

**Corporation of the
Municipality of East Ferris**

Financial Report

December 31, 2011

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Municipality of East Ferris**

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Independent Auditor's Report

Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Cash Flows	3
Consolidated Statement of Changes in Net Financial Assets	4
Notes to the Consolidated Financial Statements	5-17

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of East Ferris

We have audited the accompanying consolidated financial statements of the Corporation of the Municipality of East Ferris which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations and accumulated surplus, cash flows, and changes in net financial assets 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 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 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.

Independent Auditor's Report (Continued)

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 Municipality of East Ferris as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Brown, Sudbury-Nipissing LLP

North Bay, Ontario
June 26, 2012

CHARTERED ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

Corporation of the Municipality of East Ferris
Consolidated Statement of Financial Position
December 31, 2011

	<u>2011</u>	<u>2010</u>
Financial Assets		
Cash and cash equivalents (note 3)	\$ 2,283,758	\$ 2,878,356
Taxes receivable	300,870	238,852
Accounts receivable (note 4)	<u>473,633</u>	<u>1,302,033</u>
	<u>3,058,261</u>	<u>4,419,241</u>
Liabilities		
Accounts payable and accrued liabilities (note 5)	465,185	1,597,423
Other current liabilities	111,900	54,577
Deferred revenues (note 6)	111,679	287,505
Employee future benefits payable (note 7)	326,242	256,338
Landfill closure and post-closure (note 8)	<u>1,529,306</u>	<u>1,492,602</u>
	<u>2,544,312</u>	<u>3,688,445</u>
Net Financial Assets	<u>513,949</u>	<u>730,796</u>
Non-Financial Assets		
Tangible capital assets (note 9)	16,629,637	15,787,884
Prepaid expenses	89,166	58,968
Inventory	<u>81,751</u>	<u>77,506</u>
	<u>16,800,554</u>	<u>15,924,358</u>
Accumulated Surplus (note 10)	<u>\$ 17,314,503</u>	<u>\$ 16,655,154</u>
Contingencies (note 11)		
Commitments (note 12)		

The accompanying notes are an integral part of these financial statements.

Corporation of the Municipality of East Ferris
Consolidated Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2011

	<u>2011</u>		<u>2010</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(see note 16)		
Revenues			
Net taxation/user charges	\$ 3,248,228	\$ 3,856,674	\$ 3,660,668
Government transfers (note 13)	1,236,900	1,332,785	1,517,428
Other	-	307,846	311,231
Total Revenues	<u>4,485,128</u>	<u>5,497,305</u>	<u>5,489,327</u>
Expenses			
General government	1,045,838	1,059,259	831,889
Protection services	625,018	623,686	597,325
Transportation services	1,034,916	1,716,825	1,560,859
Environmental services	252,909	277,284	245,103
Health services	185,818	185,818	201,235
Social and family services	1,340,129	1,258,473	1,477,605
Recreation and cultural services	666,177	949,416	662,228
Planning and development	193,905	212,474	157,954
Total Expenses	<u>5,344,710</u>	<u>6,283,235</u>	<u>5,734,198</u>
Deficiency of Revenues Over Expenses Before Other	(859,582)	(785,930)	(244,871)
Other			
Government transfers related to capital (note 13)	<u>1,271,842</u>	<u>1,445,279</u>	<u>2,656,462</u>
Excess of Revenues Over Expenses	412,260	659,349	2,411,591
Accumulated Surplus, Beginning of Year	<u>16,655,154</u>	<u>16,655,154</u>	<u>14,243,563</u>
Accumulated Surplus, End of Year	<u><u>\$ 17,067,414</u></u>	<u><u>\$ 17,314,503</u></u>	<u><u>\$ 16,655,154</u></u>

The accompanying notes are an integral part of these financial statements.

Corporation of the Municipality of East Ferris
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
Operating transactions		
Excess of revenues over expenses	\$ 659,349	\$ 2,411,591
Cash provided by (used for)		
Non-cash items:		
Amortization of tangible capital assets	806,104	738,875
Employee future benefits	69,904	28,111
Landfill closure and post-closure	36,704	29,855
Loss on disposal of tangible capital assets	-	2,067
Change in non-cash working capital balances		
Decrease (increase) in taxes receivable	(62,018)	95,707
Decrease (increase) in accounts receivable	828,400	(36,686)
Increase in prepaid expenses	(30,198)	(5,924)
Increase in inventory	(4,245)	(27,419)
Decrease in investment	-	500,000
Increase (decrease) in accounts payable and accrued liabilities	(1,132,238)	1,361,194
Increase in other current liabilities	57,323	253,541
Decrease in deferred revenue	(175,826)	(421,414)
Cash provided by operating transactions	<u>1,053,259</u>	<u>4,929,498</u>
Capital transactions		
Acquisition of tangible capital assets	(1,647,857)	(4,433,971)
Proceeds on disposal of tangible capital assets	-	3,000
Cash applied to capital transactions	<u>(1,647,857)</u>	<u>(4,430,971)</u>
Increase (decrease) in cash and cash equivalents	(594,598)	498,527
Cash and Cash Equivalents, Beginning of Year	<u>2,878,356</u>	<u>2,379,829</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,283,758</u></u>	<u><u>\$ 2,878,356</u></u>

The accompanying notes are an integral part of these financial statements.

Corporation of the Municipality of East Ferris
Consolidated Statement of Changes in Net Financial Assets
For The Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
Excess of Revenues Over Expenses	\$ 659,349	\$ 2,411,591
Amortization of tangible capital assets	806,104	738,875
Proceeds on disposal of tangible capital assets	-	3,000
Loss on sale of tangible capital assets	-	2,067
Acquisition of tangible capital assets	(1,647,857)	(4,433,971)
Increase in prepaid expenses	(30,198)	(5,924)
Increase in inventory	<u>(4,245)</u>	<u>(27,419)</u>
Decrease in Net Financial Assets	(216,847)	(1,311,781)
Net Financial Assets, Beginning of Year	<u>730,796</u>	<u>2,042,577</u>
Net Financial Assets, End of Year	<u><u>\$ 513,949</u></u>	<u><u>\$ 730,796</u></u>

The accompanying notes are an integral part of these financial statements.

Corporation of the Municipality of East Ferris

Notes to the Consolidated Financial Statements

December 31, 2011

1. Status of the Municipality of East Ferris

The Corporation of the Municipality of East Ferris (“the Municipality”) is a municipality that was created on May 21, 1921 pursuant to the Act respecting the Division of the Township of Ferris, in the District of Nipissing. On September 28, 2010, Council passed a By-law to formally change the name of the Corporation of the Township of East Ferris to the Corporation of the Municipality of East Ferris effective January 1, 2011. The Municipality provides municipal services such as police, fire, ambulance, public works, urban planning, parks and recreation, library and other general government operations.

2. Accounting Policies

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements. The significant accounting policies are summarized as follows:

(a) Basis of Consolidation

- (i) The consolidated financial statements include the financial assets, non-financial assets, liabilities, accumulated surpluses/deficits, revenues and expenses of the Municipality funds and include the activities of all committees of Council and of the Bibliothèque East Ferris Public Library.

All interfund assets and liabilities and revenues and expenses have been eliminated.

- (ii) Non-Consolidated Entities

The following joint local boards are not consolidated:

North Bay Parry Sound District Health Unit
 District of Nipissing Social Services Administration Board
 East Nipissing District Home for the Aged

- (iii) Accounting for School Board Transactions

The Municipality is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Municipality has no jurisdiction or control over the school boards operations. Therefore, taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these financial statements.

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

2. Accounting Policies (Continued)

(b) Basis of Accounting

(i) Accrual basis

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.

(ii) Cash Equivalents

The Municipality classifies all investments with maturities of three months or less or those investments that can be readily convertible to be cash equivalents. Cash equivalents are stated at cost.

(iii) Landfill closure and post-closure

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to operations as the landfill site's capacity is used.

(iv) Deferred revenue

Deferred revenue represent government transfers, contributions and other amounts that are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of 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.

(v) Employee future benefits

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred. The costs of other retirement benefits are actuarially determined using the projected benefit method prorated on services and management's best estimate of retirement ages of employees and health benefits costs. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period. The liabilities are discounted using current interest rates on long-term bonds.

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

2. Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(vi) Segmented information

Segmented information is presented based on the segments defined by the Province of Ontario for reporting purposes in the Financial Information Return.

(vii) 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 excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

(viii) 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:

Land improvements	15 to 30 years
Roads and bridges	10 to 60 years
Buildings	25 to 75 years
Machinery and equipment	5 to 25 years
Vehicles	10 to 25 years

No amortization is recorded in the year of acquisition.

Assets under construction are not amortized until the asset is available for productive use.

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

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

2. Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(ix) 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 Municipal 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 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.

(x) Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues 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 made.

(xi) Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions. These estimates and assumptions are based on management's best information and judgment and may differ significantly from actual results.

(xii) Reserves

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

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

3. Cash and Cash Equivalents

	<u>2011</u>	<u>2010</u>
Cash	\$ 1,183,758	\$ 2,878,356
Guaranteed Investment Certificates maturing between January and August 2012	<u>1,100,000</u>	<u>-</u>
	<u>\$ 2,283,758</u>	<u>\$ 2,878,356</u>

4. Accounts Receivable

	<u>2011</u>	<u>2010</u>
Province of Ontario	\$ 112,631	\$ 493,637
Government of Canada	233,353	753,148
Other Municipalities	46,416	17,110
Other	<u>81,233</u>	<u>38,138</u>
	<u>\$ 473,633</u>	<u>\$ 1,302,033</u>

5. Accounts Payable

	<u>2011</u>	<u>2010</u>
Province of Ontario	\$ 22,906	\$ 38,630
Government of Canada	79,750	251
Other Municipalities	13,478	195
Trade payables	<u>349,051</u>	<u>1,558,347</u>
	<u>\$ 465,185</u>	<u>\$ 1,597,423</u>

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

6. Deferred Revenues

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 287,505	\$ 431,869
Revenues received during the year	274,230	282,050
Revenues recognized during the year	<u>(450,056)</u>	<u>(426,414)</u>
Balance, year end	<u>\$ 111,679</u>	<u>\$ 287,505</u>

7. Employee Future Benefits Payable

The Municipality provides certain employee benefits which will require funding in future periods, as follows:

	<u>2011</u>	<u>2010</u>
Vacation pay	\$ 104,789	\$ 89,016
Retirement allowance	<u>221,453</u>	<u>167,322</u>
	<u>\$ 326,242</u>	<u>\$ 256,338</u>

The vacation pay liability is accrued using the actual rate of pay at year end and the retirement allowance is accrued using a discount rate of 3.75% (2010 - 4.33%)

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

8. Landfill Closure and Post-Closure

Under environmental law, there is a requirement for closure and post-closure maintenance of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage. The reported liability is based on estimates and assumptions with respect to events extending over an extended period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The current landfill site is expected to reach capacity in approximately 2024. The main components of the landfill closure plan are final capping using selected specific layers of earthen materials based on an engineered cap design and implementation of a drainage management plan. The post-closure maintenance requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, inspections and annual reports.

The estimated liability for this maintenance is the present value of future cash flows associated with closure and post-closure costs discounted using the Municipality's estimated average borrowing rate of 3.75% (2010 - 4.33%). The change in liability is recorded based on the capacity of the landfill used to date. The recorded liability is \$1,529,306 (2010 - \$1,492,602) based on a total estimated liability in the future of \$1,969,759 (2010 - \$1,880,712), leaving an amount of \$440,453 (2010 - \$388,110) to be recognized over the remaining expected life of the landfill site. The liability is currently unfunded and is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

The estimated remaining capacity of the site is approximately 43% (2010 - 46%) of its estimated capacity or 24,338 (2010 - 26,152) tons, and its remaining life is approximately 13 years. Post-closure care is estimated to continue for a period of approximately 25 years.

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

9. Tangible Capital Assets

	Cost			Accumulated Amortization			Net Book Value			
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Disposals	Balance, end of year	December 31, 2011	December 31 2010
Land	\$ 711,609	\$ -	\$ -	\$ 711,609	\$ -	\$ -	\$ -	\$ -	\$ 711,609	\$ 711,609
Land improvements	589,501	18,490	-	607,991	112,823	30,874	-	143,697	464,294	476,678
Roads and bridges	9,288,198	729,995	(4,814)	10,013,379	2,534,801	544,508	(4,814)	3,074,495	6,938,884	6,753,397
Buildings	8,234,645	867,766	-	9,102,411	1,443,311	117,126	-	1,560,437	7,541,974	6,791,334
Machinery and equipment	688,377	31,606	-	719,983	351,042	47,587	-	398,629	321,354	337,335
Vehicles	1,103,340	-	-	1,103,340	385,809	66,009	-	451,818	651,522	717,531
	<u>\$ 20,615,670</u>	<u>\$ 1,647,857</u>	<u>\$ (4,814)</u>	<u>\$ 22,258,713</u>	<u>\$ 4,827,786</u>	<u>\$ 806,104</u>	<u>\$ (4,814)</u>	<u>\$ 5,629,076</u>	<u>\$ 16,629,637</u>	<u>\$ 15,787,884</u>

Included in the above roads and bridges additions is construction-in-progress in the amount of \$664,304. The amortization of these additions will commence upon completion of the projects in accordance with the established amortization policy.

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

10. Accumulated Surplus

	<u>2011</u>	<u>2010</u>
Surplus		
Invested in tangible capital assets	\$ 16,629,637	\$ 15,787,884
General	(1,099,632)	(944,191)
Bibliothèque East Ferris Public Library	7,024	(2,717)
Unfunded		
Landfill closure and post-closure	(1,529,306)	(1,492,602)
Employee future benefits	<u>(326,242)</u>	<u>(256,338)</u>
Total surplus	<u>13,681,481</u>	<u>13,092,036</u>
Reserves		
Special purpose reserves		
Vacation pay	104,789	89,016
Retirement allowances	221,453	167,322
Future capital expenditures	<u>3,306,780</u>	<u>3,306,780</u>
Total reserves	<u>3,633,022</u>	<u>3,563,118</u>
Accumulated Surplus	<u>\$ 17,314,503</u>	<u>\$ 16,655,154</u>

(a) General (Deficit) Surplus:

The general (deficit) surplus of \$(1,099,632) (2010 - \$(944,191)) at the end of the year is comprised of the following:

	<u>2011</u>	<u>2010</u>
Opening Balance	\$ (944,191)	\$ 629,288
Excess of Revenue over Expenses	659,349	2,411,591
Transfer to Reserves	(69,904)	(356,228)
Net Change in Tangible Capital Assets	(841,753)	(3,690,030)
Increase in Unfunded Liabilities	106,608	57,966
Bibliothèque East Ferris Public Library		
Deficit (Surplus)	<u>(9,741)</u>	<u>3,222</u>
Closing Balance	<u>\$ (1,099,632)</u>	<u>\$ (944,191)</u>

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

11. Contingencies

Union Grievance

The Municipality is disputing a grievance placed through its employees' unions which may have to be settled by arbitration. It is not possible, at this time, to determine the amount, if any, of any settlement that may result from any arbitration process. Any retroactive settlement will be charged to operations in the period in which the amount is determined to be payable.

Legal Matters

The Municipality is involved in certain legal matters and litigations, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved.

Council is of the opinion that it is unlikely that any liability, to the extent not provided by insurance or otherwise, would be material in relation to the Municipality's consolidated financial position.

12. Commitments

During 2004, the Municipality passed a resolution committing to pay \$75,000 per year for 10 years for the North Bay Regional Health Centre Hospital capital project. A formal agreement has been executed and payments commenced in May 2008. In May 2011, this resolution was revised and the remaining payments of \$ 525,000 will be paid over the next 10 years. The remaining balance of the commitment as at December 31, 2011 is \$472,500 (2010 - \$525,000).

Under the terms of operating leases for equipment, the Municipality is committed to make minimum lease payments as follows:

2012	\$	9,282
2013		9,282
2014		<u>6,500</u>
	\$	<u><u>25,064</u></u>

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

13. Government Transfers

The following government transfers have been included in revenues:

	<u>2011</u>	<u>2010</u>
Current Transfers:		
Federal	\$ 21,286	\$ 36,581
Provincial	<u>1,311,499</u>	<u>1,480,847</u>
	<u>1,332,785</u>	<u>1,517,428</u>
Capital Transfers:		
Federal	442,615	1,127,452
Provincial	<u>1,002,664</u>	<u>1,529,010</u>
	<u>1,445,279</u>	<u>2,656,462</u>
	<u>\$ 2,778,064</u>	<u>\$ 4,173,890</u>

14. Operations of School Boards

Further to note 2(a)(iii), the taxation, other revenues, and expenses of the school boards are comprised of the following:

	<u>2011</u>	<u>2010</u>
Taxation and user charges	\$ 1,197,434	\$ 1,151,256
Grants	<u>111</u>	<u>(365)</u>
Total amounts received or receivable	1,197,545	1,150,891
Requisitions	<u>1,197,545</u>	<u>1,150,891</u>
	<u>\$ -</u>	<u>\$ -</u>

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

15. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 15 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 Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 419,007 active and retired members and approximately 947 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ('the Plan') by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2011, the estimated accrued pension obligation for all members of the Plan was \$64,548 million (2010 - \$60,035 million). The Plan had an actuarial value of net assets at that date of \$57,258 million (2010 - \$55,568 million) indicating an actuarial deficit of \$7,290 million (2010 - \$4,467 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for 2011 was \$74,321 (2010 - \$60,473) for current services and is included as an expense on the Consolidated Statement of Operations.

On January 1, 2011 the yearly maximum pension earnings increased to \$48,300 from \$47,200 in 2010. The contributions are calculated at a rate of 7.4% (2010 - 6.4%) for amounts up to the yearly maximum pension earning stated above and at a rate of 10.7% (2010 - 9.7%) for amounts above the yearly maximum pension earnings.

16. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Council. The budget approved by Council is developed in accordance with the provincially mandated funding model for municipalities and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles for local governments established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with this basis of accounting that is used to prepare the consolidated financial statements. The budget figures are unaudited.

17. Comparative Figures

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

Corporation of the Municipality of East Ferris
Notes to the Consolidated Financial Statements
December 31, 2011

18. Segmented Information

	<u>General Government</u>	<u>Protection Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Health Services</u>	<u>Social and Family Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>2011 Total</u>	<u>2010 Total</u>
Expenses										
Salary, wages and employee benefits	\$ 621,980	\$ 184,445	\$ 423,198	\$ -	\$ -	\$ -	\$ 361,357	\$ 103,715	\$ 1,694,695	\$ 1,350,690
Materials, contracted services, rents, and financial expenses	418,143	353,839	709,993	277,284	-	-	428,035	108,759	2,296,053	1,925,540
Amortization	19,136	43,310	583,634	-	-	-	160,024	-	806,104	738,875
Transfers to other governments and the public	-	42,092	-	-	185,818	1,258,473	-	-	1,486,383	1,719,093
	<u>\$ 1,059,259</u>	<u>\$ 623,686</u>	<u>\$ 1,716,825</u>	<u>\$ 277,284</u>	<u>\$ 185,818</u>	<u>\$ 1,258,473</u>	<u>\$ 949,416</u>	<u>\$ 212,474</u>	<u>\$ 6,283,235</u>	<u>\$ 5,734,198</u>