



Financial Statements

The Corporation of the Township of Gillies

December 31, 2010

Reeve:
Rick Kieri

Councillors:
Rudy Buitenhuis
William Groenheide
Henry Jantunen
Linda Turk

Clerk/Treasurer:
Karen Caren

Statement of Administrative Responsibility

The management of The Corporation of the Township of Gillies have prepared the accompanying financial statements and are responsible for their accuracy and integrity. These statements consolidate all operations for which the Township has legislative and financial responsibility. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of the CICA.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Municipal assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Municipal Council reviews and approves the financial statements before such statements are submitted to the Ministry of Municipal Affairs and Housing and published for the residents of The Corporation of the Township of Gillies. The external auditors have access to, and meet with Municipal Council to discuss their audit and the results of their examination.

The 2010 Financial Statements have been reported on by The Corporation of the Township of Gillies' external auditors, Grant Thornton LLP, the auditors appointed by Municipal Council. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



Rick Kieri, Reeve



Karen Caren, Clerk-Treasurer

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Independent Auditor's Report

Grant Thornton LLP

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

We have audited the accompanying financial statements of The Corporation of the Township of Gillies, which comprise the statement of financial position as at December 31, 2010 and the statements of operations and accumulated surplus, change in net financial assets (debt) 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 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the 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 Township'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 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 financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Gillies as at December 31, 2010, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Thunder Bay, Canada
February 28, 2011

Chartered Accountants
Licensed Public Accountants

The Corporation of the Township of Gillies

Statement of Financial Position

As at December 31	2010	2009
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	303,977	136,985
Taxes receivable	47,282	45,354
Accounts receivable	36,709	29,458
Total financial assets	387,968	211,797
LIABILITIES		
Accounts payable and accrued liabilities	47,095	49,635
Deferred revenue <i>[note 3]</i>	41,572	11,877
Vested sick leave liability <i>[note 4]</i>	6,379	6,347
Debt <i>[note 6]</i>	193,439	48,312
Landfill closure and post-closure liability <i>[note 7]</i>	7,293	9,924
Total liabilities	295,778	126,095
NET FINANCIAL ASSETS	92,190	85,702
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 8] [schedule 2]</i>	1,432,878	1,489,980
Prepaid expenses	4,296	8,874
	1,437,174	1,498,854
Accumulated surplus <i>[schedule 1]</i>	1,529,364	1,584,556

See accompanying notes to the financial statements.

The Corporation of the Township of Gillies

Statement of Operations and Accumulated Surplus

Year ended December 31

	Budget 2010 \$	Actual 2010 \$	Actual 2009 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	307,267	308,201	267,751
Commercial and industrial	7,160	7,160	6,547
Taxation from other governments	3,194	3,194	2,749
	317,621	318,555	277,047
Deduct			
Amounts received or receivable on behalf of school boards	(50,195)	(50,535)	(51,105)
	267,426	268,020	225,942
Grants			
Government of Canada	39,539	5,089	52,622
Province of Ontario	266,627	260,685	315,896
	306,166	265,774	368,518
Other			
Investment income	200	1,432	211
Penalties and late payment charges	6,500	7,528	6,686
Other	7,250	10,391	9,088
	13,950	19,351	15,985
Total revenues	587,542	553,145	610,445

	Budget 2010 \$	Actual 2010 \$	Actual 2009 \$
EXPENSES [note 9] [schedule 3]			
General government	156,733	153,901	150,241
Protection to persons and property	101,677	98,061	97,926
Transportation services	147,353	259,480	271,590
Environmental services	18,904	14,651	28,144
Health services	27,557	26,311	25,758
Social and family services	53,396	53,575	60,494
Recreation and cultural services	2,651	2,108	5,992
Planning and development	250	250	250
	508,521	608,337	640,395
NET REVENUES (EXPENSES)	79,021	(55,192)	(29,950)
Other income			
Gain on disposal of tangible capital assets	—	—	8,017
Annual surplus (deficit)	79,021	(55,192)	(21,933)
Accumulated surplus, beginning of year	—	1,584,556	1,606,489
Accumulated surplus, end of year	79,021	1,529,364	1,584,556

See accompanying notes to the financial statements.

The Corporation of the Township of Gillies

Statement of Change in Net Financial Assets (Debt)

Year ended December 31, 2010

	Budget 2010 \$	Actual 2010 \$	Actual 2009 \$
Annual surplus (deficit)	79,021	(55,192)	(21,933)
Acquisition of tangible capital assets	(229,690)	(62,813)	(261,497)
Amortization of tangible capital assets	—	119,915	124,011
Proceeds from disposal of tangible capital assets	—	—	25,000
Gain on disposal of tangible capital assets	—	—	(8,017)
Acquisition of prepaid expenses	—	(4,296)	(8,874)
Use of prepaid expenses	—	8,874	7,261
Increase (decrease) in net financial assets	(150,669)	6,488	(144,049)
Net financial assets, beginning of year	—	85,702	229,751
Net financial assets (debt), end of year	(150,669)	92,190	85,702

See accompanying notes to the financial statements.

The Corporation of the Township of Gillies

Statement of Cash Flows

Year ended December 31	2010	2009
	\$	\$
OPERATIONS		
Annual deficit	(55,192)	(21,933)
Non-cash charges		
Amortization of tangible capital assets	119,915	124,011
Gain on disposal of tangible capital assets	—	(8,017)
Landfill closure and post-closure costs	(2,631)	600
	62,092	94,661
Net change in non-cash working capital balances		
Increase in taxes receivable	(1,928)	(9,773)
Decrease (increase) in accounts receivable	(7,251)	89,299
Increase (decrease) in accounts payable and accrued liabilities	(2,540)	6,942
Increase (decrease) in deferred revenue	29,695	(49,841)
Increase (decrease) in vested sick leave liability	32	(6,679)
Decrease (increase) in prepaid expenses	4,578	(1,613)
Cash provided by operating transactions	84,678	122,996
CAPITAL		
Acquisition of tangible capital assets	(62,813)	(261,497)
Proceeds on disposal of tangible capital assets	—	25,000
Cash used in capital transactions	(62,813)	(236,497)
FINANCING		
Debt principal repayment	(12,495)	(16,688)
Proceeds from issue of debt	157,622	65,000
Cash provided by financing transactions	145,127	48,312
Increase (decrease) in cash and cash equivalents	166,992	(65,189)
Opening cash and cash equivalents	136,985	202,174
Closing cash and cash equivalents	303,977	136,985

See accompanying notes to the financial statements.

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

GENERAL

The Corporation of the Township of Gillies is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements of The Corporation of the Township of Gillies are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of the CICA. The more significant of these accounting policies are as follows:

[a] Basis of consolidation

Reporting entity

These financial statements reflect the assets, liabilities, revenues and expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, local boards, and committees accountable for the administration of their financial affairs and resources, to the Township, and which are owned or controlled by the Township.

Joint local boards

The financial activities of certain entities associated with the Township are not consolidated. The Township's contribution to these entities are recorded in the Statement of Operations and Accumulated Surplus. The entities that are accounted for in this manner are:

Thunder Bay District Health Unit
The District of Thunder Bay Social Services Administration Board
Thunder Bay Area Emergency Measures Organization
Lakehead Rural Planning Board

Trust funds

Trust funds administered by the Township have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus. They are reported separately on the Trust Fund Statement of Financial Position and Statement of Operations and Accumulated Surplus.

Accounting for school board transactions

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

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

[b] Basis of accounting

Accrual accounting

The Township uses the accrual basis of accounting and recognizes revenues as they are levied or earned and become 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.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances in banks.

Employee benefits

Vacation pay, sick leave liability and other post-employment benefits are charged to operations in the year earned.

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.

[a] Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. 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	25 to 75 years
Buildings	40 to 70 years
Vehicles	15 to 20 years
Equipment and machinery	10 to 30 years
Transportation	
- roads	15 to 60 years
- bridges and other structures	35 to 80 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

[b] Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

[c] Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant of such assets are the Township's road allowances and the Township's landfill site.

[d] Capitalization of interest

The Township has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use, per PS 3150.17.

[e] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of 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.

[f] Inventories

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

Deferred revenue

Deferred revenue represents user charges and fees and government transfers which have been collected but for which the related services have yet to be performed. These accounts will be recognized as revenues in the fiscal year the services are performed. The Township receives development charges under the authority of provincial legislation and Township by-laws (obligatory reserve funds) as well as Gas Tax proceeds from the Federal Government through the Association of Municipalities of Ontario. These funds, by their nature, are restricted in their use and, until applied to specific expenses and are recorded as deferred revenue. Amounts applied to qualifying projects are recorded as revenue in the fiscal period they are expended. See note 3 for more details.

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

Reserves and reserve funds

Certain amounts, as approved by the Township Council, are set aside in reserves and reserve funds for future operating and capital purposes.

Investment income

Investment income earned on surplus 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 deferred revenue balance.

Government transfers

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

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

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 reporting period. Actual results could differ from these estimates.

2. TRUST FUNDS

Trust funds administered by the Township amounting to \$8,000 [2009 - \$9,660] have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus.

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

3. DEFERRED REVENUE

	2010	2009
	\$	\$
Obligatory reserve funds		
Recreational purposes	—	1,849
Unearned Gas Tax proceeds	40,392	6,884
Other deferred revenue		
Tax deposits	1,180	499
Unearned grant proceeds	—	2,645
	41,572	11,877

The continuity of deferred revenue is as follows:

	2010	2009
	\$	\$
Balance, beginning of year	11,877	61,718
Gas Tax and Helipad grant proceeds	33,483	37,423
Tax deposits - net increase	681	149
Gas tax development changes and other grant revenue earned	(4,469)	(87,413)
Balance, end of year	41,572	11,877

4. LIABILITY FOR EMPLOYEE VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they retire or leave the Township's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken by an employee on retirement or his/her voluntary or involuntary termination amounted to approximately \$6,379 [2009 - \$6,347]. An amount of \$6,434 [2009 - \$6,261] has been provided for this past service liability as a reserve.

5. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2010 was \$9,516 [2009 - \$9,553] for current service.

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

6. DEBT

[a] The balance of debt reported on the Statement of Financial Position is made up of the following:

	2010 \$	2009 \$
RBC Royal Bank		
Term loan repayable in bi-weekly instalments of \$500, including interest at 4.71%, maturing April, 2014.	37,336	48,312
Term loan repayable in bi-weekly instalments of \$527, including interest at 3.71%, maturing October, 2015.	156,103	—
Tile drainage, paid in full during the year.	—	2,580
Less tile drainage debt recoverable from landowners.	—	(2,580)
	193,439	48,312

Principal due on debt is summarized as follows:

	\$
2011	19,565
2012	20,422
2013	21,815
2014	9,650
2015	121,987
	193,439

[b] The debt in [a] issued in the name of the Township, approved after January 1, 1993 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.

[c] The Township is contingently liable for the debt with respect to the tile drainage assistance loans.

[d] All principal and interest owing on the tile drainage assistance loans was paid out as of December 31, 2010.

[e] Total interest charges for debt reported on the Statement of Operations and Accumulated Surplus are \$3,141 [2009 - \$1,632].

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

7. LANDFILL CLOSURE AND POST-CLOSURE

The main components of the landfill closure plan includes final capping using selected specific layers of impermeable materials based on an engineered cap design and implementation of a drainage management plan and gas management plan. The post-closure care requirements will involve cap maintenance, groundwater monitoring, gas management system operation and maintenance and annual inspections and reports as in accordance with Ministry of Environment regulations.

The estimated liability for this care is the present value for future cash flows associated with closure and post-closure costs discounted using the Township's average long-term borrowing rate of 6%. The change in the recorded liability is \$(2,631) [2009 - \$600] based on a total estimated undiscounted outflow in the future of \$4,106,943, leaving an amount to be recognized in the future of \$4,099,650 [2009 - \$2,803,109] over the closure and post-closure period. An amount of \$9,150 [2009 - \$7,124] has been provided in a reserve fund to fund this liability and future landfill expansion. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

The estimated remaining life of the site is approximately 85 years. Post-closure care is estimated to continue for a period of approximately 20 years.

8. TANGIBLE CAPITAL ASSETS

Schedule 2 provides information on the tangible capital assets of the Township by major asset class, as well as accumulated amortization of the assets controlled.

There were no write-downs of assets in 2010 [2009 - \$nil].

Interest capitalized during 2010 was \$nil [2009 - \$nil].

There were no contributed tangible capital assets in 2010 [2009 - \$nil].

Certain assets have been recorded at a nominal value due to the difficulty in determining an appropriate value. This includes the land under road allowance. There are 65 km of road assigned a value of \$1 each. Other assets include the Township's landfill site, which includes 2 sites assigned a value of \$1 each. The total of assets so valued in 2010 was \$67 [2009 - \$67].

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

9. SEGMENTED INFORMATION

The Corporation of the Township of Gillies is a diversified municipal government institution that provides a wide range of services to its citizens, including police, emergency services and waste management. For management reporting purposes, the Township's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these Funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

General government comprises various administrative services, including Finance Department, Corporate Services Department, and Reeve and Council.

Protection to persons and property

Protection to persons and property is comprised of police services, fire services and protective inspection and control. The police services are contracted from the Ontario Provincial Police. The Fire Services Department is responsible for fire suppression; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. Protective inspection and control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. Protective inspection and control also represents the Township's contribution to the activities of the Thunder Bay Area Emergency Measures Organization (EMO).

Transportation services

Transportation services include roadways and winter control. Roadways covers the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, culverts, and signage. Winter control includes snowplowing, sanding and salting, snow removal and flood control.

Environmental services

Environmental services consist of waste disposal and recycling. Waste disposal and recycling includes the collection of solid waste, landfill site operations and waste minimization programs.

Health services

Health services includes public health services and ambulance services. Public health services represents the Township's contribution to the activities of the Thunder Bay District Health Unit. In response to the health needs of the community, the Thunder Bay District Health Unit provides health information and prevention-related clinical services to people of all ages; advocates for healthy public policy; protects citizens by investigating reportable diseases; and upholds regulations that apply to public health.

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

Social and family services

Social and family services include general assistance, assistance to aged persons, child care and assistance to the disabled. General assistance represents the Township's contribution to the activities of The District of Thunder Bay Social Services Administration Board (TBDSSAB). TBDSSAB is responsible for issuing welfare payments, Ontario Works program delivery, employment assistance services and social housing. Under assistance to aged persons, TBDSSAB is responsible for providing services to seniors.

Recreation and cultural services

Recreation and cultural services include parks, recreation programs and facilities, and public library services. The Township provides for the development and maintenance of various recreational facilities, and the maintenance of parks and open spaces. The public library services are contracted with the Oliver-Paipoonge Public Library Board and provides community access to local and global information resources that support lifelong learning, research and leisure activities.

Planning and development

The planning and development services include planning and zoning activities. The Township's contribution to the activities of the Lakehead Rural Planning Board are included in the planning activities.

For additional information see the Schedule of Segment Disclosure (Schedule 3).

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

10. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2010	2009
	\$	\$
Reserves		
Balance, beginning of year	22,000	22,000
Balance, end of year	22,000	22,000
Reserve funds		
Balance, beginning of year	137,247	218,242
Increases		
Contributions from current operations	7,150	8,000
Interest earned	501	66
	7,651	8,066
Decreases		
Contributions to current operations	3,924	7,300
Contributions to capital operations	20,000	81,761
	23,924	89,061
Balance, end of year	120,974	137,247

11. DESIGNATED ASSETS

Of the financial assets reported on the Statement of Financial Position, the Council has designated \$161,351 [2009 - \$129,123] to support reserve funds.

12. BUDGET FIGURES

The operating budget approved by Township Council for 2010 is reflected on the Statement of Operations and Accumulated Surplus. The budget established for capital investment in tangible capital assets is on a project-oriented basis, the costs of which may be incurred over a number of years and therefore may not be comparable with the current year's actual expenses. The Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

The Corporation of the Township of Gillies

Notes to the Financial Statements

December 31, 2010

13. COMMITMENTS

The Township leases office space under an operating lease expiring in June, 2011. The future minimum annual lease payments over the next year are as follows:

	\$
2011	6,300

14. COMPARATIVE FIGURES

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2010 financial statements.

The Corporation of the Township of Gillies Schedule 1 Schedule of Accumulated Surplus

Year ended December 31	2010	2009
	\$	\$
Surpluses		
General fund	160,623	452
Investment in tangible capital assets	1,432,878	1,489,980
Unfunded		
Employee benefits and post-employment liabilities	(6,379)	(6,887)
Debt	(193,439)	(48,312)
Landfill closure and post-closure liability	(7,293)	(9,924)
Total surpluses	1,386,390	1,425,309
Reserves set aside for specific purposes by Council		
For working capital	22,000	22,000
Total reserves	22,000	22,000
Reserve funds set aside for specific purposes by Council		
For contingencies	48,087	51,821
For Volunteer Fire Department	7,128	27,030
For roads	16,983	11,939
For sick leave liability	6,434	6,261
For infrastructure	42,342	40,196
Total reserve funds	120,974	137,247
Accumulated surplus	1,529,364	1,584,556

The Corporation of the Township of Gillies Schedule of Tangible Capital Assets

Year ended December 31, 2010

Schedule 2

	General						Infrastructure				Totals		
	Land \$	Land Improvements \$	Buildings \$	Vehicles \$	Equipment and Machinery \$	Capital Works-in Progress \$	Land \$	Buildings \$	Roads \$	Equipment, Machinery and Vehicles \$	Bridges and Other Structures \$	2010 \$	2009 \$
COST													
Balance, beginning of year	32,546	22,746	55,292	43,545	21,449	—	407,718	47,500	1,298,063	389,753	379,535	2,698,147	2,526,565
Additions during the year	—	—	6,082	—	—	35,524	—	—	21,207	—	—	62,813	261,497
Less Disposals during the year	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance, end of year	32,546	22,746	61,374	43,545	21,449	35,524	407,718	47,500	1,319,270	389,753	379,535	2,760,960	2,698,147
ACCUMULATED AMORTIZATION													
Balance, beginning of year	—	1,137	18,800	12,058	1,504	—	—	31,892	820,173	151,825	170,778	1,208,167	1,157,088
Additions during the year	—	1,137	1,258	2,560	752	—	—	946	87,609	18,239	7,414	119,915	124,011
Less Accumulated amortization on disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance, end of year	—	2,274	20,058	14,618	2,256	—	—	32,838	907,782	170,064	178,192	1,328,082	1,208,167
Net book value	32,546	20,472	41,316	28,927	19,193	35,524	407,718	14,662	411,488	219,689	201,343	1,432,878	1,489,980

The Corporation of the Township of Gillies Schedule of Segment Disclosure

Year ended December 31, 2010

Schedule 3

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Revenues										
Taxation	268,020	225,942	—	—	—	—	—	—	—	—
Grants	240,470	258,929	4,147	3,096	7,466	93,125	8,419	10,730	—	—
Other revenues	13,466	10,984	3,670	3,665	—	—	—	—	783	1,125
Interest income - general	931	145	—	—	—	—	—	—	—	—
Interest income - reserves and reserve funds	501	66	—	—	—	—	—	—	—	—
	523,388	496,066	7,817	6,761	7,466	93,125	8,419	10,730	783	1,125
Expenses										
Salaries, wages and employee benefits	91,937	79,521	10,860	10,392	98,402	100,169	8,468	9,003	1,959	2,055
Long-term debt charges	—	—	1,117	—	2,024	1,632	—	—	—	—
Materials	24,525	27,364	30,070	33,341	43,708	50,195	2,397	16,289	250	—
Contracted services	24,711	30,680	49,641	49,481	—	—	3,034	2,100	—	—
Rent and financials	12,728	12,676	—	—	—	—	—	—	—	—
External transfers to others	—	—	2,556	1,047	—	—	—	—	24,102	23,703
Amortization	—	—	3,817	3,665	115,346	119,594	752	752	—	—
	153,901	150,241	98,061	97,926	259,480	271,590	14,651	28,144	26,311	25,758
Excess (deficiency) of revenues over expenses for the Year	369,487	345,825	(90,244)	(91,165)	(252,014)	(178,465)	(6,232)	(17,414)	(25,528)	(24,633)

The Corporation of the Township of Gillies
Schedule of Segment Disclosure

Year ended December 31, 2010

Schedule 3 (continued)

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2010	2009	2010	2009	2010	2009	
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Taxation	—	—	—	—	—	—	225,942
Grants	—	—	5,272	2,638	—	—	368,518
Other revenues	—	—	—	—	—	—	15,774
Interest income - general	—	—	—	—	—	—	145
Interest income - reserves and reserve funds	—	—	—	—	—	—	66
	53,575	60,494	5,272	2,638	250	250	610,445
Expenses							
Salaries, wages and employee benefits	—	—	641	722	—	—	201,862
Long-term debt charges	—	—	—	—	—	—	1,632
Materials	—	—	483	4,286	—	—	131,475
Contracted services	—	—	984	984	—	—	83,245
Rent and financials	—	—	—	—	—	—	12,676
External transfers to others	53,575	60,494	—	—	250	250	85,494
Amortization	—	—	—	—	—	—	124,011
	53,575	60,494	2,108	5,992	250	250	640,395
Excess (deficiency) of revenues over expenses for the year	(53,575)	(60,494)	3,164	(3,354)	(250)	(250)	(29,950)



Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of

The Corporation of the Township of Gillies
Cemetery Perpetual Care Trust Fund

We have audited the accompanying financial statements of the Cemetery Perpetual Care Trust Fund, which comprise the statement of financial position as at December 31, 2010, and the statement of operations and accumulated surplus 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 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust Fund's preparation and fair presentation of the 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 Trust Fund'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 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 financial statements present fairly, in all material respects, the financial position of Cemetery Perpetual Care Trust Fund as at December 31, 2010, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Thunder Bay, Canada
February 28, 2011

Chartered Accountants
Licensed Public Accountants

**The Corporation of the Township of Gillies
Cemetery Perpetual Care Trust Fund
Statement of Financial Position**

As at December 31	2010	2009
	\$	\$
FINANCIAL ASSETS		
Cash	8,133	9,460
Due from (to) municipal operations	(133)	200
Total financial assets	8,000	9,660
Accumulated surplus	8,000	9,660

See accompanying notes to the financial statements.

**The Corporation of the Township of Gillies
Cemetery Perpetual Care Trust Fund
Statement of Operations and Accumulated Surplus**

Year ended December 31	2010	2009
	\$	\$
REVENUES		
Interest earned	40	4
Fees earned	300	200
Total revenues	340	204
EXPENSES		
Transfers to municipal operations	2,000	—
NET REVENUES (EXPENSES)	(1,660)	204
Annual surplus (deficit)	(1,660)	204
Accumulated surplus, beginning of year	9,660	9,456
Accumulated surplus, end of year	8,000	9,660

**The Corporation of the Township of Gillies
Cemetery Perpetual Care Trust Fund
Notes to the Financial Statements**

December 31, 2010

1. NATURE OF BUSINESS

The Corporation of the Township of Gillies administers a perpetual care trust fund for the future care of the cemetery. The cemetery provides interment services for the benefit of the citizens of Gillies.

2. SIGNIFICANT ACCOUNTING POLICY

Basis of accounting

Revenues and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenses as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

3. STATEMENT OF CASH FLOWS

The statement of cash flows has not been presented as the required cash flow information is readily apparent from the other financial statements. Cash flows from operations approximates net revenues.