

**CORPORATION OF THE
TOWNSHIP OF ORO-MEDONTE**

COUNTY OF SIMCOE

**CONSOLIDATED
FINANCIAL STATEMENTS**

DECEMBER 31, 2011

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

DECEMBER 31, 2011

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GAVILLER & COMPANY LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the **Township of Oro-Medonte**:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the **Township of Oro-Medonte**, 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 flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 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 auditors' 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 auditors consider internal control relevant to the municipality'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 municipality'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 **Township of Oro-Medonte** as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Gaviller & Company LLP

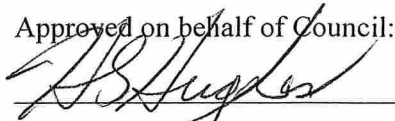
Licensed Public Accountants
Collingwood, Ontario
June 6, 2012

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2011	2010
	\$	\$
Financial assets		
Cash and short-term investments (Note 4)	10,094,395	9,242,761
Taxes receivable	3,623,562	3,570,677
Trade and other receivables	1,086,489	1,302,381
	14,804,446	14,115,819
Liabilities		
Accounts payable and accrued liabilities	2,160,667	2,303,265
Developer deposits and other current liabilities	2,128,878	1,963,844
Deferred revenue (Note 5)	1,189,024	1,001,619
Long-term (Note 6)	7,940,076	6,822,430
Employee future benefits (Note 7)	153,646	81,461
	13,572,291	12,172,619
Net financial assets	1,232,155	1,943,200
Non-financial assets		
Inventories	70,372	81,904
Tangible capital assets, net (Schedule 1 and Note 8)	62,724,367	59,714,486
	62,794,739	59,796,390
Accumulated surplus (Note 10)	64,026,894	61,739,590

Approved on behalf of Council:


 _____ Mayor

June 6th, 2012
 _____ Date

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2011	Actual 2011	Actual 2010
	\$ (Note 3)	\$	\$
Revenues			
Net municipal taxation (Note 11)	11,683,925	11,620,720	10,895,516
Taxation from other governments	122,466	122,365	122,467
User charges	3,002,362	2,782,273	2,687,960
Federal and Ontario grants	2,022,502	2,116,785	1,996,777
Contribution from obligatory reserve funds	53,820	8,039	41,875
Investment	199,300	164,494	109,933
Other (Note 9)	2,180,392	2,394,166	2,422,580
	19,264,767	19,208,842	18,277,108
Expenses			
General government	3,121,627	3,381,541	2,903,335
Fire and emergency services	1,549,539	1,363,803	1,565,074
Police	2,027,397	2,240,244	1,934,612
Building, planning and protection	1,607,714	1,410,686	1,341,185
Transportation	6,361,029	6,159,787	5,855,545
Waterworks systems	1,338,681	1,121,624	1,212,511
Parks and recreation	1,437,128	1,473,791	1,750,259
Library services	249,793	248,838	240,680
Waste management	1,414,616	1,415,825	1,319,372
Loss on sale of tangible capital assets	-	201,031	12,303
	19,107,524	19,017,170	18,134,876
Net revenues	157,243	191,672	142,232
Other			
Grants and transfers related to capital			
Contributed tangible capital assets	883,330	1,220,580	2,029,952
Federal and Ontario grants	280,000	110,532	1,695,970
Contribution from obligatory reserve funds	1,118,927	661,690	653,794
Donations	65,000	102,830	70,845
	2,347,257	2,095,632	4,450,561
Annual surplus	2,504,500	2,287,304	4,592,793
Accumulated surplus, beginning of year	61,739,590	61,739,590	57,146,797
Accumulated surplus, end of year (Note 10)	64,244,090	64,026,894	61,739,590

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Budget 2011	Actual 2011	Actual 2010
	\$ (Note 3)	\$	\$
Annual surplus	2,504,500	2,287,304	4,592,793
Acquisition of tangible capital assets	(6,865,519)	(5,252,195)	(6,886,674)
Amortization of tangible capital assets	3,043,289	3,141,162	3,004,510
Loss on disposal of tangible capital assets	-	201,031	12,303
Writedown of tangible capital asset	-	8,085	56
Proceeds on disposal of tangible capital assets	-	112,616	174,485
Changes in inventories	-	11,532	(10,538)
Contributed tangible capital assets	(883,330)	(1,220,580)	(2,029,952)
Use of prepaid expenses	-	-	372
Change in net financial assets	(2,201,060)	(711,045)	(1,142,645)
Net financial assets, beginning of year	1,943,200	1,943,200	3,085,845
Net financial assets, end of year	(257,860)	1,232,155	1,943,200

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2011	2010
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	2,287,304	4,592,793
Non-cash items:		
Amortization	3,141,162	3,004,510
Contributed tangible capital assets	(1,220,580)	(2,029,952)
Loss on disposal of tangible capital assets	201,031	12,303
	4,408,917	5,579,654
Changes in:		
Taxes receivable	(52,885)	(456,687)
Trade and other receivables	215,892	(257,423)
Inventories	11,532	(10,538)
Accounts payable and accrued liabilities	(236,364)	975,530
Developer deposits and other current liabilities	165,034	261,754
Deferred revenue	187,405	191,742
Employee future benefits	72,185	(6,960)
Prepaid expenses	-	372
	4,771,716	6,277,444
Capital activities		
Accounts payable and accrued liabilities - capital	93,766	100,000
Acquisition of tangible capital assets	(5,252,195)	(6,886,674)
Proceeds on disposal of tangible capital assets	112,616	174,485
Writedown of tangible capital asset	8,085	56
	(5,037,728)	(6,612,133)
Financing activities		
Issuance of long-term liabilities	1,850,000	2,424,526
Principal repayment of long-term liabilities	(732,354)	(507,893)
	1,117,646	1,916,633
Net change in cash position	851,634	1,581,944
Cash and cash equivalents, beginning of year	9,242,761	7,660,817
Cash and cash equivalents, end of year	10,094,395	9,242,761

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

1. Nature of operations

The Township of Oro-Medonte ("the Municipality") is a lower-tier municipality located in the County of Simcoe, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes, such as the Municipal Act, Municipal Affairs Act and related legislation.

2. Summary of significant accounting policies

The consolidated financial statements of the municipality are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the municipality and the changes thereto. The consolidated statement of financial position includes all the assets and liabilities of the municipality. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of consolidation

These consolidated financial statements reflect assets, liabilities, revenues and expenses of the municipality. They include the activities of the committees of Council and the following organizations which are accountable to, and owned or controlled by the municipality:

The Lake Simcoe Regional Airport Inc. (LSRA)	20%
Severn Sound Environmental Association (SSEA)	11%

All interfund assets and liabilities and sources of financing and expenses have been eliminated.

The Township of Oro-Medonte's portion of the LSRA has been included in these consolidated financial statements on a proportionate consolidation basis. Included in accounts payable is \$278,219 (2010 - \$899,449) owing to the City of Barrie for the recent expansion project.

(b) Basis of accounting

Sources of financing 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.

(c) Deferred revenue

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.

(d) County and school boards

The municipality collects taxation revenue on behalf of the school boards and the County of Simcoe. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Simcoe are not reflected in these consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

2. Summary of significant accounting policies (continued)

(e) 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 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:

Land improvements	10 to 30 years
Buildings	15 to 60 years
Vehicles	3 to 30 years
Equipment	5 to 30 years
Infrastructure	6 to 100 years

Amortization is charged on a prorated basis in the year of acquisition and in the year of disposal. Work in progress is not amortized until the asset is available for productive use.

(ii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of the property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(iii) Intangible assets

Intangible assets are not recognized as assets in the financial statements.

(iv) Inventories

Inventories consist of fuel and books and are recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

(f) Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which the 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.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

2. Summary of significant accounting policies (continued)

(g) Revenue recognition

Net municipal taxation, and the related penalties and interest are recognized as revenue in the year they are levied.

Included in user charges are fees for sewer and water usage. These fees are recognized as revenue when the service is rendered.

Conditional Federal and Ontario grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable. Federal and Ontario grants for acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Service charges and fees are included in other income and include subdivider contributions. These fees are recognized over the period of service or when required expenditures occur if applicable.

Investment income earned (other than on obligatory funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances. The deferred revenue is recognized in the period in which eligible expenditures are made.

User charges, taxation from other governments, donations and other income are recognized on an accrual basis.

(h) 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. Significant estimates have been made of historical cost and useful lives of tangible capital assets. Actual results could differ from those estimates.

(i) Segmented disclosures

Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Net municipal taxation revenue is allocated to segments based on the net budget requirements of each segment. Any additional taxation revenue (i.e. supplementary taxes) is considered unallocated for purposes of segmented information.

3. Budget amounts

The operating budget approved by Council for 2011 is reflected on the consolidated statement of operations. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these consolidated financial statements to comply with PSAB reporting requirements.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

4. Cash and short-term investments

Cash and short-term investments consist of the following:

	2011	2010
	\$	\$
Unrestricted	8,905,371	8,241,142
Restricted	1,189,024	1,001,619
	10,094,395	9,242,761

Short-term investments of \$1,011,292 (2010 - \$100,827) consist of cashable term deposits maturing in 2012 to 2016 earning interest at 1.50% to 2.95% per annum. Short-term investments are recorded at cost which approximates fair market value.

5. Deferred revenue

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the obligatory reserve funds was as follows:

	Development Charges Act	Recreational Land	Gas Tax Allocation	Total
	\$	\$	\$	\$
Deferred revenue, beginning of year	648,910	-	352,709	1,001,619
Restricted funds received during the year	222,282	8,000	614,451	844,733
Interest earned	8,859	39	3,503	12,401
Revenue recognized during the year	(80,411)	(8,039)	(581,279)	(669,729)
Deferred revenue, end of year	799,640	-	389,384	1,189,024
			2011	2010
			\$	\$
Obligatory reserve funds:				
Development Charges Act			799,640	648,910
Gas Tax allocation			389,384	352,709
			1,189,024	1,001,619

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

6. Long-term liabilities

(a) Long-term liabilities consist of the following:

	2011	2010
	\$	\$
Note payable to the City of Barrie, repayable in annual installments of \$23,200 plus interest of 4.35%.	139,200	162,400
OIPC debenture, interest of 2.81%, repayable in semi-annual payments of \$106,748 to 2021	1,850,000	-
OIPC debenture, interest of 3.46%, repayable in semi-annual payments of \$119,150 to 2020	1,829,438	2,000,000
OIPC debenture, interest of 3.66%, repayable in semi-annual payments of \$90,237 to 2019	1,241,873	1,373,277
OIPC debenture, interest at 4.30% repayable in semi-annual payments of \$99,273 to 2019	1,261,385	1,401,167
OIPC debenture, interest at 4.38%, repayable in semi-annual payments of \$30,519 to 2018	342,043	386,630
OIPC debenture, interest at 4.96%, repayable in semi-annual payments of \$96,039 to 2017	986,340	1,124,340
Caterpillar financing loan, interest at 4.90%, repayable in monthly installments of \$6,946 to 2015, secured by equipment	289,797	374,616
	7,940,076	6,822,430

(b) Principal payments for the next 5 years and thereafter are as follows:

	\$
2012	920,785
2013	952,259
2014	984,997
2015	969,572
2016	969,655
Thereafter	3,142,808

The above long-term liabilities have been approved by by-law. 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 and Housing.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

7. Employee future benefits

The employees of the Corporation of the Township of Oro-Medonte participate in the Ontario Municipal Employees Retirement Savings Plan (OMERS). Although the plan has a defined retirement benefit for employees, the related obligation of the municipality cannot be identified. The municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant.

Amounts paid to OMERS during the year totaled \$371,464 (2010 -\$288,610).

The Township of Oro-Medonte pays certain post retirement benefits for extended health and dental benefits on behalf of its retired employees. The municipality recognizes these post retirement costs in the period in which the employees rendered the services. The accrued benefit obligation and the net periodic benefit cost were determined using a discount rate of 3.0%. The accrued benefit obligation at December 31, 2011 of \$153,646 and the net periodic benefit cost were determined by management and extrapolated to 2020. Actuarial valuations will be prepared when there are significant changes to the workforce.

Information about the Township of Oro-Medonte's defined benefit plan is as follows:

	2011	2010
	\$	\$
Accrued plan liability, beginning of year	81,461	88,421
Interest costs and adjustments	63,038	4,266
Current service costs	7,391	4,992
Proportionate share - Lake Simcoe Regional Airport	9,696	-
Benefits paid for the period	(7,940)	(16,218)
Accrued plan liability and accrued benefit obligation, end of year	153,646	81,461

The main assumptions employed for the valuation are as follows:

(a) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 2.3% in 2011 and thereafter.

(b) Interest (discount) rate

The obligation of the present value of future liabilities and the expense was determined using an annual discount rate of 3.0% (2010 - 5.0%).

(c) Health care costs

Medical costs were assumed to increase at a rate of 5.0% for 2012 and thereafter.

(d) Dental costs

Dental costs were assumed to increase at the rate of 5.0% in 2012 and thereafter.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

8. Tangible capital assets

Schedules 1, 2 and 3 provide information on the tangible capital assets of the municipality by major asset class and business segment, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(a) Work in progress

Work in progress with a value of \$685,594 (2010 - \$2,930,442) has not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$1,220,580 (2010 - \$2,029,952).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

9. Other revenues

Other revenues consist of the following:

	2011 Budget	2011 Actual	2010 Actual
	\$	\$	\$
	(Note 3)		
Penalties and interest on taxation	450,000	524,798	506,417
Service charges and fees	274,654	237,231	216,963
Licences and permits	360,900	413,979	424,574
Fines	353,000	338,066	374,821
Facility rentals	412,872	441,156	405,289
	1,851,426	1,955,230	1,928,064
Sundry revenue	328,966	436,758	467,111
Sale of unopened road allowances	-	2,178	27,405
	2,180,392	2,394,166	2,422,580

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

10. Accumulated surplus

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

	2011	2010
	\$	\$
Surplus		
Invested in tangible capital assets	54,784,291	52,892,056
General area taxation	476,512	719,491
Lake Simcoe Regional Airport Inc.	223,305	131,144
Community centres	(1,963)	(2,939)
Waste management	(2,134)	(3,782)
Unfunded employee future benefits	(153,646)	(81,461)
	55,326,365	53,654,509
Reserves set aside for specific purposes by Council		
Acquisition of specific assets	3,453,587	2,734,352
Working funds	1,975,156	1,528,057
Contingencies	34,113	56,321
Insurance	49,813	47,313
Gravel pit restoration	44,021	44,021
Waterworks systems	3,059,517	3,591,891
Community halls	84,322	83,126
	8,700,529	8,085,081
	64,026,894	61,739,590

Capital projects in the amount of \$617,414 were financed from the Waterworks systems reserve in 2008. Annual transfers of \$61,741 will be made until 2017 to replenish the reserve.

11. Net municipal taxation

Net municipal taxation consists of:

	2011	2010
	\$	\$
Taxation revenue	29,547,720	28,634,770
Amounts levied and remitted to School Boards	(9,237,084)	(9,258,542)
Amounts levied and remitted to County of Simcoe	(8,689,916)	(8,480,712)
	11,620,720	10,895,516

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2011

12. Commitments

The Township has leased various equipment for which the minimum annual lease payments are as follows:

	\$
2012	54,331
2013	54,331
2014	44,661
2015	8,772

13. Contingencies

- (a) Claims have been filed against the Township requesting damages. The ultimate outcome of these claims is not determinable at the time of issue of these consolidated financial statements. No provision for these claims has been recorded in these financial statements. Settlements in excess of insurance, if any, will be reflected in the periods in which financial settlement occurs.
- (b) During 1991, the County of Simcoe assumed the waste management of the Township pursuant to provincial legislation. In connection therewith, the Township transferred the property and related assets utilized in its waste management activities to the County. The legislation provides for financial adjustments to be made between the Township and County with respect to the transfer of these activities, the property and related assets. Settlements were reached for the related assets in prior years. Negotiations remain unresolved and indeterminate regarding the landfill sites and gravel pit property. Settlements will be reflected in the periods in which the settlements occur.
- (c) Annually, the municipality is unable to estimate its Ontario Provincial Police adjustment. As a result, the expense adjustment is recorded in the year in which it is received or paid. A credit of \$62,830 was received in 2011 and recorded as a reduction in expenses in net financial assets for services performed in 2010 (2010 - \$213,080 credit received for 2009).

14. Future accounting pronouncements

In February 2010, the CICA issued Section PS 3510, "Tax Revenue", which establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements. The section is effective for fiscal years beginning on or after January 1, 2013, earlier adoption is encouraged. The new standard is not expected to have a material effect on the financial statements.

The CICA has also issued Section PS 3410, "Government Transfers", which establishes recognition, measurement, presentation and disclosure standards relating to transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government. The section also establishes standards for a government receiving transfers of monetary assets or tangible capital assets from another government. The section is effective for fiscal years beginning on or after January 1, 2013, earlier adoption is encouraged. The new standard is not expected to have a material effect on the financial statements.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

**SCHEDULE 1
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31**

	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure	Work in Progress	2011 Total	2010 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Balance, beginning of year	8,321,822	3,028,517	6,831,533	7,163,358	4,507,352	60,347,688	2,930,442	93,130,712	85,468,813
Additions	1,044,944	1,959,182	927,022	238,366	525,057	4,023,053	635,220	9,352,844	8,939,809
Disposals	(2,829)	(68,106)	(9,452)	(252,920)	(18,849)	(789,765)	(2,880,068)	(4,021,989)	(1,277,910)
Balance, end of year	9,363,937	4,919,593	7,749,103	7,148,804	5,013,560	63,580,976	685,594	98,461,567	93,130,712
Accumulated amortization									
Balance, beginning of year	-	1,786,346	2,534,590	2,950,909	1,914,673	24,229,708	-	33,416,226	31,479,599
Amortization	-	136,091	142,812	449,355	210,742	2,202,162	-	3,141,162	3,004,510
Disposals	-	(64,675)	(7,350)	(122,107)	(16,335)	(609,721)	-	(820,188)	(1,067,883)
Balance, end of year	-	1,857,762	2,670,052	3,278,157	2,109,080	25,822,149	-	35,737,200	33,416,226
Net book value, end of year	9,363,937	3,061,831	5,079,051	3,870,647	2,904,480	37,758,827	685,594	62,724,367	59,714,486

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 2 CONSOLIDATED SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation Services	Waterworks Systems	Parks, Recreation and Library Services	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	9,147,116	4,564,460	555,109	95,616	63,229,062	8,304,121	4,304,786	90,200,270
Additions	805,125	42,214	-	-	6,673,926	905,773	290,585	8,717,623
Disposals	(21,775)	(8,337)	-	-	(1,049,685)	(37,414)	(24,709)	(1,141,920)
Assets in service, end of year	9,930,466	4,598,337	555,109	95,616	68,853,303	9,172,480	4,570,662	97,775,973
Work in progress	-	-	-	-	38,681	641,450	5,463	685,594
All assets, end of year	9,930,466	4,598,337	555,109	95,616	68,891,984	9,813,930	4,576,125	98,461,567
Accumulated amortization								
Balance, beginning of year	707,502	1,751,610	106,521	45,223	26,369,489	2,354,175	2,081,706	33,416,226
Amortization	58,038	203,347	12,410	13,660	2,511,178	184,703	157,826	3,141,162
Disposals	(16,334)	-	-	-	(745,916)	(33,229)	(24,709)	(820,188)
Balance, end of year	749,206	1,954,957	118,931	58,883	28,134,751	2,505,649	2,214,823	35,737,200
Net book value, end of year	9,181,260	2,643,380	436,178	36,733	40,757,233	7,308,281	2,361,302	62,724,367

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this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation Services	Waterworks Systems	Parks, Recreation and Library Services	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	8,857,966	4,596,857	555,109	150,668	59,101,637	7,964,055	4,045,798	85,272,090
Additions	313,463	186,232	-	-	5,023,819	366,236	293,102	6,182,852
Disposals	(24,313)	(218,629)	-	(55,052)	(896,394)	(26,170)	(34,114)	(1,254,672)
Assets in service, end of year	9,147,116	4,564,460	555,109	95,616	63,229,062	8,304,121	4,304,786	90,200,270
Work in progress	-	-	-	-	2,693,833	231,146	5,463	2,930,442
All assets, end of year	9,147,116	4,564,460	555,109	95,616	65,922,895	8,535,267	4,310,249	93,130,712
Accumulated amortization								
Balance, beginning of year	650,390	1,764,709	94,111	85,335	24,713,438	2,209,980	1,961,636	31,479,599
Amortization	57,112	205,529	12,410	14,940	2,402,040	166,937	145,542	3,004,510
Disposals	-	(218,628)	-	(55,052)	(745,989)	(22,742)	(25,472)	(1,067,883)
Balance, end of year	707,502	1,751,610	106,521	45,223	26,369,489	2,354,175	2,081,706	33,416,226
Net book value, end of year	8,439,614	2,812,850	448,588	50,393	39,553,406	6,181,092	2,228,543	59,714,486

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this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation Services	Waterworks Systems	Parks, Recreation and Library Services	Waste Management	Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Net municipal taxation	3,252,129	1,453,143	1,680,987	1,030,051	5,314,967	-	1,137,314	-	(2,247,871)	11,620,720
Taxation from other governments	-	-	-	-	-	-	-	-	122,365	122,365
User charges	-	-	-	-	114,459	1,252,451	-	1,415,363	-	2,782,273
Federal and Ontario grants	-	-	-	25,193	140,706	25,000	38,086	-	1,887,800	2,116,785
Contribution from obligatory reserve funds	-	-	-	-	-	-	8,039	-	-	8,039
Investment	-	-	-	-	-	39,095	1,085	-	124,314	164,494
Other	42,932	78,347	342,785	535,386	356,215	70,303	544,917	2,110	421,171	2,394,166
	3,295,061	1,531,490	2,023,772	1,590,630	5,926,347	1,386,849	1,729,441	1,417,473	307,779	19,208,842
Expenses										
Salaries, wages and employee benefits	1,918,757	731,716	7,464	954,647	1,735,446	500,090	715,809	-	-	6,563,929
Interest on long-term liabilities	-	-	-	-	250,467	-	-	-	-	250,467
Materials and supplies	491,384	373,133	78,645	147,055	1,296,558	400,616	594,556	4,451	-	3,386,398
Contracted services	779,043	55,607	2,141,725	26,905	366,138	36,215	248,838	1,411,374	-	5,065,845
Rents, financial expenses and external transfers	134,319	-	-	268,419	-	-	5,600	-	-	408,338
Amortization	58,038	203,347	12,410	13,660	2,511,178	184,703	157,826	-	-	3,141,162
Gain (loss) on disposal of tangible capital assets	(39,943)	-	-	-	242,545	(585)	(986)	-	-	201,031
	3,341,598	1,363,803	2,240,244	1,410,686	6,402,332	1,121,039	1,721,643	1,415,825	-	19,017,170
Net revenues (expenses)	(46,537)	167,687	(216,472)	179,944	(475,985)	265,810	7,798	1,648	307,779	191,672
Other										
Grants and transfers related to capital										
Contributed tangible capital assets	709,600	-	-	-	238,945	272,035	-	-	-	1,220,580
Federal and Ontario grants	-	-	-	-	110,532	-	-	-	-	110,532
Contribution from obligatory reserve funds	-	6,013	-	-	634,795	-	20,882	-	-	661,690
Donations	-	-	-	-	-	-	102,830	-	-	102,830
	709,600	6,013	-	-	984,272	272,035	123,712	-	-	2,095,632
Annual surplus (deficit)	663,063	173,700	(216,472)	179,944	508,287	537,845	131,510	1,648	307,779	2,287,304

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 5 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation Services	Waterworks Systems	Parks, Recreation and Library Services	Waste Management	Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Net municipal taxation	2,749,187	1,415,862	1,509,049	967,736	5,015,480	-	965,196	-	(1,726,994)	10,895,516
Taxation from other governments	-	-	-	-	-	-	-	-	122,467	122,467
User charges	-	-	-	-	133,449	1,236,789	-	1,317,722	-	2,687,960
Federal and Ontario grants	2,194	-	-	22,493	139,539	62,656	32,795	-	1,737,100	1,996,777
Contribution from obligatory reserve funds	-	-	-	113	-	-	41,762	-	-	41,875
Investment	-	-	-	-	-	25,821	688	-	83,424	109,933
Other	75,586	67,260	361,408	548,154	227,328	57,855	499,646	2,324	583,019	2,422,580
	2,826,967	1,483,122	1,870,457	1,538,496	5,515,796	1,383,121	1,540,087	1,320,046	799,016	18,277,108
Expenses										
Salaries, wages and employee benefits	1,640,943	760,395	11,194	930,274	1,556,058	499,575	649,912	-	-	6,048,351
Interest on long-term liabilities	-	-	-	-	244,560	-	-	-	-	244,560
Materials and supplies	382,812	532,420	18,376	151,282	1,337,017	543,739	936,041	2,875	-	3,904,562
Contracted services	707,220	66,730	1,892,632	15,518	310,835	2,260	249,905	-	-	3,245,100
Rents, financial expenses and external transfers	115,248	-	-	229,171	5,035	-	9,539	1,316,497	-	1,675,490
Gain (loss) on disposal of tangible capital assets	(82,045)	(8,937)	-	(1,966)	101,823	3,428	-	-	-	12,303
Amortization	57,112	205,529	12,410	14,940	2,402,040	166,937	145,542	-	-	3,004,510
	2,821,290	1,556,137	1,934,612	1,339,219	5,957,368	1,215,939	1,990,939	1,319,372	-	18,134,876
Net revenues (expenses)	5,677	(73,015)	(64,155)	199,277	(441,572)	167,182	(450,852)	674	799,016	142,232
Other										
Grants and transfers related to capital										
Contributed tangible capital assets	304,000	35,000	-	-	1,250,668	370,284	70,000	-	-	2,029,952
Federal and Ontario grants	-	-	-	-	1,695,970	-	-	-	-	1,695,970
Contribution from obligatory reserve funds	-	-	-	-	591,616	-	62,178	-	-	653,794
Donations	-	-	-	-	-	10,329	60,516	-	-	70,845
	304,000	35,000	-	-	3,538,254	380,613	192,694	-	-	4,450,561
Annual surplus (deficit)	309,677	(38,015)	(64,155)	199,277	3,096,682	547,795	(258,158)	674	799,016	4,592,793

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this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 6 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES BUDGET FOR THE YEAR ENDED DECEMBER 31, 2011

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation Services	Waterworks Systems	Parks, Recreation and Library Services	Waste Management	Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Net municipal taxation	3,252,129	1,453,143	1,680,987	1,030,051	5,314,967	-	1,137,314	-	(2,184,666)	11,683,925
Taxation from other governments	-	-	-	-	-	-	-	-	122,466	122,466
User charges	-	-	-	-	114,512	1,472,652	-	1,415,198	-	3,002,362
Federal and Ontario grants	-	-	-	14,000	158,000	25,000	29,702	-	1,795,800	2,022,502
Contribution from obligatory reserve funds	-	8,000	-	3,320	-	-	42,500	-	-	53,820
Investment	-	-	-	-	-	40,000	-	-	159,300	199,300
Other	22,950	56,300	334,000	535,004	230,537	59,200	503,201	3,200	436,000	2,180,392
	3,275,079	1,517,443	2,014,987	1,582,375	5,818,016	1,596,852	1,712,717	1,418,398	328,900	19,264,767
Expenses										
Salaries, wages and employee benefits	1,861,535	786,457	18,611	1,093,347	1,862,236	583,618	696,428	-	-	6,902,232
Interest on long-term liabilities	-	-	-	-	241,887	-	-	-	-	241,887
Materials and supplies	496,355	491,866	21,376	171,512	1,406,768	560,296	588,225	3,242	-	3,739,640
Contracted services	568,528	67,370	1,975,000	58,300	414,015	22,000	249,793	-	-	3,355,006
Rents, financial expenses and external transfers	137,600	-	-	270,896	-	-	5,600	1,411,374	-	1,825,470
Amortization	57,609	203,846	12,410	13,659	2,436,123	172,767	146,875	-	-	3,043,289
	3,121,627	1,549,539	2,027,397	1,607,714	6,361,029	1,338,681	1,686,921	1,414,616	-	19,107,524
Net revenues (expenses)	153,452	(32,096)	(12,410)	(25,339)	(543,013)	258,171	25,796	3,782	328,900	157,243
Other										
Grants and transfers related to capital										
Federal and Ontario grants	-	-	-	-	280,000	-	-	-	-	280,000
Contribution from obligatory reserve funds	-	7,400	-	-	1,079,027	-	32,500	-	-	1,118,927
Donations	-	-	-	-	-	-	65,000	-	-	65,000
Contributed assets	-	-	-	-	-	883,330	-	-	-	883,330
	-	7,400	-	-	1,359,027	883,330	97,500	-	-	2,347,257
Annual surplus (deficit)	153,452	(24,696)	(12,410)	(25,339)	816,014	1,141,501	123,296	3,782	328,900	2,504,500

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this financial statement