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**THE CORPORATION OF  
THE TOWNSHIP OF MCMURRICH/MONTEITH  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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**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, 2015, and the consolidated statements of operations and accumulated surplus, changes in net debt 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, 2015, 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  
March 7, 2016

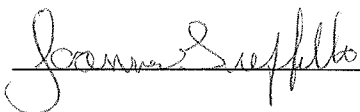
Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 709,382	\$ 703,813
Investments (Note 5)	288,916	212,538
Taxes receivable	307,218	252,542
Accounts receivable	82,291	83,143
	<b>1,387,807</b>	<b>1,252,036</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	155,719	254,813
Deferred revenue-general (Note 6)	3,208	34,286
Deferred revenue-obligatory reserve funds (Note 7)	58,381	95,307
Municipal debt (Note 8)	129,176	13,789
Accrued interest on long-term debt	722	108
Employee benefits payable (Note 10)	17,732	17,040
Landfill closure and post-closure liability (Note 11)	49,710	37,632
	<b>414,648</b>	<b>452,975</b>
<b>NET FINANCIAL ASSETS</b>	<b>973,159</b>	<b>799,061</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Note 13)	4,041,190	4,028,184
Inventories of supplies	27,783	29,646
Prepaid expenses	7,405	8,957
	<b>4,076,378</b>	<b>4,066,787</b>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<b>\$ 5,049,537</b>	<b>\$ 4,865,848</b>

Contingencies (Note 3)  
 Commitments (Note 12)

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, 2015**

	Budget 2015 <i>(see Note 16)</i>	Actual 2015	Actual 2014
<b>REVENUE</b>			
Property taxes	\$ 1,235,734	\$ 1,243,912	\$ 1,200,347
User charges	6,500	12,084	11,841
Government transfers	637,489	626,201	484,238
Other	78,100	109,340	311,260
<b>TOTAL REVENUE</b>	<b>1,957,823</b>	<b>1,991,537</b>	<b>2,007,686</b>
<b>EXPENSES</b>			
General government	320,004	302,793	285,310
Protection to persons and property	359,063	331,448	300,963
Transportation services	742,835	705,388	741,616
Environmental services	124,900	137,894	116,729
Health services	79,252	79,140	80,329
Social and family services	122,196	122,201	120,607
Recreation and cultural services	121,203	105,769	121,897
Planning and development	21,000	23,215	10,415
<b>TOTAL EXPENSES</b>	<b>1,890,453</b>	<b>1,807,848</b>	<b>1,777,866</b>
<b>ANNUAL SURPLUS</b> <i>(Note 14)</i>	<b>67,370</b>	<b>183,689</b>	<b>229,820</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>4,865,848</b>	<b>4,865,848</b>	<b>4,636,028</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 4,933,218</b>	<b>\$ 5,049,537</b>	<b>\$ 4,865,848</b>

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, 2015**

	Budget 2015 <i>(see Note 16)</i>	Actual 2015	Actual 2014
Annual surplus	\$ 67,370	\$ 183,689	\$ 229,820
Acquisition of tangible capital assets	(360,900)	(261,983)	(289,115)
Contributed tangible capital assets	-	(16,300)	(13,600)
Amortization of tangible capital assets	256,000	255,959	234,051
Loss on disposal of tangible capital assets	-	5,818	-
Proceeds from disposal of tangible capital assets	3,500	3,500	-
Change in supplies inventories	-	1,863	(4,519)
Change in prepaid expenses	-	1,552	(2,958)
<b>Increase (decrease) in net financial assets</b>	<b>(34,030)</b>	<b>174,098</b>	<b>153,679</b>
<b>Net financial assets, beginning of year</b>	<b>799,061</b>	<b>799,061</b>	<b>645,382</b>
<b>Net financial assets, end of year</b>	<b>\$ 765,031</b>	<b>\$ 973,159</b>	<b>\$ 799,061</b>

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, 2015**

	2015	2014
<b>Operating transactions</b>		
Annual surplus	\$ 183,689	\$ 229,820
Non-cash charges to operations:		
Amortization	255,959	234,051
Loss on disposal of tangible capital assets	5,818	-
Change in employee benefits payable	692	(321)
Change in landfill closure and post-closure liability	12,078	(21,619)
	458,236	441,931
Changes in non-cash items:		
Taxes receivable	(54,676)	11,698
Accounts receivable	852	3,537
Accounts payable and accrued liabilities	(99,094)	105,514
Deferred revenue-general	(31,078)	31,077
Deferred revenue-obligatory reserve funds	(36,926)	45,667
Inventories of supplies	1,863	(4,519)
Prepaid expenses	1,552	(2,958)
	(217,507)	190,016
<b>Cash provided by operating transactions</b>	<b>240,729</b>	<b>631,947</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(261,983)	(289,115)
Contributed tangible capital assets	(16,300)	(13,600)
Proceeds from disposal of tangible capital assets	3,500	-
<b>Cash applied to capital transactions</b>	<b>(274,783)</b>	<b>(302,715)</b>
<b>Investing transactions</b>		
Purchase of investments	(76,378)	(72,001)
<b>Cash applied to investing transactions</b>	<b>(76,378)</b>	<b>(72,001)</b>
<b>Financing transactions</b>		
Increase (decrease) in accrued interest on long-term debt	614	(212)
Proceeds from municipal debt	143,000	-
Debt principal repayments	(27,613)	(27,037)
<b>Cash provided by (applied to) financing transactions</b>	<b>116,001</b>	<b>(27,249)</b>
<b>Net change in cash and cash equivalents</b>	<b>5,569</b>	<b>229,982</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>703,813</b>	<b>473,831</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 709,382</b>	<b>\$ 703,813</b>
<b>Cash flow supplementary information:</b>		
Cash paid for interest	\$ 1,257	\$ 911

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, 2015

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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 of 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, 2015

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(b) Basis of Accounting

(i) Accrual basis of accounting

Revenue and expenditures are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses 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) Investments

Investments are recorded at cost plus accrued interest.

(iv) 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 20 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2015

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- (b) Inventories of supplies  
Inventories held for consumption are recorded at the lower of cost and replacement cost.
- (v) 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 specified purpose.
- (vi) 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.
- (vii) 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.
- (viii) 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 revenue is 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. This revenue is recorded in the period the interest and penalties are levied.
- (ix) 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.

# THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

- (x) 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 revenue 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.

### 2. CHANGE IN ACCOUNTING POLICY

On January 1, 2015 the Municipality adopted Public Sector Accounting Standards section 3260 "Liability for contaminated sites". This new standard establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with remediation of contaminated sites. The Municipality's adoption of this new standard has not resulted in any significant changes in liability recognition.

### 3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2015	2014
District of Parry Sound Social Services Administration Board	\$ 93,113	\$ 93,356
North Bay Parry Sound District Health Unit	22,004	22,170
District of Parry Sound (West) Home for the Aged	28,683	26,522
	<b>\$ 143,800</b>	<b>\$ 142,048</b>

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.

# THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

### 4. TRANSACTIONS ON BEHALF OF OTHERS

- (a) During the year, \$391,639 of taxation was collected on behalf of school boards (2014 \$397,054).
- (b) Trust funds administered by the Municipality totaling \$72,572 (2014 \$68,861) 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 \$59,630 (2014 \$50,165).
- (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 \$12,942 (2014 \$12,842).
- (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. The balance of the trust is NIL (2014 \$5,854).

### 5. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at rates ranging from 1.7% to 2.7% and maturing between May 7, 2016 and August 23, 2018.

### 6. DEFERRED REVENUE -GENERAL

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

	2015	2014
Balance, beginning of year:		
Selena Drive Culvert	\$ 30,432	\$ -
Other	3,854	3,209
	34,286	3,209
Received during the year:		
Selena Drive Culvert	7,591	45,276
Other funding	7,700	8,393
Interest earned	-	156
	15,291	53,825
Recognized in revenue during the year	(46,369)	(22,748)
<b>Balance, end of year</b>	<b>\$ 3,208</b>	<b>\$ 34,286</b>
Selena Drive Culvert	\$ -	\$ 30,432
Other deferred revenue	3,208	3,854
Balance, end of year	<b>\$ 3,208</b>	<b>\$ 34,286</b>

# THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2015

## 7. 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:

	2015	2014
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 15,080	\$ 8,693
Federal Gas Tax	80,227	40,947
	<u>95,307</u>	<u>49,640</u>
Received during the year:		
Recreational land (the Planning Act)	15,820	6,324
Federal Gas Tax	45,113	46,409
Interest earned	756	662
	<u>61,689</u>	<u>53,395</u>
Recognized in revenue during the year	<u>(98,615)</u>	<u>(7,728)</u>
<b>Balance, end of year</b>	<b>\$ 58,381</b>	<b>\$ 95,307</b>
Recreational land (the Planning Act)	\$ 29,069	\$ 15,080
Federal Gas Tax	29,312	80,227
<b>Balance, end of year</b>	<b>\$ 58,381</b>	<b>\$ 95,307</b>

# THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2015

## 8. MUNICIPAL DEBT

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

	2015	2014
Ontario Infrastructure and Lands Corporation loan, due February 2020, repayable in semi-annual payments of \$14,896 including interest calculated at 1.5%	\$ 129,176	\$ -
Ontario Infrastructure and Projects Corporation serial debenture, repaid during year	-	13,789
	<b>\$ 129,176</b>	<b>\$ 13,789</b>

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

	Principal	Interest
2016	\$ 27,960	\$ 1,833
2017	28,381	1,412
2018	28,808	985
2019	29,242	551
2020	14,785	111
	<b>\$ 129,176</b>	<b>\$ 4,892</b>

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

	2015	2014
Principal payments	\$ 27,613	\$ 27,037
Interest	1,871	699
	<b>\$ 29,484</b>	<b>\$ 27,736</b>

## 9. CREDIT FACILITY AGREEMENT

The Municipality has an authorized operating loan with the Toronto-Dominion Bank of \$300,000 (2014 \$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 (2014 - \$40,000) which was unused at the end of the year.

**THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended December 31, 2015

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**10. 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 2% per annum. The liability for these accumulated days amounted to \$17,732 (2014 \$17,040) at the end of the year.

**11. 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 \$49,710 (2014 \$37,632) and represents the present value of closure and post-closure costs for 38% (2014 30%) of the total site area, using an estimated long-term borrowing rate of 2.38% (2014 2.67%) and inflation rate of 1.7% (2014 1.8%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$130,783 (2014 \$124,449), leaving an amount to be recognized of \$81,073 (2014 \$86,817). The estimated remaining capacity of the site is approximately 19,217 cubic metres, estimated to be filled in 8 years. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has reserves of \$34,832 (2014 \$32,632) to fund this liability.

**12. CONTRACTUAL OBLIGATIONS**

The Municipality has agreed to purchase a 48 niche colombarium from Carrier Mausoleum Construction at a contracted amount of \$14,200 plus HST. The colombarium is expected to be delivered in 2016.

The Municipality has agreed to purchase a tandem plow truck and extended warranty from Freightliner North Bay at a contracted amount of \$217,939 plus HST. The vehicle is expected to be delivered in 2016.



# THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

### 13. TANGIBLE CAPITAL ASSETS

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

<b>2015</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 296,830	\$ 1,413,013	\$ 249,188	\$ 1,436,873	\$ 7,359,709	\$ 26,507	\$ 10,782,120
Additions and betterments	14,763	-	35,743	18,092	185,145	8,240	261,983
Contributed assets	16,300	-	-	-	-	-	16,300
Disposals and writedowns	-	-	-	(17,500)	(110,906)	-	(128,406)
Transfer between classes	1,270	-	-	-	25,237	(26,507)	-
<b>BALANCE, END OF YEAR</b>	<b>329,163</b>	<b>1,413,013</b>	<b>284,931</b>	<b>1,437,465</b>	<b>7,459,185</b>	<b>8,240</b>	<b>10,931,997</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	72,920	408,747	61,548	692,583	5,518,138	-	6,753,936
Annual amortization	15,633	34,982	18,071	69,450	117,823	-	255,959
Amortization disposals	-	-	-	(10,500)	(108,588)	-	(119,088)
<b>BALANCE, END OF YEAR</b>	<b>88,553</b>	<b>443,729</b>	<b>79,619</b>	<b>751,533</b>	<b>5,527,373</b>	<b>-</b>	<b>6,890,807</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 240,610</b>	<b>\$ 969,284</b>	<b>\$ 205,312</b>	<b>\$ 685,932</b>	<b>\$ 1,931,812</b>	<b>\$ 8,240</b>	<b>\$ 4,041,190</b>
<b>2014</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
<b>COST</b>							
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)
<b>BALANCE, END OF YEAR</b>	<b>296,830</b>	<b>1,413,013</b>	<b>249,188</b>	<b>1,436,873</b>	<b>7,359,709</b>	<b>26,507</b>	<b>10,782,120</b>
<b>ACCUMULATED AMORTIZATION</b>							
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)
<b>BALANCE, END OF YEAR</b>	<b>72,920</b>	<b>408,747</b>	<b>61,548</b>	<b>692,583</b>	<b>5,518,138</b>	<b>-</b>	<b>6,753,936</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 223,910</b>	<b>\$ 1,004,266</b>	<b>\$ 187,640</b>	<b>\$ 744,290</b>	<b>\$ 1,841,571</b>	<b>\$ 26,507</b>	<b>\$ 4,028,184</b>

## THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

#### 14. ACCUMULATED SURPLUS

The 2015 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
<b>RESERVES AND RESERVE FUNDS</b>			
Working funds	\$ 345,965	\$ 25,000	\$ 370,965
Election	6,000	-	6,000
Buildings	18,000	22,000	40,000
Fire	18,774	(6,000)	12,774
Roads	276,044	221,604	497,648
Landfill	32,632	2,200	34,832
Recreation	12,490	4,114	16,604
	<b>709,905</b>	<b>268,918</b>	<b>978,823</b>
<b>OTHER</b>			
Consolidated tangible capital assets	4,028,184	13,006	4,041,190
General operating surplus -			
Municipality	186,359	30,007	216,366
Cemetery	9,969	529	10,498
Unfunded amounts -			
Municipal debt	(13,789)	(115,387)	(129,176)
Accrued interest	(108)	(614)	(722)
Employee benefits payable	(17,040)	(692)	(17,732)
Landfill closure and post-closure liabilities	(37,632)	(12,078)	(49,710)
	<b>\$ 4,865,848</b>	<b>\$ 183,689</b>	<b>\$ 5,049,537</b>

# THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2015

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## 15. 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, 2015

#### 15. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	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
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,243,912	\$ 1,243,912
User charges	4,424	-	1,400	4,710	-	-	1,550	-	-	12,084
Government transfers -										
Canada	-	-	96,650	-	-	-	-	-	-	96,650
Ontario	-	-	63,023	19,196	-	-	2,589	-	429,900	514,708
Other municipalities	-	14,843	-	-	-	-	-	-	-	14,843
Other	-	12,716	3,250	-	16,828	-	9,183	-	67,363	109,340
<b>TOTAL REVENUE</b>	<b>4,424</b>	<b>27,559</b>	<b>164,323</b>	<b>23,906</b>	<b>16,828</b>	<b>-</b>	<b>13,322</b>	<b>-</b>	<b>1,741,175</b>	<b>1,991,537</b>
<b>EXPENSES</b>										
Salaries, wages and benefits	156,013	62,651	243,333	89,088	-	-	42,354	-	-	593,439
Long-term debt charges (interest)	-	-	1,871	-	-	-	-	-	-	1,871
Materials	52,087	68,154	282,230	4,564	1,389	-	33,492	3,442	-	445,358
Contracted services	85,819	176,000	1,081	19,451	55,747	-	5,014	19,773	-	362,885
Rents and financial expenses	1,785	-	-	-	-	-	2,751	-	-	4,536
External transfers	-	-	-	-	22,004	121,796	-	-	-	143,800
Interfunctional adjustments	-	-	(5,201)	3,905	-	-	1,296	-	-	-
Amortization	7,089	24,643	182,074	20,886	-	405	20,862	-	-	255,959
<b>TOTAL EXPENSES</b>	<b>302,793</b>	<b>331,448</b>	<b>705,388</b>	<b>137,894</b>	<b>79,140</b>	<b>122,201</b>	<b>105,769</b>	<b>23,215</b>	<b>-</b>	<b>1,807,848</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (298,369)</b>	<b>\$ (303,889)</b>	<b>\$ (541,065)</b>	<b>\$ (113,988)</b>	<b>\$ (62,312)</b>	<b>\$ (122,201)</b>	<b>\$ (92,447)</b>	<b>\$ (23,215)</b>	<b>\$ 1,741,175</b>	<b>\$ 183,689</b>

**THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended December 31, 2015**

**15. 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
<b>REVENUE</b>										
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
<b>TOTAL REVENUE</b>	<b>5,233</b>	<b>47,298</b>	<b>47,407</b>	<b>55,350</b>	<b>2,402</b>	<b>-</b>	<b>23,196</b>	<b>-</b>	<b>1,826,800</b>	<b>2,007,686</b>
<b>EXPENSES</b>										
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
<b>TOTAL EXPENSES</b>	<b>285,310</b>	<b>300,963</b>	<b>741,616</b>	<b>116,729</b>	<b>80,329</b>	<b>120,607</b>	<b>121,897</b>	<b>10,415</b>	<b>-</b>	<b>1,777,866</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (280,077)</b>	<b>\$ (253,665)</b>	<b>\$ (694,209)</b>	<b>\$ (61,379)</b>	<b>\$ (77,927)</b>	<b>\$ (120,607)</b>	<b>\$ (98,701)</b>	<b>\$ (10,415)</b>	<b>\$ 1,826,800</b>	<b>\$ 229,820</b>

## THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

16. 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
<b>ADOPTED BUDGET:</b>	
Decrease in general municipal operating surplus	\$ (186,359)
Increase in municipal reserves and reserve funds	267,304
<b>ADJUSTMENTS:</b>	
Acquisition of tangible capital assets	360,900
Amortization of tangible capital assets	(256,000)
Proceeds from disposition of tangible capital assets	(3,500)
Increase in municipal debt and accrued interest	(114,975)
<b>ANNUAL SURPLUS</b>	<b>\$ 67,370</b>

17. 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 2015 were \$34,028 (2014 \$31,316) for current service. These contributions are included as an expense on the Consolidated Statement of Operations.

18. COMPARATIVE FIGURES

Certain prior year figures presented for comparative purposes have been reclassified to conform with the presentation adopted for the current year.