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INDEPENDENT AUDITORS' REPORT

To the Members of the Essex-Windsor Solid Waste Authority

We have audited the accompanying financial statements of Essex-Windsor Solid Waste Authority, which comprise the statement of financial position as at December 31, 2010 and the statements of operations and accumulated surplus (deficit), change in net debt and cash flows for the year then ended, and notes, comprising 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 generally accepted accounting principles 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.

Auditors' 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 an 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 our 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, we consider internal controls relevant to the Entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 Essex-Windsor Solid Waste Authority as at December 31, 2010, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

July 5, 2011

Windsor, Canada

ESSEX - WINDSOR SOLID WASTE AUTHORITY

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2010, WITH COMPARATIVE FIGURES FOR 2009

	2010 \$	2009 \$
FINANCIAL ASSETS		
Cash	20,531,997	16,776,383
Accounts receivable	4,005,998	3,158,391
Due from City of Windsor (Note 2)	12,877,079	11,991,190
Other current assets	7,219	9,475
TOTAL FINANCIAL ASSETS	37,422,293	31,935,439
FINANCIAL LIABILITIES		
Due to County of Essex	335,913	155,315
Accounts payable and accrued liabilities	3,182,980	1,916,517
Holdbacks payable	-	4,500
Employee benefits payable (Note 4)	297,300	274,500
Regional landfill post closure costs (Note 5)	2,534,500	1,841,000
Net long term liability (Note 6)	68,083,220	67,689,063
TOTAL FINANCIAL LIABILITIES	74,433,913	71,880,895
NET DEBT	(37,011,620)	(39,945,456)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	33,573,621	36,500,315
Prepaid expenses and deposit	82,088	87,866
TOTAL NON-FINANCIAL ASSETS	33,655,709	36,588,181
ACCUMULATED DEFICIT (Note 8)	(3,355,911)	(3,357,275)
CONTINGENCY (Note 11)		

The accompanying notes are an integral part of this financial statement.

ESSEX - WINDSOR SOLID WASTE AUTHORITY

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS(DEFICIT) FOR THE YEAR ENDED DECEMBER 31, 2010, WITH COMPARATIVE FIGURES FOR 2009

	Budget 2010 \$ (Unaudited - Note 9)	Actual 2010 \$	Actual 2009 \$
Revenue			
Tipping fees	15,691,040	14,934,908	12,353,727
Sale of recyclable materials	3,097,650	3,651,552	2,213,563
Recovery of perpetual care costs	802,300	802,304	857,997
Rent	79,000	78,982	78,982
Interest income	568,800	1,132,661	235,970
Sale of scrap metal - public drop-off depots	60,000	121,467	42,612
Other	294,750	474,083	491,803
Stewardship Ontario - recycling operating funding	1,146,640	1,144,833	905,686
Stewardship Ontario - municipal household and special waste	280,000	519,198	279,431
Stewardship Ontario - tires	-	14,085	22,383
Stewardship Ontario - public education and advertising	18,000	16,902	30,311
Stewardship Ontario - electronics	78,000	94,248	79,398
Sale of blue boxes	45,000	46,074	37,674
Sale of organic material	150,000	205,994	189,925
Insurance proceeds	-	25,390	152,586
Gain on sale of vehicles	-	139,413	-
Total Revenue	22,311,180	23,402,094	17,972,048
Expenses			
Administration	1,195,750	1,141,546	1,131,219
Realty	22,300	296,109	13,894
Recycling	5,726,230	5,669,838	5,293,972
Municipal Hazardous or Special Waste	469,300	625,192	474,747
Waste reduction and reuse	782,420	967,778	710,629
Advertising and public education	309,650	312,778	355,444
Perpetual Care - Landfill Site # 2	209,000	186,164	174,843
Perpetual Care - Landfill Site # 3	779,720	406,632	673,926
Regional landfill	2,402,490	1,930,178	1,934,119
Regional Landfill - initial construction and future cell development	-	394,157	567,083
Windsor Transfer Station #1	1,181,190	1,192,854	921,014
Kingsville Transfer Station #2	565,800	576,815	552,662
Windsor Public Depot	815,580	776,615	574,730
Regional landfill debenture/rental payments	3,664,400	3,849,470	3,648,766
Town of Essex compensation	1,679,940	1,463,725	1,159,207
Residents compensation	43,920	33,280	34,577
Post employment/retirement employee benefits	-	22,800	8,800
Regional landfill post closure costs (Note 5)	-	693,500	368,000
Amortization of tangible capital assets	2,861,299	2,861,299	2,869,130
Total expenses	22,708,989	23,400,730	21,486,762
Annual surplus (deficit)	(397,809)	1,364	(3,514,714)
Accumulated surplus (deficit), beginning of year		(3,357,275)	157,439
Accumulated deficit, end of year		(3,355,911)	(3,357,275)

The accompanying notes are an integral part of this financial statement.

ESSEX - WINDSOR SOLID WASTE AUTHORITY

STATEMENT OF CHANGE IN NET DEBT FOR THE YEAR ENDED DECEMBER 31, 2010, WITH COMPARATIVE FIGURES FOR 2009

	BUDGET	2010	2009
	\$	\$	\$
	(Unaudited - Note 9)		
Annual surplus (deficit)	(397,809)	1,364	(3,514,714)
Acquisition of tangible capital assets	(298,600)	(130,192)	(579,487)
Amortization of tangible capital assets	2,861,299	2,861,299	2,889,130
Gain on sale of tangible capital assets	-	(139,413)	-
Proceeds on sale of tangible capital assets	-	335,000	-
	<u>2,164,890</u>	<u>2,928,058</u>	<u>(1,205,071)</u>
Acquisition of prepaid expenses and deposits	-	(82,088)	(87,866)
Use of prepaid expenses and deposits	-	87,866	85,637
Change in net debt	2,164,890	2,933,836	(1,207,300)
Net debt, beginning of year	<u>(39,945,456)</u>	<u>(39,945,456)</u>	<u>(38,738,156)</u>
Net debt, end of year	<u><u>(37,780,566)</u></u>	<u><u>(37,011,620)</u></u>	<u><u>(39,945,456)</u></u>

The accompanying notes are an integral part of this financial statement.

ESSEX - WINDSOR SOLID WASTE AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010, WITH COMPARATIVE FIGURES FOR 2009

	2010	2009
	<u>\$</u>	<u>\$</u>
Cash provided by (used in):		
Operation Activities		
Annual surplus(deficit)	1,364	(3,514,714)
Items not involving cash		
Amortization of tangible capital assets	2,861,299	2,889,130
Gain on sale of tangible capital assets	(139,413)	-
Employee benefits payable	22,800	8,800
Regional landfill post closure costs	693,500	368,000
Change in non-cash assets and liabilities		
Accounts receivable	(847,607)	(721,660)
Due from City of Windsor	(885,889)	(34,473)
Prepaid expenses and deposits	5,778	(2,229)
Other current assets	2,256	660
Due to County of Essex	180,598	1,933
Accounts payable and accrued liabilities	1,266,463	(1,158,670)
Holdbacks payable	(4,500)	(84,396)
Net change in cash from operating activities	<u>3,156,649</u>	<u>(2,247,619)</u>
Capital Activities		
Proceeds on sale of tangible capital assets	335,000	-
Cash used to acquire tangible capital assets	(130,192)	(579,487)
Net change in cash from capital activities	<u>204,808</u>	<u>(579,487)</u>
Financing Activities		
Increase in net long term liability	394,157	567,083
Net change in cash from financing activities	<u>394,157</u>	<u>567,083</u>
Net change in cash	3,755,614	(2,260,023)
Cash, beginning of year	<u>16,776,383</u>	<u>19,036,406</u>
Cash, end of year	<u><u>20,531,997</u></u>	<u><u>16,776,383</u></u>

The accompanying notes are an integral part of this financial statement.

**Essex-Windsor Solid Waste Authority
Notes to the Financial Statements
For the Year Ended December 31, 2010**

1

The Essex-Windsor Solid Waste Authority (the "Authority") is a Joint Board of Management created by the Corporation of the County of Essex (the "County") and the Corporation of the City of Windsor (the "City") pursuant to an agreement dated May 18, 1994, (the "EWSWA Agreement") to establish, operate and manage, among other things, the Regional Landfill, recycling and waste diversion programs.

1. Summary of Significant Accounting Policies and Reporting Practices:

The financial statements of the Authority are prepared in accordance with accounting policies prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Basis of accounting:

(i) **Accrual:**

The accrual basis of accounting recognizes revenue as it is earned and is measurable. Expenditures are recognized as they are incurred and are measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(ii) **Non-financial Assets:**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(iii) **Tangible Capital Assets:**

Tangible Capital Assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset Classification & Amortization Schedule

Classification	Useful Life (Years)
Buildings	15-20
Machinery & Equipment	5-15
Vehicles	7-10
Land Improvements	10-20
Heavy Machinery	7-10
Office Equipment	10

The Regional Landfill has an estimated service capacity of 8,000,000 tonnes and is being amortized using the units of production method based on capacity used during the year.

Land has an infinite life and accordingly is not amortized.

1. Summary of Significant Accounting Policies and Reporting Practices (continued):

(iv) Landfill closure and post closure liability:

The liability for closure and post closure care of the Regional Landfill is recognized over the term of operation of the landfill, beginning when the site first accepts waste and will be fully recognized when the site stops accepting waste. The change in the liability and annual expenditure is determined pro-ratably based on the percentage of cumulative cubic metres used over total estimated cubic metres of capacity, to estimated total closure and post-closure expenditures, less expenditures previously recognized.

The Authority also monitors two closed landfills. Under agreements with five local municipalities, the Authority can recover the post closure care costs from the local municipalities in the same proportion as the waste deposited in the landfill. The local municipalities bear the cost of monitoring the closed landfills and therefore the liability for post closure costs have not been included in the liability for landfill post closure costs.

(v) Employee future benefit obligations:

The Authority has adopted the accrued method of accounting for employee future benefits as required by the Canadian Institute of Chartered Accountants. The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions of mortality and termination rates, retirement age and expected inflation rate. Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains and losses for non-pension post-retirement benefits are amortized over the average remaining service period of active employees, which is 14 years. Actuarial gains and losses for post-employment benefits are fully recognized in the year they arise.

(vi) Use of estimates:

The preparation of the financial statements in conformity with 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, the valuation of employee future benefits, the carrying value of Regional Landfill post-closure costs and the carrying value of tangible capital assets. Actual results could differ from those estimates.

2. Due from City of Windsor:

As more fully described in note 6, the Authority received certain proceeds and investments in settlement of certain litigation. These investments are held in trust by the City on behalf of the Authority and consist of the following:

	<i>Market Value 2010 \$</i>	<i>Market Value 2009 \$</i>
Bank of Montreal Stripped Coupon Bond Maturing March 26, 2011 – 17,000	16,910	-
CIBC Stripped Coupon Bond Maturing March 28, 2011 - 4,531,352	4,513,199	4,445,257
Province of Quebec stripped coupon Bond Maturing March 30, 2011 – 319,029	318,168	-
Province of Ontario Stripped Coupon Bond Maturing December 12, 2016 - 5,961,150	4,876,817	4,486,362
Government of Canada Stripped Coupon Bond Maturing December 1, 2024 - 5,317,650	3,151,239	2,727,954
RBC Dominion Securities - Cash	746	331,617
	<u>\$12,877,079</u>	<u>\$11,991,190</u>

3. Pension Agreements

The Authority contributes to the Ontario Municipal Employees Retirement System (OMERS) on behalf of 27 employees. OMERS is a multi-employer, defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on their length of service and earnings.

The amount contributed to OMERS for 2010 was \$105,091 (2009 - \$101,567) for current service. Contributions in the current year have been included as an expense within the statement of operations and accumulated surplus (deficit).

4. Employee Benefits Payable

Employee future benefit obligations are future liabilities of the Authority to its employees and retirees for benefits earned but not taken as at December 31, 2010 and consists of the following:

	<i>2010 \$</i>	<i>2009 \$</i>
Post retirement benefits	260,500	237,400
Post employment benefits	36,800	37,100
	<u>\$297,300</u>	<u>\$274,500</u>

**Essex-Windsor Solid Waste Authority
Notes to the Financial Statements
For the Year Ended December 31, 2010**

The Authority measures its post retirement and post employment benefit obligation for accounting purposes as at December 31 each year. A valuation date of December 31, 2010 has been used. The significant actuarial assumptions adopted in measuring the Authority's accrued benefit obligations are as follows:

	2010	2009
Discount rate	5%	4.41%
<i>Medical trend rate</i>		
Initial	12%	12%
Ultimate	6%	6%
Dental trend rate	4%	4%

Information about the Authority's future obligation with respect to post retirement and employment benefits are as follows:

	2010	2009
	\$	\$
Accrued benefit liability at the beginning of the year	274,500	265,700
Current service cost	12,800	11,700
Interest	13,300	13,100
Amortization of net actuarial losses (gains)	3,000	(9,600)
Benefits paid	(6,300)	(6,400)
Accrued benefit liability at the end of the year	<u>297,300</u>	<u>274,500</u>
Unamortized net actuarial gains	(10,900)	(17,800)
Accrued benefit obligations at the end of the year	<u>286,400</u>	<u>\$256,700</u>

5. Regional Landfill Post-Closure Costs:

The Statement of Financial Position reflects a balance of \$2,534,500 (2009 - \$1,841,000) for Regional Landfill closure and post-closure care expenditures, representing an estimate of expenditures that would otherwise be incurred had the Regional Landfill ceased receiving waste as of December 31, 2010. This liability for perpetual care is to be recognized over the term of the Regional Landfill operation, the balance of which is currently estimated to be an additional 34 years, based on past and projected waste levels. The site has an approximate capacity of 12.2 million cubic metres, of which 3.6 million has been consumed to December 31, 2010. The nature of closure and post-closure expenditures will relate to final cover and vegetation; monitoring, hauling and treating leachate; monitoring ground and surface water; monitoring gas and maintenance of drainage system and final cover.

It is being estimated that by the time the Regional Landfill ceases operating in 2044, \$99 million will be required for closure and post-closure care for a period of 40 years subsequent to its closure, which is management's current best estimate of the period such care will be necessary.

The Authority has established a reserve to fund these future expenditures, and at December 31, 2010, the balance in this reserve fund approximated \$7.3 million.

6. Net Long-Term Liability:

In July 2005, the County, City and Authority (the "Plaintiff") settled a legal action commenced in the Ontario Superior Court of Justice against MFP Financial Services, Leasing-Infrastructure Financing Trust 1 ("LIFT") and others in which the Plaintiffs had alleged that certain of the defendants had fraudulently and negligently misrepresented the rate of interest payable by the Plaintiffs in respect of a head lease and sublease intended to be a loan to finance certain costs incurred by the Authority to develop the Regional Landfill and pay the costs of future landfill expansions.

Under the terms of the mediated and Court approved settlement, LIFT assigned its rights under the original head lease which the Court ruled was a loan from LIFT to the County and City, to Sun Life Assurance Company Limited ("Sun Life"). Sun Life restructured the loan, in favour of the debenture in the amount of \$62,808,331, bearing interest at 6.427% per annum, issued by the County, on behalf of the County and the Authority. The County and the City are jointly liable for the debenture, which provided for principal and interest payments on January 15 and July 15 of each year, commencing January 15, 2006 (interest only) and maturing on July 31, 2031. Total interest over the term of the debenture will aggregate \$88,454,959. Other significant terms and conditions of the settlement are as follows:

- (a) Cash proceeds of \$5,728,000 held by LIFT on account of a payment previously owing under the head lease were distributed to the County and City and used to retire certain indebtedness incurred in prior years by the Authority with respect to Regional Landfill expenditures.
- (b) Investments held by another defendant with a book value of \$10,195,743 (refer to note 2) at the date of settlement were distributed to the County and the Authority. At their respective maturity dates, these investments will be considered as further advances by LIFT as provided under the original head lease agreement.
- (c) Payment of \$7,146,880 by LIFT to the County and City, which was used, along with interest earned thereon, towards payments otherwise due with respect to the Sun Life debenture during the period commencing January 15, 2006 and ended on January 15, 2008. Those proceeds were intended to effectively reduce the original cost of borrowing included in the head lease and sub-lease during this period. As part of the agreement, no other payments with respect to the debenture are payable during this timeframe.

The investments noted in paragraph (b) above are currently being held by the City in trust for the Authority.

- (d) Payment of \$2,400,000 by MFP Financial Services Limited on account of costs of the legal action incurred by the Plaintiffs.

Net Long term liability consists of:

	2010	2009
	\$	\$
Debenture payable	66,115,755	65,732,988
Accrued Interest	1,967,465	1,956,075
	<u>\$68,083,220</u>	<u>\$67,689,063</u>

Under the terms of the debenture agreement, no principal repayments are required until July 2013 and the excess of interest otherwise payable over the actual amount of the debenture payments due annually is capitalized as part of the debenture payable.

Principal payments due over the next five years are as follows:

2011	-
2012	-
2013	\$214,856
2014	\$449,066
2015 and thereafter	\$65,451,833

Essex-Windsor Solid Waste Authority
Notes to the Financial Statements
For the Year Ended December 31, 2010

7. Tangible Capital Assets:

2010

	Regional Landfill Construction	Land	Land Improvements	Building and Improvements	Vehicles	Heavy Machinery	Machinery and Equipment	Office Equipment	Total
Cost									
Balance, beginning of year	\$ 28,147,426	\$ 4,096,984	\$ 2,857,483	\$ 12,567,570	\$ 2,286,275	\$ 3,499,274	\$ 5,406,080	\$ 15,984	\$ 58,877,076
Additions	-	-	-	-	\$ 18,822	\$ 19,790	\$ 91,580	-	\$ 130,192
Disposals	-	-	-	-	(1,698,097)	-	-	-	(1,698,097)
Balance, end of year	\$ 28,147,426	\$ 4,096,984	\$ 2,857,483	\$ 12,567,570	\$ 607,000	\$ 3,519,064	\$ 5,497,660	\$ 15,984	\$ 57,309,171
Accumulated Amortization									
Balance, beginning of year	\$ 11,895,133	-	\$ 1,686,638	\$ 4,238,153	\$ 1,895,660	\$ 1,349,023	\$ 1,302,564	\$ 9,590	\$ 22,376,761
Disposals	-	-	-	-	(1,502,510)	-	-	-	(1,502,510)
Amortization Expense	\$ 1,370,839	-	\$ 139,908	\$ 569,650	\$ 137,647	\$ 105,921	\$ 535,736	\$ 1,598	\$ 2,861,299
Balance, end of year	\$ 13,265,972	-	\$ 1,826,546	\$ 4,807,803	\$ 530,797	\$ 1,454,944	\$ 1,838,300	\$ 11,188	\$ 23,735,550
Net Book Value, end of year	\$ 14,881,454	\$ 4,096,984	\$ 1,030,937	\$ 7,759,767	\$ 76,203	\$ 2,064,120	\$ 3,659,360	\$ 4,796	\$ 33,573,621

Essex-Windsor Solid Waste Authority
 Notes to the Financial Statements
 For the Year Ended December 31, 2010

7. Tangible Capital Assets (continued):

2009

	Regional Landfill Construction	Land	Land Improvements	Building and Improvements	Vehicles	Heavy Machinery	Machinery and Equipment	Office Equipment	Total
Cost									
Balance, beginning of year	\$ 28,147,426	\$4,096,984	\$ 2,857,483	\$ 12,527,475	\$ 2,286,275	\$ 3,360,481	\$ 5,005,481	\$ 15,984	\$ 58,297,589
Additions	-	-	-	40,095	-	138,793	400,599	-	579,487
Balance, end of year	28,147,426	4,096,984	2,857,483	12,567,570	2,286,275	3,499,274	5,406,080	15,984	58,877,076
Accumulated Amortization									
Balance, beginning of year	10,839,845	-	1,546,730	3,669,506	1,633,520	997,194	792,844	7,992	19,487,631
Amortization Expense	1,055,288	-	139,908	568,647	262,140	351,829	509,720	1,598	2,889,130
Balance, end of year	\$ 11,895,133	-	\$ 1,686,638	\$ 4,238,153	\$ 1,895,660	\$ 1,349,023	\$ 1,302,564	\$ 9,590	\$ 22,376,761
Net Book Value, end of year	\$ 16,252,293	\$4,096,984	\$ 1,170,845	\$ 8,329,417	\$ 390,615	\$ 2,150,251	\$ 4,103,516	\$ 6,394	\$ 36,500,315

Essex-Windsor Solid Waste Authority
Notes to the Financial Statements
For the Year Ended December 31, 2010

8. Accumulated Deficit:

Accumulated deficit consists of individual fund surplus (deficit) and reserves as follows:

	2010	2009
DEFICIT	\$	\$
Invested in tangible capital assets	23,475,828	25,208,883
Unfunded		
Net long-term liability	(68,083,220)	(67,689,063)
Landfill closure costs	(2,534,500)	(1,841,000)
Employee benefits	(297,300)	(274,500)
Total deficit	<u>(47,439,192)</u>	<u>(44,595,680)</u>
 RESERVES		
Equipment Replacement	6,231,111	5,692,806
Rate Stabilization	2,034,439	1,304,611
Working Capital	650,000	650,000
Regional Landfill	1,176,189	1,382,225
Regional Landfill Perpetual Care	7,294,329	6,741,161
Regional Landfill Debt Retirement	12,404,248	12,492,534
Regional Landfill Future Cell Construction	12,877,079	11,991,190
Landfill 2 Perpetual Care	32,794	65,856
Landfill 3 Perpetual Care	410,592	168,022
Recycling	972,500	750,000
Total reserves	<u>44,083,281</u>	<u>41,238,405</u>
 Total accumulated deficit	<u>(3,355,911)</u>	<u>(3,357,275)</u>

Essex-Windsor Solid Waste Authority
Notes to the Financial Statements
For the Year Ended December 31, 2010

9. Budget Data:

The unaudited budget data presented in these financial statements is based upon the 2010 operating and capital budgets approved by the Authority on December 1, 2009. Amortization was not contemplated on development of the budget and, as such, has been included based on the actual 2010 figure. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating Budget	\$ 24,177,469
Capital Budget	298,600
Less:	
Transfers from other funds	(2,164,889)
Total Revenue	\$ 22,311,180
Expenses:	
Operating Budget	\$ 22,708,989
Capital Budget	298,600
Less:	
Capital Expenditures	(298,600)
Total Expenses	\$22,708,989
Annual Deficit	\$ (397,809)

10. Expenditures by Object:

	2010	2009
	\$	\$
Operating goods and services	13,171,578	11,751,849
Regional Landfill financing costs	3,849,470	3,648,766
Municipal and residential compensation	1,497,005	1,193,784
Salaries, wages and employees benefits	2,021,378	2,003,233
Amortization	2,861,299	2,889,130
	<u>23,400,730</u>	<u>\$21,486,762</u>

11. Contingency:

During the normal course of operations, the Authority may be subject to various legal actions. The settlement of these actions, if any, is not expected to have a material effect on the financial statements of the Authority.