
**THE CORPORATION OF
THE TOWNSHIP OF MCMURRICH/MONTEITH**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
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Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of McMurrich/Monteith

We have audited the accompanying consolidated financial statements of The Corporation of the Township of McMurrich/Monteith, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations and accumulated surplus, change 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 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 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 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 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 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 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 consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of McMurrich/Monteith as at December 31, 2014, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

North Bay, Canada
April 7, 2015


Chartered Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 916,351	\$ 614,368
Taxes receivable	252,542	264,240
Accounts receivable	83,143	86,680
	1,252,036	965,288
LIABILITIES		
Accounts payable and accrued liabilities	254,813	149,299
Deferred revenue-general (Note 4)	34,286	3,209
Deferred revenue-obligatory reserve funds (Note 5)	95,307	49,640
Municipal debt (Note 6)	13,789	40,826
Accrued interest on long-term debt	108	320
Employee benefits payable (Note 8)	17,040	17,361
Landfill closure and post-closure liability (Note 9)	37,632	59,251
	452,975	319,906
NET FINANCIAL ASSETS	799,061	645,382
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 11)	4,028,184	3,959,520
Inventories of supplies	29,646	25,127
Prepaid expenses	8,957	5,999
	4,066,787	3,990,646
ACCUMULATED SURPLUS (Note 12)	\$ 4,865,848	\$ 4,636,028

Contingencies (Note 2)
 Commitments (Note 10)

APPROVED ON BEHALF OF COUNCIL:

 Reeve

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget 2014 <i>(see Note 14)</i>	Actual 2014	Actual 2013
REVENUE			
Property taxes	\$ 1,186,133	\$ 1,200,347	\$ 1,125,039
User charges	8,500	11,841	8,454
Government transfers	569,090	484,238	497,458
Other	78,100	311,260	75,875
TOTAL REVENUE	1,841,823	2,007,686	1,706,826
EXPENSES			
General government	312,610	285,310	299,048
Protection to persons and property	322,749	300,963	288,245
Transportation services	778,629	741,616	754,064
Environmental services	112,300	116,729	97,742
Health services	79,382	80,329	74,924
Social and family services	120,778	120,607	119,842
Recreation and cultural services	109,587	121,897	97,723
Planning and development	20,000	10,415	4,235
TOTAL EXPENSES	1,856,035	1,777,866	1,735,823
ANNUAL SURPLUS (DEFICIT) (Note 12)	(14,212)	229,820	(28,997)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,636,028	4,636,028	4,665,025
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,621,816	\$ 4,865,848	\$ 4,636,028

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget 2014 <i>(see Note 14)</i>	Actual 2014	Actual 2013
Annual surplus (deficit)	\$ (14,212)	\$ 229,820	\$ (28,997)
Acquisition of tangible capital assets	(431,700)	(289,115)	(250,219)
Contributed tangible capital assets	-	(13,600)	-
Amortization of tangible capital assets	234,200	234,051	264,964
Loss on disposal of tangible capital assets	-	-	2,279
Proceeds from disposal of tangible capital assets	-	-	75,500
Change in supplies inventories	-	(4,519)	4,788
Change in prepaid expenses	-	(2,958)	(147)
Increase (decrease) in net financial assets	(211,712)	153,679	68,168
Net financial assets, beginning of year	645,382	645,382	577,214
Net financial assets, end of year	\$ 433,670	\$ 799,061	\$ 645,382

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
Operating transactions		
Annual surplus (deficit)	\$ 229,820	\$ (28,997)
Non-cash charges to operations:		
Amortization	234,051	264,964
Loss on disposal of tangible capital assets	-	2,279
Change in employee benefits payable	(321)	1,939
Change in landfill closure and post-closure liability	(21,619)	(2,008)
	441,931	238,177
Changes in non-cash items:		
Taxes receivable	11,698	34,672
Accounts receivable	3,537	(1,943)
Accounts payable and accrued liabilities	105,514	25,098
Deferred revenue-general	31,077	3,209
Deferred revenue-obligatory reserve funds	45,667	3,105
Inventories of supplies	(4,519)	4,788
Prepaid expenses	(2,958)	(147)
	190,016	68,782
Cash provided by operating transactions	631,947	306,959
Capital transactions		
Acquisition of tangible capital assets	(289,115)	(250,219)
Contributed tangible capital assets	(13,600)	-
Proceeds from disposal of tangible capital assets	-	75,500
Cash applied to capital transactions	(302,715)	(174,719)
Financing transactions		
Decrease in accrued interest on long-term debt	(212)	(206)
Debt principal repayments	(27,037)	(26,328)
Cash applied to financing transactions	(27,249)	(26,534)
Net change in cash and cash equivalents	301,983	105,706
Cash and cash equivalents, beginning of year	614,368	508,662
Cash and cash equivalents, end of year	\$ 916,351	\$ 614,368
Cash flow supplementary information:		
Cash paid for interest	\$ 911	\$ 1,618

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2014

The consolidated financial statements of the Corporation of the Township of McMurrich/Monteith (the "Municipality") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and accumulated surplus balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated entities

The following local board is consolidated:
Cemetery

Inter-organizational transactions and balances between the Municipality and this board are eliminated.

(ii) Non-consolidated entities

The following joint boards are not consolidated:
North Bay Parry Sound District Health Unit
Parry Sound District Social Services Administration Board
District of Parry Sound (West) Home for the Aged

(iii) Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

(iv) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2014

(b) Basis of Accounting

(i) Accrual basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with financial institutions and short-term deposits with original maturities of three months or less.

(iii) Non-financial assets

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

(a) 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. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements - 11 to 20 years
Buildings - 40 years
Machinery, equipment and furniture - 5 to 20 years
Vehicles - 6 to 15 years
Roads - 8 to 75 years
Bridges - 60 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

(b) Inventories of supplies

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(iv) Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specific purpose.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2014

- (v) Reserves and reserve funds
Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.
- (vi) Government transfers
Government transfers are recognized as revenues 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 Consolidated Statement of Operations as the stipulation liabilities are settled.
- (vii) Taxation and related revenues
Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenues are initially recorded at the time assessment information is received from MPAC and are subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.
- (viii) Pensions and employee benefits
The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.
- (ix) Use of estimates
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 financial statements, and the reported amounts of revenues and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable, solid waste landfill closure and post-closure liabilities and supplementary taxes. Actual results could differ from these estimates.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2014

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	2014	2013
District of Parry Sound Social Services Administration Board	\$ 93,356	\$ 94,131
North Bay Parry Sound District Health Unit	22,170	21,723
District of Parry Sound (West) Home for the Aged	26,522	23,940
	\$ 142,048	\$ 139,794

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

3. TRANSACTIONS ON BEHALF OF OTHERS

(a) During the year, \$397,054 of taxation was collected on behalf of school boards (2013 \$398,933).

(b) Trust funds administered by the Municipality totaling \$68,861 (2013 \$59,295) are not included in these consolidated financial statements, as they are being held in trust for the benefit of others. Trusts under administration include:

- (i) Dr. Richardson
This trust fund was established in 1927 for the purposes of providing educational bursaries to local Grade 8 graduates. These endowment funds are invested and earnings derived therefrom are used towards the bursaries. The balance of the trust is \$50,165 (2013 \$41,199).
- (ii) Care and Maintenance
This trust fund is funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Municipality's cemeteries. The balance of the trust is \$12,842 (2013 \$12,242).
- (ii) Ontario Home Renewal Program
The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. The program was discontinued in 1993, and cash accumulated in the trust fund is repaid to the Ministry on an annual basis. The balance of the trust is \$5,854 (2013 \$5,854).

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2014

4. DEFERRED REVENUE -GENERAL

In 2014 the Municipality entered into an agreement with the Ministry of Rural Affairs to obtain funding for the replacement of a multi-plate culvert on Selena Drive. The terms of the agreement contain certain transfer stipulations, based on eligible costs and milestones. The maximum funding eligible under this agreement is \$82,320 and expires in October 2015.

Details of the deferred revenue reported on the Consolidated Statement of Financial Position are as follows:

	2014	2013
Balance, beginning of year:		
Other	\$ 3,209	\$ -
	3,209	-
Received during the year:		
Selena Drive Culvert	45,276	-
Other funding	8,393	3,209
Interest earned	156	-
	53,825	3,209
Recognized in revenue during the year	(22,748)	-
Balance, end of year	\$ 34,286	\$ 3,209
Selena Drive Culvert	\$ 30,432	\$ -
Other deferred revenue	3,854	3,209
Balance, end of year	\$ 34,286	\$ 3,209

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2014

5. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The Municipality receives payments in lieu of parkland under the Planning Act and federal gas tax funding under an agreement with the Association of Municipalities of Ontario. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

In the case of payments in lieu of parkland, revenue recognition occurs when the Municipality has approved eligible expenditures for park and other public recreation purposes. Gas tax revenue recognition occurs when the Municipality has approved the expenditures for eligible capital works. Historically, the Municipality has applied its gas tax funding to local road and bridge improvements.

Details of the deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position are as follows:

	2014	2013
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 8,693	\$ 5,048
Federal Gas Tax	40,947	41,487
	<u>49,640</u>	<u>46,535</u>
Received during the year:		
Recreational land (the Planning Act)	6,324	3,591
Federal Gas Tax	46,409	48,528
Interest earned	662	766
	<u>53,395</u>	<u>52,885</u>
Recognized in revenue during the year	<u>(7,728)</u>	<u>(49,780)</u>
Balance, end of year	\$ 95,307	\$ 49,640
Recreational land (the Planning Act)	\$ 15,080	\$ 8,693
Federal Gas Tax	80,227	40,947
Balance, end of year	\$ 95,307	\$ 49,640

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2014

6. MUNICIPAL DEBT

(a) The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2014	2013
Ontario Infrastructure Projects Corporation serial debenture, due March 2015, repayable in semi-annual payments of \$13,974 including interest calculated at 2.67%	\$ 13,789	\$ 40,826

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal	Interest
2015	\$ 13,789	\$ 184

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2014	2013
Principal payments	\$ 27,037	\$ 26,328
Interest	699	1,412
	\$ 27,736	\$ 27,740

7. CREDIT FACILITY AGREEMENT

The Municipality has an authorized operating loan with the Toronto-Dominion Bank of \$300,000 (2013 \$300,000) which was unused at the end of the year. In addition, the Municipality has a credit facility agreement with the Canadian Imperial Bank of Commerce of \$40,000 which was unused at the end of the year.

8. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, sick leave can accumulate at a rate of 6 days per year to a maximum of 30 days. There is no vesting of sick days. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 3% per annum. The liability for these accumulated days amounted to \$17,040 (2013 \$17,361) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2014

9. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final cover and landscaping of the landfill site, management of groundwater and leachates, and ongoing environmental monitoring and site inspection. Estimated expenditures related to the closure and subsequent maintenance of this site are recognized in the financial statements over the operating life of the site, in proportion to its utilized capacity.

The liability for the landfill site is recorded at \$37,632 (2013 \$59,251) and represents the present value of closure and post-closure costs for 30% (2013 50%) of the total site area, using an estimated long-term borrowing rate of 2.67% (2013 2.67%) and inflation rate of 1.8% (2013 1.8%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$124,449 (2013 \$117,576), leaving an amount to be recognized of \$86,817 (2013 \$58,325). The estimated remaining capacity of the site is approximately 21,626 cubic metres, estimated to be filled in 9 years. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has reserves of \$32,632 (2013 \$30,432) to fund this liability.

The closure and post-closure liability is calculated from a number of factors which are themselves estimates, each of which can be made using different methodologies yielding highly variable results. The decline in the estimated liability recorded for the year is largely attributable to a change in the estimated available capacity. As a result of this change, the estimated liability has been reduced by approximately \$28,100.

10. CONTRACTUAL OBLIGATIONS

The Municipality has contracted Fowler Construction Company Limited to replace a multi-plate culvert on Selena Drive at a contracted amount of \$88,949. To the end of the year, \$24,612 of services under this contract have been received. The balance of the contract is expected to be completed in 2015.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2014

11. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

2014							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 318,449	\$ 1,404,582	\$ 234,992	\$ 1,183,292	\$ 7,359,709	\$ -	\$ 10,501,024
Additions and betterments	-	6,831	14,196	241,581	-	26,507	289,115
Contributed assets	-	1,600	-	12,000	-	-	13,600
Disposals and writedowns	(21,619)	-	-	-	-	-	(21,619)
BALANCE, END OF YEAR	296,830	1,413,013	249,188	1,436,873	7,359,709	26,507	10,782,120
ACCUMULATED AMORTIZATION							
Balance, beginning of year	90,983	373,527	45,386	626,707	5,404,901	-	6,541,504
Annual amortization	3,556	35,220	16,162	65,876	113,237	-	234,051
Amortization disposals	(21,619)	-	-	-	-	-	(21,619)
BALANCE, END OF YEAR	72,920	408,747	61,548	692,583	5,518,138	-	6,753,936
TANGIBLE CAPITAL ASSETS-NET	\$ 223,910	\$ 1,004,266	\$ 187,640	\$ 744,290	\$ 1,841,571	\$ 26,507	\$ 4,028,184
2013							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 314,570	\$ 1,346,326	\$ 228,454	\$ 1,183,257	\$ 7,332,356	\$ 1,739	\$ 10,406,702
Additions and betterments	5,886	56,517	6,538	90,255	91,023	-	250,219
Disposals and writedowns	(2,007)	-	-	(90,220)	(63,670)	-	(155,897)
Transfer between classes	-	1,739	-	-	-	(1,739)	-
BALANCE, END OF YEAR	318,449	1,404,582	234,992	1,183,292	7,359,709	-	10,501,024
ACCUMULATED AMORTIZATION							
Balance, beginning of year	89,693	339,141	30,262	563,089	5,332,473	-	6,354,658
Annual amortization	3,297	34,386	15,124	76,338	135,819	-	264,964
Amortization disposals	(2,007)	-	-	(12,720)	(63,391)	-	(78,118)
BALANCE, END OF YEAR	90,983	373,527	45,386	626,707	5,404,901	-	6,541,504
TANGIBLE CAPITAL ASSETS-NET	\$ 227,466	\$ 1,031,055	\$ 189,606	\$ 556,585	\$ 1,954,808	\$ -	\$ 3,959,520

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2014

12. ACCUMULATED SURPLUS

The 2014 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
RESERVES AND RESERVE FUNDS			
Working funds	\$ 320,965	\$ 25,000	\$ 345,965
Election	6,000	-	6,000
Buildings	-	18,000	18,000
Fire	27,384	(8,610)	18,774
Roads	291,918	(15,874)	276,044
Landfill	30,432	2,200	32,632
Recreation	8,603	3,887	12,490
	685,302	24,603	709,905
OTHER			
Consolidated tangible capital assets	3,959,520	68,664	4,028,184
General operating surplus -			
Municipality	97,450	88,909	186,359
Cemetery	11,514	(1,545)	9,969
Unfunded amounts -			
Municipal debt	(40,826)	27,037	(13,789)
Accrued interest	(320)	212	(108)
Employee benefits payable	(17,361)	321	(17,040)
Landfill closure and post-closure liabilities	(59,251)	21,619	(37,632)
	\$ 4,636,028	\$ 229,820	\$ 4,865,848

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2014

13. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

Protection to Persons and Property

This segment includes fire, police, building inspection, and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation services include roadway systems and winter control.

Environmental Services

This segment includes solid waste management.

Health Services

This segment includes cemeteries, ambulance services as well as payments to the district health unit.

Social and Family Services

This segment consists primarily of payments made to the district social services administration board and home for the aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and library services.

Planning and Development

This segment includes activities related to planning, zoning and economic development.

Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and the municipality's annual Ontario Municipal Partnership Fund unconditional grant.

In the preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of machinery and administrative time to specific segments.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2014

13. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2014

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,347	\$ 1,200,347
User charges	4,841	-	550	5,990	-	-	460	-	-	11,841
Government transfers -										
Canada	-	-	7,728	-	-	-	-	-	651	8,379
Ontario	-	1,660	37,488	17,115	-	-	2,589	-	399,500	458,352
Other municipalities	-	17,507	-	-	-	-	-	-	-	17,507
Other	392	28,131	1,641	32,245	2,402	-	20,147	-	226,302	311,260
TOTAL REVENUE	5,233	47,298	47,407	55,350	2,402	-	23,196	-	1,826,800	2,007,686
EXPENSES										
Salaries, wages and benefits	143,537	60,230	246,853	76,137	309	-	43,715	-	-	570,781
Long-term debt charges (interest)	-	-	699	-	-	-	-	-	-	699
Materials	61,894	86,960	321,496	5,182	1,249	10	51,304	309	-	528,404
Contracted services	72,306	130,435	2,780	22,230	56,464	-	2,589	10,106	-	296,910
Rents and financial expenses	435	-	1,526	-	137	-	2,730	-	-	4,828
External transfers	145	-	-	-	22,170	119,878	-	-	-	142,193
Interfunctional adjustments	20	-	(5,225)	4,372	-	-	833	-	-	-
Amortization	6,973	23,338	173,487	8,808	-	719	20,726	-	-	234,051
TOTAL EXPENSES	285,310	300,963	741,616	116,729	80,329	120,607	121,897	10,415	-	1,777,866
ANNUAL SURPLUS (DEFICIT)	\$ (280,077)	\$ (253,665)	\$ (694,209)	\$ (61,379)	\$ (77,927)	\$ (120,607)	\$ (98,701)	\$ (10,415)	\$ 1,826,800	\$ 229,820

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2014

13. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2013

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,125,039	\$ 1,125,039
User charges	2,653	-	2,100	2,868	-	-	833	-	-	8,454
Government transfers -										
Canada	-	-	49,780	-	-	-	27,862	-	1,000	78,642
Ontario	-	1,107	18,378	25,240	-	-	4,511	-	354,000	403,236
Other municipalities	-	15,580	-	-	-	-	-	-	-	15,580
Loss on disposal of capital assets	-	-	(2,279)	-	-	-	-	-	-	(2,279)
Other	-	20,137	2,104	-	-	504	7,976	-	47,433	78,154
TOTAL REVENUE	2,653	36,824	70,083	28,108	504	504	41,182	-	1,527,472	1,706,826
EXPENSES										
Salaries, wages and benefits	145,921	62,923	231,825	63,617	-	-	43,408	-	-	547,694
Long-term debt charges (interest)	-	-	1,412	-	-	-	-	-	-	1,412
Materials	43,815	66,776	296,147	13,139	269	1,083	27,482	113	-	448,824
Contracted services	102,877	135,786	21,399	10,700	52,932	-	2,589	4,122	-	330,405
Rents and financial expenses	-	-	-	-	-	-	2,730	-	-	2,730
External transfers	-	-	-	-	21,723	118,071	-	-	-	139,794
Interfunctional adjustments	-	-	(3,649)	1,737	-	-	1,912	-	-	-
Amortization	6,435	22,760	206,930	8,549	-	-	19,602	-	-	264,964
TOTAL EXPENSES	299,048	288,245	754,064	97,742	74,924	119,842	97,723	4,235	-	1,735,823
ANNUAL SURPLUS (DEFICIT)	\$ (296,395)	\$ (251,421)	\$ (683,981)	\$ (69,634)	\$ (74,420)	\$ (119,842)	\$ (56,541)	\$ (4,235)	\$ 1,527,472	\$ (28,997)

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2014

14. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general municipal operating surplus	\$ (97,450)
Increase in municipal reserves and reserve funds	90
ADJUSTMENTS:	
Acquisition of tangible capital assets	431,700
Amortization of tangible capital assets	(234,200)
Increase in municipal debt and accrued interest	(114,352)
ANNUAL DEFICIT	\$ (14,212)

15. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain 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. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of 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 with respect to 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 Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

Contributions made by the Municipality to OMERS for 2014 were \$31,316 (2013 \$30,499) for current service. These contributions are included as an expense on the Consolidated Statement of Operations.