

**Attachment No. 1**

**THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2014**

# **THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES**

**For the year ended December 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

### To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of North Dumfries

We have audited the accompanying consolidated financial statements of The Corporation of the Township of North Dumfries which comprise the consolidated statement of financial position as at December 31, 2014, consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

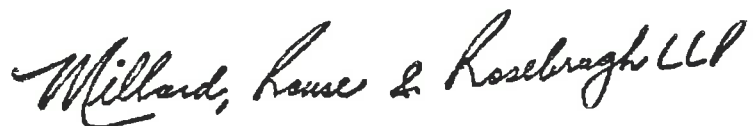
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Township management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of North Dumfries as at December 31, 2014, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



June 26, 2015  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>As at December 31</b>	<b>2014</b>	<b>2013</b>
<b>FINANCIAL ASSETS</b>		
Cash and bank	2,389,284	2,010,477
Taxes receivable (Note 4)	1,276,459	1,544,391
Accounts and grants receivable (Note 5)	1,122,625	1,271,126
Investment in Cambridge and North Dumfries Energy Plus Inc. (Note 6)	6,496,773	6,278,287
Notes receivable (Note 7)	3,019,708	3,019,708
<b>TOTAL FINANCIAL ASSETS</b>	<b>14,304,849</b>	<b>14,123,989</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	819,457	753,571
Other current liabilities	583,375	446,368
Deferred revenue (Obligatory Reserve Funds) (Note 8)	815,554	1,155,508
Employee post employment benefits (Note 11)	220,861	216,662
Net long-term liabilities (Note 9)	2,036,987	2,203,104
<b>TOTAL LIABILITIES</b>	<b>4,476,234</b>	<b>4,775,213</b>
<b>NET FINANCIAL ASSETS</b>	<b>9,828,615</b>	<b>9,348,776</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Schedule 1)	23,442,595	23,880,387
Inventories and prepaid expenses	82,959	41,482
	<b>23,525,554</b>	<b>23,921,869</b>
<b>NET ASSETS</b>	<b>33,354,169</b>	<b>33,270,645</b>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<b>33,354,169</b>	<b>33,270,645</b>

**THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

<b>For the year ended December 31</b>	<b>Budget</b> <i>(Note 17)</i>	<b>2014</b>	<b>2013</b>
<b>REVENUES</b>			
Residential and farm taxation	2,793,450	2,668,836	2,526,467
Commercial, industrial and business taxation	1,111,000	1,144,637	1,068,578
Taxation from other governments	-	78,031	81,508
Fees and user charges (Note 13)	1,034,243	1,235,625	827,985
Canada grants	2,155	1,088	131,472
Ontario grants	283,062	281,725	331,195
Recoveries from other municipalities	5,250	1,716	6,743
Other revenue (Note 16)	936,605	1,917,120	1,708,603
	<b>6,165,765</b>	<b>7,328,778</b>	<b>6,682,551</b>
Change in equity in Cambridge and North Dumfries Energy Plus Inc. (Note 6)	-	218,486	194,056
<b>TOTAL REVENUES</b>	<b>6,165,765</b>	<b>7,547,264</b>	<b>6,876,607</b>
<b>EXPENSES</b>			
General government	1,021,611	1,112,844	1,082,226
Interest	95,955	95,955	100,493
Protection services	1,348,739	1,358,294	1,355,614
Transportation services	2,054,970	1,969,434	1,727,009
Environmental services	37,065	37,065	37,065
Recreation and cultural services	1,412,011	1,688,856	1,352,914
Planning and development	317,895	372,257	316,041
	<b>6,288,246</b>	<b>6,634,705</b>	<b>5,971,362</b>
<b>INCOME BEFORE UNDER-NOTED ITEMS</b>	<b>(122,481)</b>	<b>912,559</b>	<b>905,245</b>
<b>OTHER INCOME/(EXPENSE)</b>			
Gain on disposal of tangible capital assets	-	3,656	11,590
Amortization of tangible capital assets (Schedule 1)	-	(832,691)	(804,532)
	-	<b>(829,035)</b>	<b>(792,942)</b>
<b>ANNUAL SURPLUS FROM OPERATIONS</b>	<b>(122,481)</b>	<b>83,524</b>	<b>112,303</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>-</b>	<b>33,270,645</b>	<b>33,158,342</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>(122,481)</b>	<b>33,354,169</b>	<b>33,270,645</b>

**THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>For the year ended December 31</b>	<b>2014</b>	<b>2013</b>
<b>Operating Activities</b>		
Annual Surplus from operations	83,524	112,303
sources (uses) of cash:		
Taxes receivable	267,932	(184,911)
Accounts receivable	148,501	(748,187)
Accounts payable and accruals	65,886	(1,624,323)
Employee post employment benefits	4,199	5,929
Deferred revenues - obligatory reserve funds	(339,954)	(105,221)
Other current liabilities	137,007	261,087
Inventories and prepaid expenses	(41,477)	3,567
	<b>325,618</b>	<b>(2,279,756)</b>
Non-cash charges to operations:		
Amortization	832,691	804,532
(Gain) on disposal of assets	(3,656)	(11,590)
<b>Cash Provided by Operating Transactions</b>	<b>1,154,653</b>	<b>(1,486,814)</b>
<b>Capital Activities</b>		
Acquisition of tangible capital assets (net of transferred CIP)	(405,243)	(1,237,601)
Proceeds on disposal of tangible capital assets	14,000	11,590
<b>Cash Applied to Financing Transactions</b>	<b>(391,243)</b>	<b>(1,226,011)</b>
<b>Investing Activities</b>		
Increase in investment in Cambridge and North Dumfries Energy Inc.	(218,486)	(194,056)
<b>Financing Activities</b>		
Repayment of long-term liabilities	(166,117)	(161,897)
<b>Net Change in Cash</b>	<b>378,807</b>	<b>(3,068,778)</b>
<b>Cash - Beginning of Year</b>	<b>2,010,477</b>	<b>5,079,255</b>
<b>Cash - End of Year</b>	<b>2,389,284</b>	<b>2,010,477</b>

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

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The Corporation of the Township of North Dumfries is a Township 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The consolidated financial statements of The Corporation of the Township of North Dumfries (the "Township") are prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements and the reported amounts of revenues and expenditures during the period. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment. Actual results could differ from these estimates. Significant aspects of the accounting policies adopted by the Township are as follows:

#### (a) Reporting Entities

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is composed of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township.
- (ii) **Non-Consolidated Entities**  
The Township has no unconsolidated local boards, joint local boards and municipal enterprises.
- (iii) **Accounting for Region and School Board Transactions**  
The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the Regional Municipality of Waterloo are not reflected in the municipal fund balances of these consolidated financial statements.
- (iv) **Trust Funds**  
Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Financial Position.
- (v) **Investment in Cambridge and North Dumfries Energy Plus Inc.**  
The Township reports its share investment in Cambridge and North Dumfries Energy Plus Inc. using the modified equity basis of accounting.

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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#### (b) Basis of Accounting

##### (i) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

##### (ii) Accrual Basis of Accounting

Expenditures and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenues; expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

##### (iii) 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, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Park equipment	15 years
Infrastructure - Roads	15 years
Infrastructure - Bridges	75 years
Land improvements	10-30 years
Buildings	40 years
Technology	4 years
Equipment	14 years
Vehicles	7 years

##### (iv) Reserves and Reserve Funds

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

##### (v) Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.



# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (vi) Deferred Revenue - Obligatory Reserve Funds

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

### 2. OPERATIONS OF SCHOOL BOARDS AND REGION OF WATERLOO

Further to Note 1(a)(iii), during 2014, the Township made property tax transfers to School Boards and the Region. The amount collected and remitted is summarized below:

	2014	2013
Public English	5,396,684	5,337,491
Separate English	1,615,945	1,637,910
Public French	18,044	17,617
Separate French	53,615	51,820
Region of Waterloo	10,185,380	10,076,995

### 3. TRUST FUNDS

Trust funds administered by the Township amounting to \$266,591 (2013 - \$264,394) have not been included on the Consolidated Balance Sheet nor have their operations been included in the Consolidated Statement of Operations.

### 4. TAXES RECEIVABLE

	2014	2013
Taxes receivable	1,300,459	1,555,391
Allowance for doubtful accounts	(24,000)	(11,000)
	1,276,459	1,544,391

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 5. ACCOUNTS AND GRANTS RECEIVABLE

	2014	2013
Grants receivable - Federal	-	421,038
Grants receivable - Provincial	70,900	8,409
Other municipalities	57,314	12,860
HST receivable	595,438	337,651
Other accounts receivable	398,973	491,168
	<b>1,122,625</b>	<b>1,271,126</b>

### 6. INVESTMENT IN CAMBRIDGE AND NORTH DUMFRIES ENERGY PLUS INC.

In compliance with provincial legislation enacted to restructure the electricity industry in Ontario, Council approved the incorporation of the business of the former Cambridge and North Dumfries Hydro-Electric Commission. Four companies were incorporated under the Ontario Business Corporations Act; the holding company, Cambridge and North Dumfries Energy Plus Inc., and its wholly owned subsidiaries, Cambridge and North Dumfries Energy Solutions Inc., Cambridge and North Dumfries Hydro Inc. and Fibretech Telecommunications (Cambridge) Inc.

The Township owns 7.9% of all outstanding shares of Cambridge and North Dumfries Energy Plus Inc.

During the year, Cambridge and North Dumfries Hydro Inc. purchased 100% percent of the outstanding shares of Brant County Power Inc. The Town's percentage ownership of this new subsidiary is also 7.9%.

	2014	2013
The Township's investment is comprised of the following:		
<b>Accumulated Equity</b>		
Common shares (79 shares)	3,221,948	3,221,948
Prior years accumulated earnings	3,056,339	2,862,283
	<b>6,278,287</b>	<b>6,084,231</b>
Net income for the year	419,752	402,533
Dividends	(201,266)	(208,477)
Change in equity for the year	218,486	194,056
Equity- End of Year	6,496,773	6,278,287
Notes receivable (Note 7)	3,019,708	3,019,708
<b>Net Investment</b>	<b>9,516,481</b>	<b>9,297,995</b>

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 7. NOTES RECEIVABLE

The Township holds a promissory note from Cambridge and North Dumfries Hydro Inc. The note is payable on demand with six months notice and is payable interest only on a quarterly basis. The established interest rate is currently 4.993% (2013 - 4.993%). The principal amount outstanding is as follows:

	2014	2013
Cambridge and North Dumfries Hydro Inc.	3,019,708	3,019,708

### 8. DEFERRED REVENUE (OBLIGATORY RESERVE FUNDS)

A requirement of the public sector accounting principles of the Chartered Professional Accountants Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized as follows:

Obligatory Reserve Funds	2014	2013
Development charges	443,365	704,246
Recreational land	109,491	55,933
Federal gas transfer	262,698	395,329
	815,554	1,155,508

#### Continuity of Deferred Revenue is as Follows:

	2014	2013
Balance, beginning of year	1,155,508	1,260,729
Contributions from Federal gas tax	277,697	278,008
Contributions from Development Charges Act	160,521	155,723
Contributions from Developers	77,640	87,054
Interest earned	4,915	5,749
Total revenue	520,773	526,534
Less: Development charges and grants earned	860,727	631,755
Balance, end of year	815,554	1,155,508

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 9. NET LONG-TERM LIABILITIES

The total long-term liabilities reported on the consolidated statement of financial position include the following:

	2014	2013
4.5% Loan payable to Region of Waterloo, annual payments of \$8,456 including principal and interest.	57,257	62,374
Variable rate (1% to 4.95%) 15 year debenture payable to the Region of Waterloo. Annual payments of \$161,000 plus interest. Principal payments increase annually up to the final year payment of \$243,000.	1,979,730	2,140,730
	<u>2,036,987</u>	<u>2,203,104</u>

The following table outlines the principal and interest repayment requirements on the long-term debt:

	Principal	Interest	Total
2015	171,348	90,721	262,069
2016	177,588	84,849	262,437
2017	183,839	78,233	262,072
2018	191,103	70,940	262,043
2019	199,377	62,895	262,272
Thereafter	1,113,732	168,642	1,282,374
	<u>2,036,987</u>	<u>556,280</u>	<u>2,593,267</u>

### 10. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2014 was \$117,914 (2013 - \$146,132) and is included as an expenditure on the Consolidated Statements of Operations.

Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, The Township does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements. The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Township provides post employment benefits to employees voluntarily electing retirement before the age of sixty-five. The Township provides an Extended Health Care Plan and a Dental Plan to retirees who have at least fifteen years of service and had commenced employment within fifteen years of their normal retirement date. The Township also offers life insurance coverage up to two times salary at retirement. The post employment benefits terminate at the earlier of the retiree's sixty-fifth birthday or in the event of death preceding the retiree's sixty-fifth birthday.

The Township had an actuarial estimate of this liability completed in 2012. This valuation forms the basis of the estimated liability reported in these financial statements.

<b>Assumptions</b>	<b>2014</b>	<b>2013</b>
Discount rate	4.75%	4.75%
Healthcare cost increases	3%-6.33%	3%-6.33%
<b>Post Employment Benefits</b>		
Accrued benefit - end of prior year	216,662	210,733
Current period benefit expense	10,007	9,365
Accrued interest	10,150	9,915
Benefit payments	(15,958)	(13,351)
<b>Liability as at December 31</b>	<b>220,861</b>	<b>216,662</b>

### 12. ACCUMULATED SURPLUS

The fund balances at the end of the year, as reflected in the Consolidated Statement of Operations are comprised of the following:

	<b>2014</b>	<b>2013</b>
For the general reduction of taxation	(1,707,646)	(1,547,075)
Invested in tangible capital assets	23,442,595	23,880,387
	21,734,949	22,333,312
Cambridge and North Dumfries Utility Corporations - Net investment (Note 6)	9,516,481	9,297,995
Reserves (Note 19)	1,665,086	1,206,780
Reserve funds (Note 19)	437,653	432,558
	11,619,220	10,937,333
	33,354,169	33,270,645

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 13. FEES AND USER CHARGES

Fees and other charges consist of the following:

	2014 Budget	2014 Actual	2013 Actual
Administration and general governance	274,400	279,598	275,470
Fire services	26,000	39,336	26,926
Inspection and roadways	8,200	9,803	6,187
Recreation facilities and programs	550,750	754,043	452,591
Cultural services	(100)	63	125
Planning and zoning	174,993	152,782	66,686
	1,034,243	1,235,625	827,985

### 14. EMPLOYEE COMPENSATION

The Public Sector Disclosure Act, 1996, requires municipalities to disclose annually the names, positions, salaries and taxable benefits of employees paid \$100,000 or more in 2014. In 2014, the Township had one employee paid \$100,000 or more in the calendar year. This information can be found on the Ministry of Finance website at:

<http://www.fin.gov.on.ca/en/publications/salarydisclosure/pssd/orgs-tbs.php?year=2014&organization=municipalities&page=7>

### 15. COMPARATIVE AMOUNTS

Certain of the comparative figures, provided for the purpose of comparison, have been reclassified to conform to the current year's presentation.

**THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2014**

**16. OTHER REVENUE**

Other revenues of the Township are comprised of the following:

	<b>2014</b> Budget	<b>2014</b> Actual	<b>2013</b> Actual
Penalties and interest on taxes	207,500	208,793	201,489
Investment income	60,000	45,206	63,682
Interest earned on Energy Plus promissory note	150,000	150,774	150,774
Dividends from Energy Plus	209,251	201,266	208,477
Development charges and contributions	-	860,727	631,755
Licenses and permits	294,729	286,146	241,817
Donations	-	146,898	195,709
Other income	15,125	17,310	14,900
	<b>936,605</b>	<b>1,917,120</b>	<b>1,708,603</b>

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 17. BUDGET AMOUNTS

The Township Council approves the operating and capital budgets each year on a modified-accrual basis of accounting (sometimes referred to as cash basis). Since the audited financial statements are prepared on a full accrual basis, a reconciliation must be performed in order to present the annual budget. A summary of the reconciliation for 2014 is as follows:

STATEMENT OF OPERATIONS	2014 Approved Operating Budget	Adjustments*	2014 Full Accrual Budget
<b>Source of Revenue</b>			
Residential and farm taxation	2,793,450	-	2,793,450
Commercial, industrial and business taxation	1,111,000	-	1,111,000
Taxation from other governments	-	-	-
Fees and user charges	1,034,243	-	1,034,243
Canada grants	2,155	-	2,155
Ontario grants	283,062	-	283,062
Recoveries from other municipalities	5,250	-	5,250
Other revenue	936,605	-	936,605
Internal recoveries	736,924	(736,924)	-
Other income	150,000	(150,000)	-
	<b>7,052,689</b>	<b>(886,924)</b>	<b>6,165,765</b>
<b>Expenses by Function</b>			
General Government	1,032,550	(10,939)	1,021,611
Interest	262,072	(166,117)	95,955
Protection Services	1,400,035	(51,296)	1,348,739
Transportation Services	2,461,872	(406,902)	2,054,970
Environmental Services	37,065	-	37,065
Recreation and Cultural Services	1,541,200	(129,189)	1,412,011
Planning and Development	317,895	-	317,895
	<b>7,052,689</b>	<b>(764,443)</b>	<b>6,288,246</b>
<b>Annual Surplus (Deficit)</b>	<b>-</b>	<b>(122,481)</b>	<b>(122,481)</b>

\*Adjustments are required to convert the budget from a modified-accrual (cash) basis to a full accrual basis. These adjustments include the removal of all transfers to and from reserves and reserve funds and capital fund revenue and expenses, removal of debt principal payments from expenses, and the addition of non-cash accounting revenues and expenses.

### 18. CONTINGENCY

The Township has received a notice of potential claim. The claim is against the Township and its architect/consultant related to the construction of the Community Complex. The ultimate payer and any amount of settlement, if any, cannot be determined at this time.



# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 19. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of \$1,665,086 (2013 - \$1,206,780) and \$437,653 (2013 - \$432,558) respectively is made up of the following:

	2014	2013
<b>Reserves Set Aside for Specific Purpose by Council:</b>		
Municipal building	40,465	-
Building department	3,600	3,600
Water and sewer	(12,313)	(12,313)
Fire services	45,000	-
Parks equipment	48,123	54,023
Public works equipment	21,898	21,898
Energy Plus Inc. interest	333,362	235,447
Working funds	83,348	109,376
Roads public works	6,000	-
Slater hall	-	465
Rural water	4,144	4,144
Gravel subsidy	725,571	517,023
L.A.C.A.C.	5,972	10,972
Fire reservoir	45,150	45,150
Ayr special area rate	26,100	26,100
New library	63,395	63,395
Multi-use facility	271	2,500
Infrastructure	225,000	125,000
<b>Total Reserves</b>	<b>1,665,086</b>	<b>1,206,780</b>
<b>Reserve Funds Set Aside for Specific Purposes by Council:</b>		
Charges for capital purposes	6,403	6,403
Lot grading deposits refundable	350,742	341,742
West River road	27,392	27,392
Letter of Credit Runion	4,885	4,885
Letter of Credit Boida	903	903
Inspection fees	35,719	35,719
Oliver/Fowlie Works	2,248	2,248
Heaman Works	6,341	6,341
Edgar/Burnside	20	3,925
Tender deposits	3,000	3,000
<b>Total Reserve Funds</b>	<b>437,653</b>	<b>432,558</b>
<b>Total Reserves and Reserve Funds</b>	<b>2,102,739</b>	<b>1,639,338</b>

**THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES**

**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
For the year ended December 31, 2014

**SCHEDULE 1**

	Land	Parks	Building	Machinery, Equipment & Vehicles	Bridges	Technology	Roads	Assets under Construction	Total 2014 (incl. WIP)	Total 2013 (incl. WIP)
<b>Cost</b>										
Balance, beginning of year	3,040,883	364,966	20,412,980	3,434,260	2,168,539	98,359	-	173,167	29,693,154	28,598,799
Additions during the year	-	115,830	-	362,848	-	12,205	-	173,167	578,410	1,237,601
Disposals during the year	-	-	-	37,428	-	-	66,111	21,416	210,595	143,246
Balance, end of year	3,040,883	480,796	20,412,980	3,759,680	2,168,539	110,564	66,111	21,416	30,060,969	29,693,154
<b>Accumulated Amortization</b>										
Balance, beginning of year	-	296,046	2,081,881	2,270,247	1,101,422	63,171	-	-	5,812,767	5,151,481
Amortization during the year	-	23,432	505,436	255,720	28,915	14,781	4,407	-	832,691	804,532
Accumulated amortization on disposals	-	-	-	27,084	-	-	-	-	27,084	143,246
Balance, end of year	-	319,478	2,587,317	2,498,883	1,130,337	77,952	4,407	-	6,618,374	5,812,767
Net Book Value of Tangible Capital Assets	3,040,883	161,318	17,825,663	1,260,797	1,038,202	32,612	61,704	21,416	23,442,595	23,880,387

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## SCHEDULE OF SEGMENTED INFORMATION For the year ended December 31, 2014

## SCHEDULE 2

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The Township is a lower tier municipality that provides a wide range of services to its citizens. The major services chosen for segmented disclosure are those for which the percentage of annual operating expenditures is greater than 10% of the Township's total operating expenditures. The revenues and expenditures reported for each segment include directly attributable amounts as well as internal charges and recoveries allocated on a reasonable basis.

A description of each major service and the activities each provide are as follows:

### **Governance and Corporate Services**

This segment reports the activities of the general governmental services, including political governance, corporate services (finance and clerks). This segment also includes all general activities for the Township that cannot be easily apportioned to one department or another.

### **Fire Protection and Emergency Services**

The Township provides emergency fire services. The service is to protect the lives and property of the residents of the Township from fires. The goals of the department are to prevent fires, educate the public with regards to fire related risks, to enforce safety standards, fight and suppress fires and to plan and respond to all emergencies throughout the Township.

### **Transportation Services**

The transportation services department is responsible for the safe and efficient movement of people and goods within the Township. Responsibilities include road construction and maintenance, traffic signals and signs, winter control, developing parking and traffic control bylaws, implementation and maintenance of street lighting, and management and maintenance of parking lots.

### **Recreation and Cultural Services**

This segment includes parks, recreation programs, recreation facilities, libraries and cultural services. Responsibilities include management and provision of recreational services, facilities and programs and administration and maintenance of the libraries.

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## SCHEDULE OF SEGMENTED INFORMATION For the year ended December 31, 2014

## SCHEDULE 2

	Governance	Fire and Protection Services	Transportation Services	Recreational and Cultural Services	Other	Total 2014
<b>Revenues</b>						
Taxation	3,891,504	-	-	-	-	3,891,504
Grants	670,969	-	-	23,811	6,200	700,980
Revenue from other municipalities	-	5,000	1,956	5,704	-	12,660
Other revenue [1]	538,736	78,492	378,908	913,461	463,468	2,373,065
Government Business Enterprise	354,225	-	-	-	218,486	572,711
<b>Total Revenues</b>	<b>5,455,434</b>	<b>83,492</b>	<b>380,864</b>	<b>942,976</b>	<b>688,154</b>	<b>7,550,920</b>
<b>Expenses</b>						
Salaries and benefits	761,963	589,421	638,840	692,211	296,548	2,978,983
Materials	333,273	238,251	1,075,387	963,889	72,494	2,683,294
Contracted services	28,443	530,621	255,195	105	40,293	854,657
Debt servicing	-	-	-	93,125	2,830	95,955
Amortization	60,853	114,474	134,028	523,336	-	832,691
Other expenditures [2]	21,816	-	-	-	-	21,816
<b>Total Expenditures</b>	<b>1,206,348</b>	<b>1,472,767</b>	<b>2,103,450</b>	<b>2,272,666</b>	<b>412,165</b>	<b>7,467,396</b>
<b>Net Surplus (Deficit)</b>	<b>4,249,086</b>	<b>(1,389,275)</b>	<b>(1,722,586)</b>	<b>(1,329,690)</b>	<b>275,989</b>	<b>83,524</b>

[1] Other Revenues - Includes licenses, permits, interest, donations, sale of publications and user charges.

[2] Other Expenditures - Includes rents and financial expenses, inter-functional adjustments and allocations of program support.

# THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

## SCHEDULE OF SEGMENTED INFORMATION For the year ended December 31, 2013

## SCHEDULE 2

	Governance	Fire and Protection Services	Transportation Services	Recreational and Cultural Services	Other	Total 2013
<b>Revenues</b>						
Taxation	3,676,553	-	-	-	-	3,676,553
Grants	324,249	-	-	138,418	-	462,667
Revenue from other municipalities	-	6,825	6,805	-	-	13,630
Other revenue [1]	660,573	313,384	231,970	888,677	87,436	2,182,040
Government Business Enterprise	359,251	-	-	-	194,056	553,307
<b>Total Revenues</b>	<b>5,020,626</b>	<b>320,209</b>	<b>238,775</b>	<b>1,027,095</b>	<b>281,492</b>	<b>6,888,197</b>
<b>Expenses</b>						
Salaries and benefits	737,841	684,493	661,576	619,923	184,285	2,888,118
Materials	290,645	219,621	978,731	661,829	145,219	2,296,045
Contracted services	32,182	451,500	86,703	64,997	23,602	658,984
Debt servicing	-	-	-	97,443	3,050	100,493
Amortization	10,296	114,040	124,268	555,928	-	804,532
Other expenditures [2]	21,557	-	-	6,165	-	27,722
<b>Total Expenditures</b>	<b>1,092,521</b>	<b>1,469,654</b>	<b>1,851,278</b>	<b>2,006,285</b>	<b>356,156</b>	<b>6,775,894</b>
<b>Net Surplus (Deficit)</b>	<b>3,928,105</b>	<b>(1,149,445)</b>	<b>(1,612,503)</b>	<b>(979,190)</b>	<b>(74,664)</b>	<b>112,303</b>

[1] Other Revenues - Includes licenses, permits, interest, donations, sale of publications and user charges.

[2] Other Expenditures - Includes rents and financial expenses, inter-functional adjustments and allocations of program support.