not recognized as assets in the financial statements.

**NOTE 2 OPERATIONS OF SCHOOL BOARDS**

During the year, requisitions were made by School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	<u>2011</u>	<u>2010</u>
Property taxes	\$ 488,923	\$ 474,701
Taxation from other governments	<u>2,502</u>	<u>2,316</u>
Amount requisitioned	<u>\$ 491,425</u>	<u>\$ 477,017</u>

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

**NOTE 3 TAXES RECEIVABLE**

	<u>2011</u>	<u>2010</u>
Current taxes	\$ 111,890	\$ 108,284
Prior year taxes	63,277	68,700
Penalties	<u>14,904</u>	<u>16,829</u>
	<u>\$ 190,071</u>	<u>\$ 193,813</u>

**NOTE 4 DEFERRED REVENUE**

Deferred revenue at the end of the year consists of the following amounts for which funding has been received but the service has not yet been provided:

	<u>2011</u>	<u>2010</u>
Ministry of Health and Long-Term Care grant:		
Family Health Team Development	\$ -	\$ 6,445
Gas tax funding	<u>105,260</u>	<u>37,374</u>
	<u>\$ 105,260</u>	<u>\$ 43,819</u>

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**NOTE 5 SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE LIABILITY**

The Township operates two landfill sites and as a result is liable for the closure and post closure costs associated with each site. These financial statements recognize a liability for closure and post closure care to the extent that the solid waste landfill sites have been used to date. Specifically, usage is measured as cumulative capacity used versus total estimated capacity available. Furthermore, as costs are expected to be incurred in the future, expected closure and post closure costs have been discounted at 6% which is the Township's estimated long term borrowing rate. The following summarizes the Township's estimated closure and post closure costs and remaining capacity of the landfill sites at December 31, 2011:

	<u>Airy Site</u>	<u>Madawaska Site</u>	<u>Total 2011</u>	<u>Total 2010</u>
Expected total expenditures	\$ 170,900	\$ 95,198	\$ 266,098	\$ 266,098
Amount remaining to be recognized	<u>132,556</u>	<u>52,219</u>	<u>184,775</u>	<u>200,990</u>
Liability recognized to date	<u>\$ 38,344</u>	<u>\$ 42,979</u>	<u>\$ 81,323</u>	<u>\$ 65,108</u>
Landfill site's estimated remaining capacity in cubic metres	<u>43,253</u>	<u>11,944</u>		
Remaining useful life of sites (years)	<u>19</u>	<u>8</u>		
Years needed for post closure care	<u>10</u>	<u>10</u>		

The Township has set aside a reserve of \$60,000 (2010 - \$55,000) to finance the expected closure and post closure care liabilities.

**NOTE 6 LONG-TERM LIABILITIES**

(a) The balance of net long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	<u>2011</u>	<u>2010</u>
Loan payable maturing in June 2012, due in monthly instalments of \$3,334 including interest at 5.51% per annum	\$ 20,040	\$ 58,354
Loan payable maturing in August 2014, due in monthly instalments of \$2,403 including interest at the financial institutions prime lending rate plus .50% per annum. At year end the financial institutions prime lending rate was 3%	<u>73,245</u>	<u>-</u>
	<u>\$ 93,285</u>	<u>\$ 58,354</u>

(b) Of the net long-term liabilities reported in (a) of this note all are payable from 2012 to 2014. The principal payments will be recovered from general taxation.

(c) The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**NOTE 6 LONG-TERM LIABILITIES (cont'd)**

(d) The estimated future repayments over the next five years on existing net long-term liabilities at December 31, 2011 are as follows:

2012	\$46,754
2013	\$27,648
2014	\$18,883

**NOTE 7 EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2011</u>	<u>2010</u>
Tangible capital assets (Schedule 1)	\$ 20,572,498	\$ 20,397,292
Accumulated amortization (Schedule 1)	(6,587,554)	(5,974,456)
Long-term liabilities (Note 6)	<u>(93,285)</u>	<u>(58,534)</u>
	<u>\$ 13,891,659</u>	<u>\$ 14,364,302</u>

**NOTE 8 MUNICIPAL FUND BALANCES AT END OF YEAR**

	<u>2011</u>	<u>2010</u>
Internally restricted reserves		
Working capital	\$ 185,029	\$ 86,726
Recreation capital expenditure	4,877	2,000
Medical Centre capital expenditure	-	10,803
Waste Disposal Reserve	60,000	55,000
Waste collection	20,000	10,000
Municipal I.D. system	18,000	15,469
Ambulance Bay addition	-	60,000
Public Works	79,608	18,000
Fire Services	91,631	78,630
Library	<u>14,500</u>	<u>18,500</u>
	473,645	355,128
Unrestricted surplus	105,337	4,214
Provision for landfill closure and post-closure costs	(81,323)	(65,108)
Equity in tangible capital assets (Note 7)	<u>13,891,659</u>	<u>14,364,302</u>
	<u>\$ 14,389,318</u>	<u>\$ 14,658,536</u>

**NOTE 9 CONTRIBUTIONS TO UNCONSOLIDATED ENTITIES**

Contributions were made to these entities as follows:

	<u>2011</u>	<u>2010</u>
Renfrew County and District Health Unit	\$ 16,429	\$ 15,819
District of Nipissing Social Services Board	469,521	576,930
East Nipissing Home for the Aged	<u>84,495</u>	<u>89,271</u>
	<u>\$ 570,445</u>	<u>\$ 682,020</u>

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**NOTE 10 CONTRACTUAL OBLIGATION**

**Policing**

The municipality has a contract with the Province of Ontario for policing services. The contract for 2011 was \$163,240 (2010 - \$166,360)

**Construction in progress**

The Township estimates that the cost to complete the project in progress at year end is \$26,800.

**NOTE 11 FINANCIAL INSTRUMENTS**

The Township's financial instruments consist of cash, taxes receivable, accounts receivable, accounts payable and accrued liabilities, due to school boards and net long-term liabilities.

**Risk**

It is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from its financial instruments.

**Fair market value**

Except for the following, the fair value of the Township's financial instruments approximates their carrying value due to their short term nature. It is not practicable to determine the fair value of net long-term liabilities. The terms and conditions of these liabilities are disclosed in Note 6 to the financial statements.

**NOTE 12 BUDGET FIGURES**

Budget established for capital projects are based on project-oriented basis, the cost of which may be carried out over one or more years. Although they may not be directly comparable with current year actual amounts, they have been reflected on the Consolidated Statement of Net Financial Assets. Budget figures are unaudited.

**NOTE 13 PENSION AGREEMENT**

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

The amount contributed to OMERS during the year was \$26,242 (2010 - \$25,589) for current services and is included as an expenditure on the Consolidated Statement of Operations.

**THE CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**NOTE 14 EXPENSES BY OBJECT**

The consolidated statement of operations reports expenses for the Township by function. The following is a summary of expenses by object.

	<u>Budget</u>	<u>2011</u>	<u>2010</u>
Salaries, wages and benefits	\$ 741,299	\$ 776,878	\$ 710,691
Material and supplies and contracted services	1,020,228	963,759	1,103,308
Rentals and financial rentals and financial expenses	26,408	37,542	39,277
Taxation adjustments and vacancy rebates	2,000	1,370	24,666
Transfers to unconsolidated boards	571,445	570,445	682,020
Provision for landfill closure and post closure cost	5,000	16,215	28,377
Amortization of tangible capital assets	-	641,439	649,352
	<u>\$ 2,366,380</u>	<u>\$ 3,007,648</u>	<u>\$ 3,237,691</u>