

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

For the year ended December 31, 2015

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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, 2015, 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

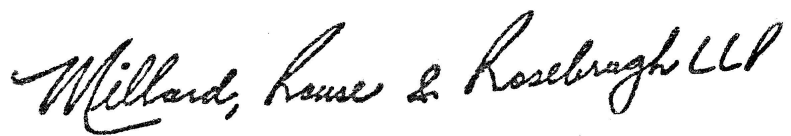
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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, 2015, 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 29, 2016
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

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

As at December 31	2015	2014
FINANCIAL ASSETS		
Cash and bank	4,118,361	2,389,284
Taxes receivable (Note 5)	1,390,729	1,276,459
Accounts and grants receivable (Note 6)	452,003	1,122,625
Investment in Cambridge and North Dumfries Energy Plus Inc. (Note 7)	6,725,620	6,457,654
Notes receivable (Note 8)	3,019,708	3,019,708
TOTAL FINANCIAL ASSETS	15,706,421	14,265,730
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	791,953	819,457
Other current liabilities	539,459	583,375
Deferred revenue	37,446	-
Deferred revenue (Obligatory Reserve Funds) (Note 9)	1,183,091	815,554
Employee post employment benefits (Note 12)	232,400	220,861
Net long-term liabilities (Note 10)	1,865,639	2,036,987
TOTAL LIABILITIES	4,649,988	4,476,234
NET FINANCIAL ASSETS	11,056,433	9,789,496
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Schedule 1)	23,139,021	23,442,595
Inventories and prepaid expenses	84,127	82,959
	23,223,148	23,525,554
NET ASSETS	34,279,581	33,315,050
ACCUMULATED SURPLUS (Note 13)	34,279,581	33,315,050

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

For the year ended December 31	Budget <i>(Note 18)</i>	2015	2014
REVENUES			
Residential and farm taxation	2,573,401	2,459,574	2,668,836
Commercial, industrial and business taxation	1,791,000	1,844,756	1,144,637
Taxation from other governments	-	84,900	78,031
Fees and user charges (Note 14)	1,145,943	1,078,308	1,235,625
Canada grants	272,310	-	1,088
Ontario grants	288,600	298,427	281,725
Recoveries from other municipalities	-	6,222	1,716
Other revenue (Note 17)	915,965	1,098,141	1,917,120
	6,987,219	6,870,328	7,328,778
Change in equity in Cambridge and North Dumfries Energy Plus Inc. (Note 7)	-	267,966	177,629
TOTAL REVENUES	6,987,219	7,138,294	7,506,407
EXPENSES			
General government	931,173	1,159,885	1,115,564
Interest	90,733	90,733	95,955
Protection services	1,367,631	1,333,039	1,358,294
Transportation services	1,240,212	836,689	1,969,434
Environmental services	37,065	37,065	37,065
Recreation and cultural services	1,598,472	1,483,295	1,686,136
Planning and development	286,512	202,667	372,257
	5,551,798	5,143,373	6,634,705
INCOME BEFORE UNDER-NOTED ITEMS	1,435,421	1,994,921	871,702
OTHER INCOME/(EXPENSE)			
Gain on disposal of tangible capital assets	-	11,238	3,656
Amortization of tangible capital assets (Schedule 1)	-	(1,041,628)	(832,691)
	-	(1,030,390)	(829,035)
ANNUAL SURPLUS FROM OPERATIONS	1,435,421	964,531	42,667
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	33,315,050	33,272,383
ACCUMULATED SURPLUS - END OF YEAR	1,435,421	34,279,581	33,315,050

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2015	2014
Annual Surplus from Operations	964,531	42,667
Amortization of tangible capital assets	1,041,628	832,691
Acquisition of tangible capital assets (net of transferred CIP)	(764,845)	(405,243)
(Gain) on disposal of tangible capital assets	(11,238)	(3,656)
Proceeds on disposal of tangible capital assets	38,029	14,000
Inventories and prepaid expenses	(1,168)	(41,477)
Increase/(Decrease) in Net Financial Assets	1,266,937	438,982
Net Financial Assets - Beginning of Year	9,789,496	9,350,514
Net Financial Assets - End of Year	11,056,433	9,789,496

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

For the year ended December 31	2015	2014
Operating Activities		
Annual Surplus from operations	964,531	42,667
sources (uses) of cash:		
Taxes receivable	(114,270)	267,932
Accounts receivable	670,622	148,501
Accounts payable and accruals	(27,504)	65,886
Employee post employment benefits	11,539	4,199
Deferred revenues - obligatory reserve funds	367,537	(339,954)
Other current liabilities and deferred revenue	(6,470)	137,007
Inventories and prepaid expenses	(1,168)	(41,477)
	1,864,817	284,761
Non-cash charges to operations:		
Amortization	1,041,628	832,691
(Gain) on disposal of assets	(11,238)	(3,656)
Cash Provided by Operating Transactions	2,895,207	1,113,796
Capital Activities		
Acquisition of tangible capital assets (net of transferred CIP)	(764,845)	(405,243)
Proceeds on disposal of tangible capital assets	38,029	14,000
Cash Applied to Financing Transactions	(726,816)	(391,243)
Investing Activities		
Increase in investment in Cambridge and North Dumfries Energy Inc.	(267,966)	(177,629)
Financing Activities		
Repayment of long-term liabilities	(171,348)	(166,117)
Net Change in Cash	1,729,077	378,807
Cash - Beginning of Year	2,389,284	2,010,477
Cash - End of Year	4,118,361	2,389,284

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

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

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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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, 2015

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. RESTATEMENT OF 2014 COMPARATIVE FIGURES

The adoption of International Financial Reporting Standards in 2015 by Cambridge and North Dumfries Energy Plus inc. has been applied retrospectively and prior year periods have been restated. The adoption has changed amounts reported in the prior period.

Accumulated Surplus as at January 1, 2014

Accumulated surplus, as previously reported	33,270,645
Energy Plus Corporation IFRS adoption	1,738
Accumulated surplus	33,272,383

Annual Surplus as at December 31, 2014

Annual surplus from operations, as previously reported	83,524
Energy Plus Corporation IFRS adoption	(40,857)
Annual surplus	42,667

Accumulated Surplus as at December 31, 2014

Accumulated surplus, as previously reported	33,354,169
Energy Plus Corporation IFRS adoption	(39,119)
Accumulated surplus	33,315,050

3. OPERATIONS OF SCHOOL BOARDS AND REGION OF WATERLOO

Further to Note 1(a)(iii), during 2015, the Township made property tax transfers to School Boards and the Region. The amount collected and remitted is summarized below:

	2015	2014
Public English	5,461,321	5,396,684
Separate English	1,618,099	1,615,945
Public French	19,170	18,044
Separate French	56,950	53,615
Region of Waterloo	10,397,517	10,185,380

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

4. TRUST FUNDS

Trust funds administered by the Township amounting to \$191,126 (2014 - \$266,591) have not been included on the Consolidated Balance Sheet nor have their operations been included in the Consolidated Statement of Operations.

5. TAXES RECEIVABLE

	2015	2014
Taxes receivable	1,414,729	1,300,459
Allowance for doubtful accounts	(24,000)	(24,000)
	1,390,729	1,276,459

6. ACCOUNTS AND GRANTS RECEIVABLE

	2015	2014
Grants receivable - Provincial	5,038	70,900
Other municipalities	41,960	57,314
HST receivable	59,487	595,438
Other accounts receivable	345,518	398,973
	452,003	1,122,625

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

7. 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.

	2015	2014
The Township's investment is comprised of the following:		
Accumulated Equity		
Common shares (79 shares)	3,221,948	3,221,948
Prior years accumulated earnings	3,235,706	3,058,077
	6,457,654	6,280,025
Net income for the year	477,842	378,895
Dividends	(209,876)	(201,266)
Change in equity for the year	267,966	177,629
Equity- End of Year	6,725,620	6,457,654
Notes receivable (Note 8)	3,019,708	3,019,708
Net Investment	9,745,328	9,477,362

8. 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% (2014 - 4.993%). The principal amount outstanding is as follows:

	2015	2014
Cambridge and North Dumfries Hydro Inc.	3,019,708	3,019,708

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

9. 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	2015	2014
Development charges	480,896	443,365
Recreational land	157,590	109,491
Federal gas tax transfer	544,605	262,698
	1,183,091	815,554

Continuity of Deferred Revenue is as Follows:

	2015	2014
Balance, beginning of year	815,554	1,155,508
Contributions from Federal gas tax	279,895	277,697
Contributions from Development Charges Act	180,961	160,521
Contributions from Developers	53,836	77,640
Interest earned and adjustments	4,968	4,915
Total deferred revenue	519,660	520,773
Less: Development charges and grants earned	152,123	860,727
Balance, end of year	1,183,091	815,554

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

10. NET LONG-TERM LIABILITIES

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

	2015	2014
4.5% Loan payable to Region of Waterloo, annual payments of \$8,456 including principal and interest.	51,909	57,257
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.	1,813,730	1,979,730
	<u>1,865,639</u>	<u>2,036,987</u>

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

	Principal	Interest	Total
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
2020	208,664	54,116	262,780
Thereafter	905,068	114,526	1,019,594
	<u>1,865,639</u>	<u>465,559</u>	<u>2,331,198</u>

11. 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 2015 was \$158,052 (2014 - \$117,914) 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, 2015

12. 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 2015. This valuation forms the basis of the estimated liability reported in these financial statements.

Assumptions	2015	2014
Discount rate	3.20%	4.75%
Healthcare cost increases	4%-5.77%	3%-6.33%
Post Employment Benefits		
Accrued benefit - end of prior year	220,861	216,662
Amortization of actuarial (gains)/losses	10,539	-
Current period benefit expense	17,700	10,007
Accrued interest	12,200	10,150
Benefit payments	(28,900)	(15,958)
Liability as at December 31	232,400	220,861

13. ACCUMULATED SURPLUS

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

	2015	2014
For the general reduction of taxation	(782,485)	(1,707,646)
Invested in tangible capital assets	23,139,021	23,442,595
	22,356,536	21,734,949
Cambridge and North Dumfries Utility Corporations		
- Net investment (Note 7)	9,745,328	9,477,362
Reserves (Note 19)	1,734,467	1,665,086
Reserve funds (Note 19)	443,250	437,653
	11,923,045	11,580,101
	34,279,581	33,315,050

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

14. FEES AND USER CHARGES

Fees and other charges consist of the following:

	2015 Budget	2015 Actual	2014 Actual
Administration and general governance	253,700	288,773	279,598
Fire services	26,500	27,527	39,336
Inspection and roadways	4,600	22,843	9,803
Recreation facilities and programs	756,850	660,584	754,043
Cultural services	-	45	63
Planning and zoning	104,293	78,536	152,782
	1,145,943	1,078,308	1,235,625

15. 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 2015. In 2015, 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:

<https://www.ontario.ca/page/public-sector-salary-disclosure-2015-all-sectors-and-seconded-employees>

16. COMPARATIVE AMOUNTS

Certain of the prior year 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, 2015

17. OTHER REVENUE

Other revenues of the Township are comprised of the following:

	2015 Budget	2015 Actual	2014 Actual
Penalties and interest on taxes	209,500	198,487	208,793
Investment income	40,000	27,679	45,206
Interest earned on Energy Plus promissory note	150,774	150,774	150,774
Dividends from Energy Plus	201,266	209,876	201,266
Development charges and contributions	-	152,123	860,727
Licenses and permits	298,346	293,415	286,146
Donations	500	41,150	146,898
Other income	15,579	24,637	17,310
	915,965	1,098,141	1,917,120

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

18. 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 2015 is as follows:

STATEMENT OF OPERATIONS	2015 Approved Operating Budget	Adjustments*	2015 Full Accrual Budget
Source of Revenue			
Residential and farm taxation	2,573,401	-	2,573,401
Commercial, industrial and business taxation	1,791,000	-	1,791,000
Fees and user charges	1,145,943	-	1,145,943
Canada grants	272,310	-	272,310
Ontario grants	288,600	-	288,600
Other revenue	915,965	-	915,965
Net transfers (to)/from reserves	(636,446)	636,446	-
Other income	8,800	(8,800)	-
	6,359,573	627,646	6,987,219
Expenses by Function			
General Government	1,023,825	(92,652)	931,173
Interest	262,081	(171,348)	90,733
Protection Services	1,379,632	(12,001)	1,367,631
Transportation Services	1,601,287	(361,075)	1,240,212
Environmental Services	37,065	-	37,065
Recreation and Cultural Services	1,769,171	(170,699)	1,598,472
Planning and Development	286,512	-	286,512
	6,359,573	(807,775)	5,551,798
Annual Surplus (Deficit)	-	1,435,421	1,435,421

*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.

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

19. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of \$1,734,467 (2014 - \$1,665,086) and \$443,250 (2014 - \$437,653) respectively is made up of the following:

	2015	2014
Reserves Set Aside for Specific Purpose by Council:		
Municipal building	13,260	40,465
Building department	16,297	3,600
Water and sewer	(12,313)	(12,313)
Fire services	45,000	45,000
Parks equipment	20,675	48,123
Public works equipment	21,898	21,898
Energy Plus Inc. interest	454,205	333,362
Working funds	66,455	83,348
Roads public works	6,000	6,000
Street lights	24,000	-
Rural water	4,144	4,144
Gravel subsidy	531,922	725,571
L.A.C.A.C.	5,972	5,972
Fire reservoir	124,000	45,150
Ayr special area rate	26,100	26,100
New library	63,395	63,395
Multi-use facility	271	271
Heritage	4,186	-
Infrastructure	319,000	225,000
Total Reserves	1,734,467	1,665,086
Reserve Funds Set Aside for Specific Purposes by Council:		
Charges for capital purposes	-	6,403
Lot grading deposits refundable	362,742	350,742
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	20
Tender deposits	3,000	3,000
Total Reserve Funds	443,250	437,653
Total Reserves and Reserve Funds	2,177,717	2,102,739

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

SCHEDULE OF TANGIBLE CAPITAL ASSETS For the year ended December 31, 2015

SCHEDULE 1

	Land	Parks	Building	Machinery, Equipment & Vehicles	Bridges	Technology	Roads	Assets under Construction	Total 2015 (incl. WIP)	Total 2014 (incl. WIP)
Cost										
Balance, beginning of year	3,040,883	480,796	20,412,980	3,759,680	2,168,539	110,564	4,389,613	21,416	34,384,471	29,693,154
Additions during the year	20,000	30,778	187,807	114,115	-	72,486	361,075	-	786,261	578,410
Disposals during the year	-	-	-	264,129	-	-	-	21,416	285,545	210,595
Balance, end of year	3,060,883	511,574	20,600,787	3,609,666	2,168,539	183,050	4,750,688	-	34,885,187	30,060,969
Accumulated Amortization										
Balance, beginning of year	-	319,478	2,587,317	2,498,883	1,130,337	77,952	4,327,909	-	10,941,876	5,812,767
Amortization during the year	-	21,151	504,645	234,942	28,325	32,902	219,663	-	1,041,628	832,691
Accumulated amortization on disposals	-	-	-	237,338	-	-	-	-	237,338	27,084
Balance, end of year	-	340,629	3,091,962	2,496,487	1,158,662	110,854	4,547,572	-	11,746,166	6,618,374
Net Book Value of Tangible Capital Assets	3,060,883	170,945	17,508,825	1,113,179	1,009,877	72,196	203,116	-	23,139,021	23,442,595

In 2015, the opening balance of cost and accumulated amortization of roads was increased by \$4,323,502 to reflect the cost and accumulated amortization of previously fully amortized roadways.

THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES

SCHEDULE OF SEGMENTED INFORMATION For the year ended December 31, 2015

SCHEDULE 2

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, 2015

SCHEDULE 2

	Governance	Fire and Protection Services	Transportation Services	Recreational and Cultural Services	Other	Total 2015
Revenues						
Taxation	4,389,230	-	-	-	-	4,389,230
Grants	263,600	9,827	25,000	-	-	298,427
Revenue from other municipalities	-	-	6,222	-	-	6,222
Other revenue [1]	495,373	57,987	23,359	866,191	372,889	1,815,799
Government Business Enterprise	360,650	-	-	-	279,204	639,854
Total Revenues	5,508,853	67,814	54,581	866,191	652,093	7,149,532
Expenses						
Salaries and benefits	744,668	702,668	633,109	658,867	161,616	2,900,928
Materials	372,022	206,670	162,976	822,695	37,810	1,602,173
Contracted services	18,455	426,700	40,604	533	24,062	510,354
Debt servicing	-	-	-	88,134	2,599	90,733
Amortization	78,975	115,331	321,953	525,369	-	1,041,628
Other expenditures [2]	37,986	-	-	1,199	-	39,185
Total Expenditures	1,252,106	1,451,369	1,158,642	2,096,797	226,087	6,185,001
Net Surplus (Deficit)	4,256,747	(1,383,555)	(1,104,061)	(1,230,606)	426,006	964,531

[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, 2014

SCHEDULE 2

	Governance	Fire and Protection Services	Transportation Services	Recreational and Cultural Services	Other	Total 2014
Revenues						
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	-	-	-	177,629	531,854
Total Revenues	5,455,434	83,492	380,864	942,976	647,297	7,510,063
Expenses						
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
Total Expenditures	1,206,348	1,472,767	2,103,450	2,272,666	412,165	7,467,396
Net Surplus (Deficit)	4,249,086	(1,389,275)	(1,722,586)	(1,329,690)	235,132	42,667

[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.