

Corporation of the Township of North Dundas
Financial Statements
For the year ended December 31, 2014

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Management's Responsibility for the Financial Statements

The accompanying financial statements are prepared in accordance with Canadian public sector accounting standards.

The financial statements are the responsibility of management and have been approved by the municipal council.

To assess certain facts and operations, management has made estimates based on its best judgment of the situation and by taking into account materiality.

Management is responsible for maintaining appropriate internal control and accounting systems that provide reasonable assurance that the Township's policies are adopted, that its operations are carried out in accordance with the appropriate laws and authorizations, that its assets are adequately safeguarded, and that the financial statements are based on reliable accounting records.

The Township's power and responsibilities are exercised by the municipal council.

The responsibilities of the municipal council includes overseeing financial reporting and presentation procedures, which includes reviewing and approving the financial statements.

The independent auditor, BDO Canada LLP, has audited the financial statements and presented the following report.

Cornwall, Ontario
April 28, 2015

Angela Rutley
Chief Administrative Officer

John Gareau, CPA, CA
Treasurer

Independent Auditor's Report

To the members of council, inhabitants and ratepayers of the Corporation of the Township of North Dundas

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 the Corporation of the Township of North Dundas as at December 31, 2014, and the results of its operations, changes in its net financial assets and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Cornwall, Ontario
April 28, 2015

**Corporation of the Township of North Dundas
Statement of Financial Position**

December 31	2014	2013
Financial assets		
Cash - unrestricted	\$ 2,045,708	\$ 2,144,235
Cash - restricted - deferred revenue	902,417	883,478
Cash - restricted - reserve funds	4,475,510	6,285,267
Mutual funds investments	1,996,060	1,971,299
Taxes receivable	1,546,083	1,688,671
Accounts receivable	1,460,422	1,644,975
Long-term investments (Note 1)	121,300	119,707
	12,547,500	14,737,632
Liabilities		
Accounts payable and accrued liabilities	1,264,850	1,679,679
Landfill closure and post-closure (Note 2)	984,327	652,624
Water rights and land purchase (Note 4)	27,225	72,983
Deferred revenue (Note 5)	1,768,697	1,498,300
	4,045,099	3,903,586
Net financial assets	8,502,401	10,834,046
Non-financial assets		
Tangible capital assets (Note 6)	53,492,891	50,899,296
Prepaid expenses	43,852	39,148
Inventory	33,996	55,069
	53,570,739	50,993,513
Accumulated surplus (Note 11)	\$ 62,073,140	\$ 61,827,559

Commitments (Note 13)

On behalf of the council:

_____ Director

_____ Director

**Corporation of the Township of North Dundas
Statement of Operations**

For the year ended December 31	2014 Budget	2014 Actual	2013 Actual
	(Note 12)		
Revenues			
Taxation	\$ 5,390,380	\$ 5,410,409	\$ 5,328,421
User charges	3,139,202	3,462,283	3,483,479
Government transfers			
Government of Canada	624,719	396,379	736,285
Province of Ontario	3,016,018	1,103,031	1,296,292
Other municipalities	3,000	130,234	17,707
Other revenues (Note 7)	331,414	469,869	374,677
	<u>12,504,733</u>	<u>10,972,205</u>	<u>11,236,861</u>
Expenses (Note 8)			
General government	1,328,063	1,217,210	1,188,341
Environmental services	2,588,239	2,989,383	2,531,698
Planning and development	513,057	375,991	355,819
Protection services	1,019,372	1,030,789	911,778
Recreation and cultural services	1,652,727	1,845,232	1,740,810
Transportation services	3,396,339	3,452,447	3,762,812
	<u>10,497,797</u>	<u>10,911,052</u>	<u>10,491,258</u>
Other			
Obligatory reserve funds revenue recognized	301,100	184,428	208,619
Annual surplus	2,308,036	245,581	954,222
Accumulated surplus, beginning of the year	<u>61,827,559</u>	<u>61,827,559</u>	<u>60,873,337</u>
Accumulated surplus, end of the year	<u>\$ 64,135,595</u>	<u>\$ 62,073,140</u>	<u>\$ 61,827,559</u>

Corporation of the Township of North Dundas Statement of Changes in Net Financial Assets

For the year ended December 31	2014 Budget	2014 Actual	2013 Actual
	(Note 12)		
Annual surplus	\$ 2,308,036	\$ 245,581	\$ 954,222
Acquisition of tangible capital assets	(8,499,500)	(5,054,508)	(3,907,408)
Amortization of tangible capital assets	2,393,625	2,393,625	2,448,140
Loss on disposal of tangible capital assets	-	33,711	55,523
Proceeds on disposal of tangible capital assets	12,500	33,577	61,000
	<u>(3,785,339)</u>	<u>(2,348,014)</u>	<u>(388,523)</u>
Decrease in inventory	-	21,073	8,420
Increase in prepaid expenses	-	(4,704)	(2,332)
	<u>-</u>	<u>16,369</u>	<u>6,088</u>
Net change in net financial assets	(3,785,339)	(2,331,645)	(382,435)
Net financial assets, beginning of the year	10,834,046	10,834,046	11,216,481
Net financial assets, end of the year	<u>\$ 7,048,707</u>	<u>\$ 8,502,401</u>	<u>\$ 10,834,046</u>

Corporation of the Township of North Dundas Statement of Cash Flow

For the year ended December 31	2014	2013
Operating transactions		
Annual surplus	\$ 245,581	\$ 954,222
Items not affecting cash:		
Amortization of tangible capital assets	2,393,625	2,448,140
Loss on disposal of tangible capital assets	33,711	55,523
	<u>2,672,917</u>	<u>3,457,885</u>
Changes in non-cash operating balances:		
Decrease (increase) in taxes receivable	142,588	(120,711)
Decrease (increase) in accounts receivable	184,553	(191,535)
(Decrease) increase in accounts payable and accrued liabilities	(414,829)	290,751
Increase in landfill closure and post-closure	331,703	-
Increase in deferred revenue	270,397	110,720
Decrease in inventory	21,073	8,420
Increase in prepaid expenses	(4,704)	(2,332)
	<u>3,203,698</u>	<u>3,553,198</u>
Capital transactions		
Acquisition of tangible capital assets	(5,054,508)	(3,907,408)
Proceeds on disposal of tangible capital assets	33,577	61,000
	<u>(5,020,931)</u>	<u>(3,846,408)</u>
Investing transactions		
Increase in mutual funds investments	(24,761)	(24,454)
Increase in long-term investments	(1,593)	(1,697)
	<u>(26,354)</u>	<u>(26,151)</u>
Financing transactions		
Repayment of water rights and land purchase	(45,758)	(45,757)
Net decrease in cash	(1,889,345)	(365,118)
Cash, beginning of the year	<u>9,312,980</u>	<u>9,678,098</u>
Cash, end of the year	\$ 7,423,635	\$ 9,312,980
Represented by:		
Cash - unrestricted	\$ 2,045,708	\$ 2,144,235
Cash - restricted - deferred revenue	902,417	883,478
Cash - restricted - reserve funds	4,475,510	6,285,267
	<u>\$ 7,423,635</u>	<u>\$ 9,312,980</u>

Corporation of the Township of North Dundas Summary of Significant Accounting Policies

December 31, 2014

Nature and Purpose of the Entity	The Corporation of the Township of North Dundas (the "Township") was created through provincial legislation and commenced operations on January 1, 1998. The Township is responsible for providing municipal services such as community services, emergency and protective services including police and fire and public works including roads, sewers and wastewater, drinking water, garbage and recycling.
Basis of Accounting	The financial statements have been prepared in accordance with Canadian public sector accounting standards.
Use of Estimates	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statement of financial position, and the reported amounts of revenues and expenses during the reporting year. The amounts that include estimates are those relating to tangible capital assets as well as those relating to the landfill closure and post-closure.
Revenue Recognition	<p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the year for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.</p> <p>Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>Charges for sewer and water usage are recorded as user charges. Connection fee revenues are recognized when the connection has been established.</p> <p>Interest income earned on available funds, other than obligatory reserve funds, are reported as revenue in the year earned. Investment income earned on obligatory reserve funds is added back to the reserve fund balance and forms part of the deferred revenue balance.</p> <p>Sales of services, included in user charges, are recognized on an accrual basis.</p>

Corporation of the Township of North Dundas Summary of Significant Accounting Policies

December 31, 2014

Counties and School Boards	The Township collects taxation revenue on behalf of the school boards and the United Counties of Stormont, Dundas and Glengarry. The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards and the United Counties of Stormont, Dundas and Glengarry are not reflected in these financial statements.														
Deferred Revenue	Revenues restricted by legislation, regulation or agreement and not available for general municipal purposes are reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.														
Inventory	Inventory of goods not held for resale is measured at cost. Cost is determined on a first in, first out basis.														
Tangible Capital Assets	<p>Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is provided on the basis of their useful lives using the straight-line method as follows:</p> <table><tr><td>Land improvements</td><td>15 to 75 years</td></tr><tr><td>Buildings</td><td>15 to 50 years</td></tr><tr><td>Roads, sidewalks and bridges</td><td>7 to 75 years</td></tr><tr><td>Equipment, furniture and machinery</td><td>3 to 30 years</td></tr><tr><td>Water infrastructure</td><td>20 to 100 years</td></tr><tr><td>Sewer infrastructure</td><td>75 to 100 years</td></tr><tr><td>Vehicles</td><td>7 to 20 years</td></tr></table> <p>Landfill sites are amortized using the units of production method based upon capacity used during the year.</p>	Land improvements	15 to 75 years	Buildings	15 to 50 years	Roads, sidewalks and bridges	7 to 75 years	Equipment, furniture and machinery	3 to 30 years	Water infrastructure	20 to 100 years	Sewer infrastructure	75 to 100 years	Vehicles	7 to 20 years
Land improvements	15 to 75 years														
Buildings	15 to 50 years														
Roads, sidewalks and bridges	7 to 75 years														
Equipment, furniture and machinery	3 to 30 years														
Water infrastructure	20 to 100 years														
Sewer infrastructure	75 to 100 years														
Vehicles	7 to 20 years														

Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2014

1. Long-Term Investments

	2014	2013
Guaranteed investment certificates, 1.95% to 3.30%, maturing no later than December 2018.	\$ 121,300	\$ 119,707

2. Landfill Closure and Post-Closure

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of groundwater and leachates from the site, ongoing environmental monitoring, site inspection and maintenance and reporting to the Ministry. The reported liability is based on estimates and assumptions with respect to events extending over a 35 year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

	Total estimated expenses	2014 Accrued liabilities	2013 Accrued liabilities
Boyne landfill site	\$ 1,184,080	\$ 628,970	\$ 312,160
Mountain landfill site	1,003,200	355,357	340,464
	\$ 2,187,280	\$ 984,327	\$ 652,624

The estimated remaining capacity of the landfill sites, being a percentage of the total estimated capacity and the estimated remaining life of the sites are indicated below. The estimated number of years for post-closure care is also indicated.

	% of remaining capacity	Remaining life	Post-closure period
Boyne landfill site	-	-	25
Mountain landfill site	-	-	25

**Corporation of the Township of North Dundas
Notes to Financial Statements**

December 31, 2014

3. Municipal Debt

As issuer, the Township is contingently liable for payment of the long-term liabilities with respect to tile drainage and shore-line property assistance loans in the amount of \$299,480 (2013 - \$296,339) which are not reported on the Statement of Financial Position.

4. Water Rights and Land Purchase Liabilities

	2014	2013
Purchase of water rights, interest free, payable by annual instalments of \$27,225.	\$ 27,225	\$ 54,450
Purchase of land, interest free, repaid during the year.	-	18,533
	\$ 27,225	\$ 72,983

5. Deferred Revenue

	2014	2013
Obligatory Reserve Funds		
Development charges	\$ 673,390	\$ 676,795
Recreational land	229,027	206,295
Other		
Building code act	196,500	200,358
Deposits	669,780	414,464
Federal Gas Tax	-	388
	\$ 1,768,697	\$ 1,498,300

The net change during the year in the restricted deferred revenue balance is made up of the following:

	Development charges	Recreational land	Federal Gas Tax
Deferred revenue, beginning of the year	\$ 676,795	\$ 206,295	\$ 388
Restricted funds received during the year	171,438	20,000	334,118
Interest earned	9,585	2,732	-
Revenue recognized during the year	(184,428)	-	(334,506)
	\$ 673,390	\$ 229,027	\$ -

**Corporation of the Township of North Dundas
Notes to Financial Statements**

December 31, 2014

6. Tangible Capital Assets

	2014				
	Land	Land improvements and landfill sites	Buildings	Roads, sidewalks and bridges	Equipment, furniture and machinery
Cost, beginning of year	\$ 2,149,330	\$ 5,115,225	\$ 6,783,166	\$ 33,888,710	\$ 3,816,324
Acquisitions	-	118,523	788,400	1,446,499	140,410
Disposals	-	(25,013)	(27,678)	(245,942)	(299,581)
Reclassification	-	-	-	15,653	-
Cost, end of year	2,149,330	5,208,735	7,543,888	35,104,920	3,657,153
Accumulated amortization, beginning of year	-	1,807,570	2,936,818	12,844,718	2,337,094
Amortization	-	163,849	170,354	1,226,061	196,892
Disposals	-	(25,013)	(27,678)	(185,122)	(299,581)
Accumulated amortization, end of year	-	1,946,406	3,079,494	13,885,657	2,234,405
Net carrying amount, end of year	\$ 2,149,330	\$ 3,262,329	\$ 4,464,394	\$ 21,219,263	\$ 1,422,748

	Water infrastructure	Sewer infrastructure	Vehicles	Total
Cost, beginning of year	\$ 17,639,196	\$ 5,537,237	\$ 3,881,261	\$ 78,810,449
Acquisitions	2,521,653	-	39,023	5,054,508
Disposals	(2,941)	-	(7,879)	(609,034)
Reclassification	-	(15,653)	-	-
Cost, end of year	20,157,908	5,521,584	3,912,405	83,255,923
Accumulated amortization, beginning of year	4,561,295	1,249,558	2,174,100	27,911,153
Amortization	354,175	56,073	226,221	2,393,625
Disposals	(1,617)	-	(2,735)	(541,746)
Accumulated amortization, end of year	4,913,853	1,305,631	2,397,586	29,763,032
Net carrying amount, end of year	\$ 15,244,055	\$ 4,215,953	\$ 1,514,819	\$ 53,492,891

**Corporation of the Township of North Dundas
Notes to Financial Statements**

December 31, 2014

6. Tangible Capital Assets (continued)

	2013				
	Land	Land improvements and landfill sites	Buildings	Roads, sidewalks and bridges	Equipment, furniture and machinery
Cost, beginning of year	\$ 2,149,330	\$ 4,845,724	\$ 6,029,580	\$ 32,845,490	\$ 3,658,479
Acquisitions	-	269,501	753,586	1,202,631	300,639
Disposals	-	-	-	(159,411)	(142,794)
Cost, end of year	2,149,330	5,115,225	6,783,166	33,888,710	3,816,324
Accumulated amortization, beginning of year	-	1,647,343	2,783,365	11,698,717	2,215,982
Amortization	-	160,227	153,453	1,287,827	209,701
Disposals	-	-	-	(141,826)	(88,589)
Accumulated amortization, end of year	-	1,807,570	2,936,818	12,844,718	2,337,094
Net carrying amount, end of year	\$ 2,149,330	\$ 3,307,655	\$ 3,846,348	\$ 21,043,992	\$ 1,479,230

	Water infrastructure	Sewer infrastructure	Vehicles	Total
Cost, beginning of year	\$ 16,524,271	\$ 5,535,084	\$ 3,779,074	\$ 75,367,032
Acquisitions	1,115,426	2,153	263,472	3,907,408
Disposals	(501)	-	(161,285)	(463,991)
Cost, end of year	17,639,196	5,537,237	3,881,261	78,810,449
Accumulated amortization, beginning of year	4,218,409	1,193,485	2,053,180	25,810,481
Amortization	343,166	56,073	237,693	2,448,140
Disposals	(280)	-	(116,773)	(347,468)
Accumulated amortization, end of year	4,561,295	1,249,558	2,174,100	27,911,153
Net carrying amount, end of year	\$ 13,077,901	\$ 4,287,679	\$ 1,707,161	\$ 50,899,296

The book value of tangible capital assets not being amortized because they are under construction is \$2,606,492 (2013 - \$356,009).

7. Other Revenues

	2014 Budget	2014 Actual	2013 Actual
Donations	\$ 2,650	\$ 46,699	\$ 48,399
Interest and penalties on taxes	260,000	276,859	181,188
Interest income	68,764	146,311	145,090
Total	\$ 331,414	\$ 469,869	\$ 374,677

Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2014

8. Expenses by Object

Total expenses for the year reported on the statement of operations are as follows:

	2014	2013
Amortization of tangible capital assets	\$ 2,393,625	\$ 2,448,140
Contracted services	1,426,718	1,409,573
Contributions to other organizations	50,994	54,746
Loss on disposal of tangible capital assets	33,711	55,523
Materials	3,294,457	3,004,696
Rents and financial expenses	200,188	189,935
Salaries, wages and benefits	3,511,359	3,328,645
	<u>\$ 10,911,052</u>	<u>\$ 10,491,258</u>

9. Pension Agreement

The Township is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Township has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Township records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

OMERS provides pension services to more than 451,115 active and retired members and approximately 974 employers. Each year an independent actuary determines the funding status of the OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2014. The results of this valuation disclosed total actuarial liabilities of \$76,924 million in respect of benefits accrued for service with actuarial assets at that date of \$69,846 million indicating an actuarial deficit of \$7,078 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS by the Township for 2014 was \$201,819 (2013 - \$188,783).

**Corporation of the Township of North Dundas
Notes to Financial Statements**

December 31, 2014

10. Operations of School Boards and the United Counties of Stormont, Dundas and Glengarry

During the year, the following taxation revenues were raised and remitted to the school boards and the United Counties of Stormont, Dundas and Glengarry:

	<u>2014</u>	<u>2013</u>
School boards	<u>\$ 3,557,541</u>	<u>\$ 3,517,652</u>
United Counties of Stormont, Dundas and Glengarry	<u>\$ 7,282,234</u>	<u>\$ 7,087,771</u>

11. Accumulated Surplus

	<u>2014</u>	<u>2013</u>
Reserves		
Working fund	\$ 1,795,696	\$ 1,546,167
Fire	920,549	936,090
Recreation and culture	495,614	464,411
Roads	1,764,328	1,647,021
Sewer and water	2,965,498	2,753,615
Waste management	181,054	173,054
Other	21,884	35,917
	<u>8,144,623</u>	<u>7,556,275</u>
Reserve funds		
Association and events	8,034	29,405
Infrastructure	3,356,506	3,356,506
Recreation and culture	57,836	42,338
Roads	393,016	388,136
South Mountain Union Cemetery	16,111	15,962
Waste management	644,007	2,452,920
	<u>4,475,510</u>	<u>6,285,267</u>
Investment in tangible capital assets		
Invested in tangible capital assets	53,492,891	50,899,296
Unfinanced tangible capital assets	<u>(3,055,557)</u>	<u>(2,260,655)</u>
	<u>50,437,334</u>	<u>48,638,641</u>
Unfinanced landfill closure and post-closure	<u>(984,327)</u>	<u>(652,624)</u>
Accumulated surplus	<u>\$ 62,073,140</u>	<u>\$ 61,827,559</u>

Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2014

12. Budget

The Financial Plan (Budget) By-Law adopted by Council was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards requires a full accrual basis. In addition, the budget expensed all tangible capital assets rather than including amortization of tangible capital assets expense. As a result, the budget figures presented in the statements of operations and changes in net financial assets represents the Financial Plan adopted by Council with adjustments as follows:

	2014
Budget for the year	\$ -
Add:	
Capital expenses	8,499,500
Repayment of long-term liabilities	46,262
Less:	
Proceeds on disposal of tangible capital assets	(12,500)
Transfers from accumulated surplus	(3,831,601)
Amortization of tangible capital assets	(2,393,625)
Budgeted surplus per statement of operations	\$ 2,308,036

13. Commitments

The Township has signed a five year contract for operation and maintenance services for water and wastewater treatment plants which expires December 2015. The Township has committed to pay an amount of \$775,317 per year.

The Township has signed a four year contract for fire services which expires in December 2016. The amount agreed upon for those services is \$10,000 per year.

The Township has signed a one year contract for consulting services for the landfill sites which expires in December 2015. The amount agreed upon for those services is \$51,287.

The Township has signed a one year contract for waste services which expires in December 2015. The amount agreed upon for those services is \$223,853.

The Township has signed multiple contracts for supplying, constructing and repairing tangible capital assets for a total of \$2,297,552 in 2015.

The minimum annual payments over the next two years are as follows:

2015	\$	3,358,009
2016	\$	10,000

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2014

14. Segmented information

The Township is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, water and sewer, transportation and recreational. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Environmental

Environmental services consists of providing the Township's drinking water, waste disposal as well as garbage and recycling collection to citizens, processing and cleaning sewage and ensuring the water and sewer system meets all Provincial standards.

Planning and Development

This department provides a number of services including city planning, maintenance and enforcement of building and construction codes and review of all property development plans through its application process. It also provides maintenance of municipal drains, which ensures proper drainage for agricultural properties and tile drainage, whereas the Township acts an intermediate between the landowners and the province.

Protection

Protection is comprised of police services, fire protection, conservation authority, protective inspection and control and emergency measures. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The inspection and control department includes building inspection, by-law enforcement and dog control services.

Recreation and Cultural

Recreation and cultural consists of providing services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure programs and facilities including community halls, libraries, parks, recreation fields and arena.

Transportation

Transportation is responsible for providing the winter and summer maintenance, the repair and construction of the Township's roads system including bridges, sidewalks and culverts.

General Government

This item relates to the revenues and expenses from operations of the Township itself and cannot be directly attributed to a specific segment.

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2014

14. Segmented information (continued)

	Environmental	Planning and Development	Protection	Recreation and Cultural	Transportation	General Government	2014 total
Revenues							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,410,409	\$ 5,410,409
User charges	2,072,602	103,086	213,841	1,006,646	21,868	44,240	3,462,283
Government transfers - Federal	23,249	(441)	-	39,065	334,506	-	396,379
Government transfers - Provincial	50,109	30,888	-	12,422	1,009,612	-	1,103,031
Government transfers - Other municipalities	4,218	-	-	-	121,966	4,050	130,234
Other revenues	-	-	-	-	-	469,869	469,869
Obligatory reserve funds revenue	-	-	37,886	1,500	145,042	-	184,428
	2,150,178	133,533	251,727	1,059,633	1,632,994	5,928,568	11,156,633
Expenses							
Amortization of tangible capital assets	507,140	34,809	151,431	279,234	1,394,631	26,380	2,393,625
Contracted services	1,152,213	5,179	81,795	31,475	81,507	74,549	1,426,718
Contributions to other organizations	-	-	-	7,994	-	43,000	50,994
Loss (gain) on disposal of tangible capital assets	2,904	-	-	(5,000)	35,807	-	33,711
Materials	685,644	122,575	464,849	648,300	1,085,150	287,939	3,294,457
Rents and financial expenses	77,306	-	-	-	5,080	117,802	200,188
Salaries, wages and benefits	564,176	213,428	332,714	883,229	850,272	667,540	3,511,359
	2,989,383	375,991	1,030,789	1,845,232	3,452,447	1,217,210	10,911,052
Net surplus (deficit)	\$ (839,205)	\$ (242,458)	\$ (779,062)	\$ (785,599)	\$ (1,819,453)	\$ 4,711,358	\$ 245,581

Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2014

14. Segmented information (continued)

For the year ended December 31	Environmental	Planning and Development	Protection	Recreation and Cultural	Transportation	General Government	2013 total
Revenues							
Taxation	-	-	-	-	-	\$ 5,328,421	\$ 5,328,421
User charges	2,213,469	77,183	145,077	952,732	63,855	31,163	3,483,479
Government transfers - Federal	293,287	-	-	98,998	344,000	-	736,285
Government transfers - Provincial	293,287	27,823	-	8,400	944,093	22,689	1,296,292
Government transfers - Other municipalities	1,324	-	-	-	9,845	6,538	17,707
Other revenues	-	-	-	-	-	374,677	374,677
Obligatory reserve funds revenue	2,391	-	-	31,342	163,197	11,689	208,619
	<u>2,803,758</u>	<u>105,006</u>	<u>145,077</u>	<u>1,091,472</u>	<u>1,524,990</u>	<u>5,775,177</u>	<u>11,445,480</u>
Expenses							
Amortization of tangible capital assets	508,831	33,748	150,162	264,194	1,462,579	28,626	2,448,140
Contracted services	1,076,616	1,756	54,112	30,079	160,448	86,562	1,409,573
Contributions to other organizations	-	-	-	15,746	-	39,000	54,746
Loss on disposal of tangible capital assets	13,607	-	5,368	-	36,548	-	55,523
Materials	343,158	98,148	406,119	635,275	1,263,380	258,616	3,004,696
Rents and financial expenses	47,404	-	-	4,016	12,839	125,676	189,935
Salaries, wages and benefits	542,082	222,167	296,017	791,500	827,018	649,861	3,328,645
	<u>2,531,698</u>	<u>355,819</u>	<u>911,778</u>	<u>1,740,810</u>	<u>3,762,812</u>	<u>1,188,341</u>	<u>10,491,258</u>
Net surplus (deficit)	<u>\$ 272,060</u>	<u>\$ (250,813)</u>	<u>\$ (766,701)</u>	<u>\$ (649,338)</u>	<u>\$ (2,237,822)</u>	<u>\$ 4,586,836</u>	<u>\$ 954,222</u>