

**The Municipality of North Perth
Financial Statements
For the year ended December 31, 2005**

**The Municipality of North Perth
Financial Statements
For the year ended December 31, 2005**

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Driving growth

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Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of the Municipality of North Perth

We have audited the consolidated statement of financial position of the Municipality of North Perth as at December 31, 2005 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Municipality's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of North Perth as at December 31, 2005 and the results of its financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

"BDO DUNWOODY LLP"

Chartered Accountants

Stratford, Ontario
May 23, 2006

The Municipality of North Perth Consolidated Statement of Financial Position

December 31	2005	2004
Assets and Liabilities		
Financial assets		
Cash	\$ 3,768,470	\$ 2,154,925
Taxes receivable	388,578	400,961
Trade and other receivables	4,049,717	5,090,615
Debt recoverable from others	627,951	596,845
Long-term investments (Note 1)	1,907,812	2,041,149
	10,742,528	10,284,495
Liabilities		
Temporary borrowings	788,582	-
Accounts payable and accrued liabilities	1,586,763	2,147,551
Solid waste closure and post-closure liabilities	881,968	2,062,300
Post-employment benefits liabilities	236,361	245,048
Deferred revenue (Note 2)	330,592	174,212
Net long-term liabilities (Note 3)	10,347,560	9,347,650
	14,171,826	13,976,761
Net financial assets	\$ (3,429,298)	\$ (3,692,266)
Prepaid expenses	640	10,551
	\$ (3,428,658)	\$ (3,681,715)
Municipal Position		
Current fund (Page 15)	\$ 28,410	\$ 315,893
Capital fund (Page 16)	(2,492,042)	(1,392,402)
Reserves and reserve funds (Page 17)	9,872,912	8,452,947
	7,409,280	7,376,438
Amounts to be recovered (Note 5)	(10,837,938)	(11,058,153)
	\$ (3,428,658)	\$ (3,681,715)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Municipality of North Perth Consolidated Statement of Financial Activities

For the year ended December 31	2005 Budget	2005 Actual	2004 Actual
Revenue			
Taxation	\$ 5,732,463	\$ 5,790,133	\$ 5,339,064
Fees and user charges	4,879,109	5,088,051	5,364,753
Canada grants	2,426,768	355,553	153,191
Ontario grants	5,405,151	3,918,583	2,370,643
Municipal grants	103,764	90,467	86,505
Other income (Note 6)	1,175,949	2,945,642	2,081,595
Obligatory reserve fund revenue recognized	-	378,297	200,726
	<u>19,723,204</u>	<u>18,566,726</u>	<u>15,596,477</u>
Expenditures			
Current (Note 7)			
General government	1,197,700	1,298,839	1,003,038
Protection services	2,751,164	2,475,314	2,618,467
Transportation services	1,814,500	1,824,323	1,615,942
Environmental services	2,465,580	1,144,304	2,551,166
Health services	117,550	136,058	138,124
Social and family services	323,875	360,058	323,265
Recreation and cultural services	2,017,876	2,193,216	2,033,421
Planning and development	181,050	181,611	263,480
	<u>10,869,295</u>	<u>9,613,723</u>	<u>10,546,903</u>
Capital			
General government	125,328	131,673	54,445
Protection services	4,000	15,559	139,450
Transportation services	2,180,200	2,290,978	6,138,136
Environmental services	10,353,683	5,847,695	2,068,102
Health services	-	891	-
Social and family services	17,200	21,811	53,004
Recreational and cultural services	179,825	149,346	233,157
Planning and development	40,000	149,299	1,447,969
	<u>12,900,236</u>	<u>8,607,252</u>	<u>10,134,263</u>
Total expenditures	<u>23,769,531</u>	<u>18,220,975</u>	<u>20,681,166</u>
Net revenues (expenditures) for the year	<u>\$ (4,046,327)</u>	<u>\$ 345,751</u>	<u>\$ (5,084,689)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Municipality of North Perth Consolidated Statement of Changes in Financial Position

For the year ended December 31	2005	2004
Cash provided by (used in)		
Operating activities		
Net revenue for the year	\$ 345,751	\$ (5,084,689)
Change in non-cash working capital balances		
(Increase) decrease in taxes receivable	12,383	172,693
(Increase) decrease in trade and other receivables	1,040,898	(2,822,571)
Increase (decrease) in accounts payable and accrued liabilities	(560,788)	1,226,760
Increase (decrease) in post-employment benefits liabilities	(8,687)	(5,105)
Increase (decrease) in deferred revenue	156,380	(181,131)
(Increase) decrease in prepaid expenses	9,911	(4,911)
Increase (decrease) in solid waste closure and post-closure liabilities	(1,180,332)	160,054
	<u>(184,484)</u>	<u>(6,538,900)</u>
Investing activities		
(Increase) decrease in long-term investments	<u>133,337</u>	<u>127,261</u>
Financing activities		
Additions to long-term liabilities	1,401,123	6,251,794
Repayment of long-term liabilities	(401,213)	(507,732)
Transfer of proceeds of long-term debt to others	(123,800)	(39,000)
Increase (decrease) in temporary loans	788,582	(492,506)
	<u>1,664,692</u>	<u>5,212,556</u>
Net change in cash and cash equivalents	1,613,545	(1,199,083)
Cash and cash equivalents, beginning of year	<u>2,154,925</u>	<u>3,354,008</u>
Cash and cash equivalents, end of year	<u>\$ 3,768,470</u>	<u>\$ 2,154,925</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Municipality of North Perth

Summary of Significant Accounting Policies

December 31, 2005

Management Responsibility

The consolidated financial statements of the Municipality of North Perth are the representations of management. They have been prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenues and expenditures of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

- Elma-Logan Fire Area
- Elma-Logan Arena
- Business Improvement Association
- Municipality of North Perth Cemetery Board
- North Perth Public Library Board

Basis of Accounting

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

The consolidated statement of financial position reflects all of the financial assets and liabilities of the municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the municipality, and is the difference between its assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

The Municipality of North Perth Summary of Significant Accounting Policies

December 31, 2005

Capital Assets	The historical cost and accumulated amortization of capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the consolidated statement of financial activities in the period of acquisition.
Deferred Revenue	Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. Revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.
Amounts to be Recovered	Amounts to be recovered are reported in the municipal position on the consolidated statement of financial position. The balance represents the outstanding principal portion of unmatured long-term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.
County and School Board	The municipality collects taxation revenue on behalf of the school boards and the County of Perth. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Perth are not reflected in these financial statements.
Trust Funds	Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statements of financial position and financial activities and fund balances.

The Municipality of North Perth Notes to Financial Statements

December 31, 2005

1. Long-Term Investments

	2005	2004
Future Development Reserve Fund Loan The current fund shall repay the Reserve Fund 4%, blended monthly payments of \$2,652. Balance of loan to be repaid by December 2005.	\$ -	\$ 31,152
Future Development Reserve Fund Loan The current fund shall repay the Reserve Fund 5%, blended annual payments of \$192,685. Balance of loan to be repaid by June 2017.	1,707,812	1,809,997
Future Development Reserve Fund Loan The current fund shall repay the Reserve Fund three interest payments of \$10,000. Balance of loan to be repaid by February 2007.	200,000	200,000
	\$ 1,907,812	\$ 2,041,149

2. Deferred Revenue

Obligatory Reserve Funds		
Development charges act	\$ 19,780	\$ 66,759
Recreational land	87,079	65,931
Federal Gas Tax	117,531	-
Other	106,202	41,522
	\$ 330,592	\$ 174,212

The Municipality of North Perth Notes to Financial Statements

December 31, 2005

3. Long-Term Liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2005	2004
Tile drainage liabilities, repayable by benefiting landowners	\$ 417,298	\$ 384,624
Long-term liabilities, repayable by benefiting landowners	210,653	212,221
Long-term liabilities incurred by the municipality bearing interest at 2.43% to 10.00%	9,719,609	8,750,805
	\$ 10,347,560	\$ 9,347,650

Principal payments for the next 5 fiscal years and thereafter are as follows:

2006	\$ 636,787
2007	512,990
2008	435,668
2009	405,306
2010	655,757
Thereafter	7,701,052

4. Landfill Closure and Post-Closure Liabilities

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The Municipality operates three landfill sites. The liability for these sites is recorded at \$881,968 and represents the present value and post closure costs using the Government of Canada's average long-term borrowing rate of 6%, based on the following information for each site:

	Percent of Opened Cells	Remaining Capacity	Future Expenditures	Remaining Life	Post-closure Care
Listowel	100%	24,764 m ³	\$ 795,662	2.4 years	46 years
Elma	100%	963,601 m ³	4,238	63.2 years	85 years
Wallace	100%	30,207 m ³	82,068	23.8 years	78 years
		1,018,572 m ³	\$ 881,968		

The Municipality of North Perth Notes to Financial Statements

December 31, 2005

This liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

5. Amounts to be recovered

	2005	2004
Capital outlay financed by long-term liabilities and to be recovered in future years	\$ 9,719,609	\$ 8,750,805
Post-employment benefits	236,361	245,048
Solid waste closure and post-closure liabilities	881,968	2,062,300
	\$ 10,837,938	\$ 11,058,153

6. Other Income

	2005	2005	2004
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 90,000	\$ 63,784	\$ 84,527
Other fines and penalties	15,000	7,206	16,498
Investment income	89,700	262,325	308,394
Licences, permits and rents	298,115	379,290	243,735
Donations	35,024	38,528	79,985
Prepaid special charges	-	1,477,266	551,912
Sale of publications, equipment, etc.	534,350	559,227	606,044
Sale of land, equipment and other assets	113,760	158,016	190,500
	\$ 1,175,949	\$ 2,945,642	\$ 2,081,595

7. Expenditures by Object

Total operating expenditures for the year reported on the consolidated statement of financial activities are as follows:

	2005	2004
Salaries, wages and employee benefits	\$ 3,572,640	\$ 3,082,096
Materials	3,733,643	3,829,380
Contracted services	3,107,880	3,083,908
Rents and financial expenses	21,191	-
Interest on long-term debt	217,427	209,321
Contributions to other organizations	149,961	187,249
Amounts for unfunded liabilities	(1,189,019)	154,949
	\$ 9,613,723	\$ 10,546,903

The Municipality of North Perth Notes to Financial Statements

December 31, 2005

8. Debt Recoverable from Others

	<u>2005</u>	<u>2004</u>
Tile drainage loans repayable from individuals	\$ 417,298	\$ 384,624
Local improvements receivable, 10.5%, blended annual payments of \$2,851, due 2010	10,653	12,221
Loan receivable, three interest payments of \$10,000		
Balance of loan to be repaid by February 2007	<u>200,000</u>	<u>200,000</u>
	<u>\$ 627,951</u>	<u>\$ 596,845</u>

9. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 55 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2005 was \$274,523 (2004 - \$253,672).

10. Public Sector Salary Disclosure

During 2005, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Municipality of North Perth.

11. Budget Amounts

Under generally accepted accounting principles, budget amounts are to be reported on the consolidated statement of financial activities for comparative purposes. The 2005 budget amounts for the Municipality of North Perth approved by Council have been restated to conform to the basis of preparation of the revenues and expenditures on the consolidated statement of financial activities.

The Municipality of North Perth Notes to Financial Statements

December 31, 2005

12. Operations of School Boards and the County of Perth

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Perth:

	<u>2005</u>	<u>2004</u>
School boards	\$ 4,138,242	\$ 4,048,104
County of Perth	<u>2,980,103</u>	<u>2,734,816</u>
	<u>\$ 7,118,345</u>	<u>\$ 6,782,920</u>

13. Trust Funds

The trust funds administered by the municipality amounting to \$358,436 (2004 - \$339,168) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2005, the trusts fund balances are as follows:

	<u>2005</u>	<u>2004</u>
Cemetery Care and Maintenance funds	\$ 358,436	\$ 339,168

14. Contractual Obligation

In accordance with a five year operation and maintenance agreement entered into by the municipality on April 18, 2004, the existing sewage and water works systems are to be operated and maintained by Azurix North America Inc.. The town is obligated to pay a maximum annual charge of \$546,000 (plus G.S.T.) adjusted annually effective January 1, 2005. The maximum annual charge is based on 2001 average day water and wastewater flow (plus or minus 5%) and in the event of the annual average flows varying greater than 5%, the municipality is required to reimburse Azurix North America Inc. for the actual incurred costs plus 10%. In addition to the annual charge, the agreement provides that all maintenance and repair items not normally performed on an annual basis and capital expenditures are to be paid for by the municipality on the basis of cost plus 10% and are to be undertaken at the municipality's discretion.

The Municipality of North Perth Notes to Financial Statements

December 31, 2005

15. Contingencies

A number of appeals of the current value assessment of properties in the municipality are currently in process. The impact on taxation revenue as a result of settlement of these appeals is not determinable at this time. The effect on taxation of the settlement of these appeals will be recorded in the fiscal year in which they can be determined.

The municipality is a defendant in a number of lawsuits. The ultimate liability if any, cannot be determined at this time.

16. Comparative Figures

The comparative information in the financial statements was reported on by the firm Monteith, Monteith & Co. which merged with BDO Dunwoody LLP on January 1, 2006.

The comparative figures have been restated to conform to the current year's presentation.

The Municipality of North Perth Schedule of Current Fund Operations

For the year ended December 31	2005 Budget	2005 Actual	2004 Actual
Revenue			
Taxation	\$ 5,732,463	\$ 5,790,133	\$ 5,339,064
Fees and user charges	4,879,109	5,088,051	5,364,753
Ontario grants	2,252,383	2,231,734	2,173,919
Municipal grants	103,764	83,031	58,300
Other	1,049,835	1,120,420	1,084,279
Transfers from obligatory reserve fund	-	-	200,726
	<u>14,017,554</u>	<u>14,313,369</u>	<u>14,221,041</u>
Expenditures			
General government	1,197,700	1,298,839	1,003,038
Protection services	2,751,164	2,475,314	2,618,467
Transportation services	1,814,500	1,824,323	1,615,942
Environmental services	2,465,580	1,144,304	2,551,166
Health services	117,550	136,058	138,124
Social and family services	323,875	360,058	323,265
Recreation and cultural services	2,017,876	2,193,216	2,033,421
Planning and development	181,050	181,611	263,480
	<u>10,869,295</u>	<u>9,613,723</u>	<u>10,546,903</u>
Net revenues for the year	<u>3,148,259</u>	<u>4,699,646</u>	<u>3,674,138</u>
Financing and transfers			
Debt principal repayments	(450,000)	(401,213)	(507,732)
Change in post-employment benefits	-	(8,687)	(5,105)
Change in solid waste closure and post-closure liabilities	-	(1,180,332)	160,054
Transfers to capital fund operations	126,738	58,660	(1,642,616)
Transfers to reserves and reserve funds	(3,113,922)	(3,455,557)	(1,673,583)
	<u>(3,437,184)</u>	<u>(4,987,129)</u>	<u>(3,668,982)</u>
Change in fund balance for the year	(288,925)	(287,483)	5,156
Current Fund, beginning of the year	<u>288,925</u>	<u>315,893</u>	<u>310,737</u>
Current Fund, end of the year	\$ -	\$ 28,410	\$ 315,893

The Municipality of North Perth Schedule of Capital Fund Operations

For the year ended December 31	2005 Budget	2005 Actual	2004 Actual
Revenue			
Canada grants	\$ 2,426,768	\$ 355,553	\$ 153,191
Ontario grants	3,152,768	1,686,849	196,724
Municipal grants	-	7,436	28,205
Other	126,114	1,644,367	804,561
Obligatory reserve fund revenue recognized	-	378,297	-
	<u>5,705,650</u>	<u>4,072,502</u>	<u>1,182,681</u>
Expenditures			
General government	125,328	131,673	54,445
Protection services	4,000	15,559	139,450
Transportation services	2,180,200	2,290,978	6,138,136
Environmental services	10,353,683	5,847,695	2,068,102
Health services	-	891	-
Social and family services	17,200	21,811	53,004
Recreation and cultural services	179,825	149,346	233,157
Planning and development	40,000	149,299	1,447,969
	<u>12,900,236</u>	<u>8,607,252</u>	<u>10,134,263</u>
Net revenues (expenditures) for the year	<u>(7,194,586)</u>	<u>(4,534,750)</u>	<u>(8,951,582)</u>
Financing and transfers			
Issue of long-term liabilities	3,702,691	1,401,123	6,251,794
Transfers from current fund operations	(126,738)	(58,660)	1,642,616
Transfers from (to) reserves and reserve funds	3,618,633	2,216,447	517,676
Transfer of proceeds of long-term debt to others	-	(123,800)	(39,000)
	<u>7,194,586</u>	<u>3,435,110</u>	<u>8,373,086</u>
Change in fund balance for the year	-	(1,099,640)	(578,496)
Capital Fund, beginning of the year	<u>(1,392,402)</u>	<u>(1,392,402)</u>	<u>(813,906)</u>
Capital Fund, end of the year	<u>\$ (1,392,402)</u>	<u>\$ (2,492,042)</u>	<u>\$ (1,392,402)</u>

The Municipality of North Perth Schedule of Reserves and Reserve Funds

For the year ended December 31	2005 Budget	2005 Actual	2004 Actual
Revenue (Expenditure)			
Other revenue	\$ 181,000	\$ 180,855	\$ 192,755
Net Transfers from (to) other funds			
Transfer from current fund operations	3,113,922	3,455,557	1,673,583
Transfer from (to) capital fund operations	(3,618,633)	(2,216,447)	(517,676)
	(504,711)	1,239,110	1,155,907
Change in balance for the year	(323,711)	1,419,965	1,348,662
Reserves and Reserve Funds, beginning of the year	8,452,947	8,452,947	7,104,285
Reserves and Reserve Funds, end of the year	\$ 8,129,236	\$ 9,872,912	\$ 8,452,947

Analyzed as follows:

Reserves set aside for specific purpose by Council:

Working funds	\$ 550,000	\$ 550,000
Post-employment benefits	91,057	73,534
Current purposes	1,611,528	1,185,346
Capital purposes	1,054,458	407,015
	<u>3,307,043</u>	<u>2,215,895</u>

Reserve funds set aside for specific purpose by Council:

Current purposes	77,385	-
Capital purposes	6,488,484	6,237,052
	<u>6,565,869</u>	<u>6,237,052</u>

Reserves and Reserve Funds, end of the year	\$ 9,872,912	\$ 8,452,947
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Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of the Municipality of North Perth

We have audited the statement of financial position of the trust funds - cemetery board of the Municipality of North Perth as at December 31, 2005 and the statement of continuity of the trust funds for the year then ended. These financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds - cemetery board of the Municipality of North Perth as at December 31, 2005 and the results of financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.

“BDO DUNWOODY LLP”

Chartered Accountants

Stratford, Ontario
May 23, 2006

**The Municipality of North Perth
Trust Funds - Cemetery Board
Statement of Financial Position**

For the year ended December 31	2005	2004
	Actual	Actual
Assets		
Cash	\$ 197,140	\$ 169,820
Investments	159,142	175,124
Due from (to) municipality	2,154	(5,776)
	\$ 358,436	\$ 339,168
Fund Balance	\$ 358,436	\$ 339,168

**The Municipality of North Perth
Trust Funds - Cemetery Board
Statement of Financial Activities and Fund Balance**

For the year ended December 31	2005	2004
Revenue		
Plot sales/monuments	\$ 19,268	\$ 19,350
Transfer from Elma/Mornington Trust	-	5,472
Interest	<u>10,590</u>	<u>13,132</u>
	<u>29,858</u>	<u>37,954</u>
Expenditures		
Transfer to municipality	<u>10,590</u>	<u>13,132</u>
Net revenues (expenditures) for the year	19,268	24,822
Fund Balance, beginning of the year	<u>339,168</u>	<u>314,346</u>
Fund Balance, end of the year	<u>\$ 358,436</u>	<u>\$ 339,168</u>

**The Municipality of North Perth
Trust Funds - Cemetery Board
Summary of Significant Accounting Policies**

December 31, 2005

Management Responsibility

The financial statements of the Municipality of North Perth Trust Funds - Cemetery Board are the representation of management. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgment and review.

Accrual Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Investments

Investments are recorded at the lower of cost and market value.

**The Municipality of North Perth
Cemetery Board
Statement of Financial Activities and Fund Balance**

For the year ended December 31	2005	2005	2004
	Budget	Actual	Actual
Revenue			
Sale of plots	\$ 35,500	\$ 47,356	\$ 45,449
Transfer from (to) Municipality of North Perth	66,850	67,470	79,448
Interest income	8,200	10,590	13,132
Burial charges	21,000	24,930	25,870
Sundry	4,000	4,603	4,225
	<u>135,550</u>	<u>154,949</u>	<u>168,124</u>
Expenditures			
Cemetery and building maintenance	28,950	25,841	33,569
Administration and general	78,100	90,949	85,205
Transfer to perpetual care fund	10,500	19,268	19,350
Capital expenditure	-	891	-
	<u>117,550</u>	<u>136,949</u>	<u>138,124</u>
Net revenues for the year	<u>18,000</u>	<u>18,000</u>	<u>30,000</u>
Financing and transfers			
Transfers to reserves	(18,000)	(18,000)	(30,000)
Fund Balance, beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Municipality of North Perth
North Perth Public Library Board
Statement of Financial Activities and Fund Balance**

For the year ended December 31	2005	2005	2004
	Budget	Actual	Actual
Revenue Fund			
Revenue			
Fees and user charges	7,550	7,152	7,535
Donations - Operating	1,070	3,545	2,590
Donations - Friends	2,500	3,797	5,969
Municipality of North Perth funding	320,873	329,278	308,054
Ontario grants	23,013	24,574	23,013
Canada grants	1,000	3,592	6,227
Other grants	-	-	1,888
Other operating revenue	6,840	11,448	8,254
	362,846	383,386	363,530
Expenditures			
Administrative	33,470	38,601	41,061
Books, videos and periodicals	53,000	49,079	47,879
Repairs and maintenance	28,000	21,512	25,393
Wages and benefits	221,428	239,577	222,550
Utilities and insurance	26,948	34,617	26,647
	362,846	383,386	363,530
Net revenues (expenditures) for the year	\$ -	\$ -	\$ -
Capital Fund			
Capital revenue			
Grants	\$ 10,000	\$ 22,579	\$ 12,000
Municipality of North Perth	-	15,888	(12,636)
Transfer from reserve	-	-	7,369
	10,000	38,467	6,733
Capital Expenditure			
Capital Expenditure	-	21,467	6,733
Transfer to reserve	10,000	17,000	-
	10,000	38,467	6,733
Net revenues for the year	\$ -	\$ -	\$ -

**The Municipality of North Perth
Business Improvement Association
Statement of Financial Activities and Fund Balance**

For the year ended December 31	2005	2005	2004
	Budget	Actual	Actual
Revenue			
Taxation revenue	\$ 50,000	\$ 50,002	\$ 50,114
Miscellaneous	2,800	309	9,753
	<u>52,800</u>	<u>50,311</u>	<u>59,867</u>
Expenditures			
Administrative	9,750	3,870	26,254
Advertising and promotion	40,250	24,009	21,426
Downtown beautification	10,000	5,919	7,391
	<u>60,000</u>	<u>33,798</u>	<u>55,071</u>
Net revenues (expenditures) for the year	(7,200)	16,513	4,796
Fund balance, beginning of year	7,200	7,196	2,400
Fund balance, end of year	\$ -	\$ 23,709	\$ 7,196