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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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, 2013, 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, 2013, 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 3, 2014


Chartered Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 614,368	\$ 508,662
Taxes receivable	264,240	298,912
Accounts receivable	86,680	84,737
	965,288	892,311
LIABILITIES		
Accounts payable and accrued liabilities	149,299	124,201
Deferred revenue-general	3,209	-
Deferred revenue-obligatory reserve funds (Note 5)	49,640	46,535
Municipal debt (Note 6)	40,826	67,154
Accrued interest on long-term debt	320	526
Employee benefits payable (Note 8)	17,361	15,422
Landfill closure and post-closure liability (Note 9)	59,251	61,259
	319,906	315,097
NET FINANCIAL ASSETS	645,382	577,214
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 11)	3,959,520	4,052,044
Inventories of supplies	25,127	29,915
Prepaid expenses	5,999	5,852
	3,990,646	4,087,811
ACCUMULATED SURPLUS (Note 12)	\$ 4,636,028	\$ 4,665,025

Contingencies (Notes 3 and 10)

APPROVED ON BEHALF OF COUNCIL:

 Reeve

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget 2013	Actual 2013	Actual 2012
REVENUE			
Property taxes	\$ 1,118,819	\$ 1,125,039	\$ 1,057,160
User charges	5,723	8,454	7,939
Government transfers	491,774	497,458	514,410
Other	63,000	75,875	70,450
TOTAL REVENUE	1,679,316	1,706,826	1,649,959
EXPENSES			
General government	299,648	299,048	262,187
Protection to persons and property	306,865	288,245	276,377
Transportation services	696,939	754,064	796,437
Environmental services	111,994	97,742	117,574
Health services	75,273	74,924	72,348
Social and family services	119,472	119,842	124,999
Recreation and cultural services	97,656	97,723	88,280
Planning and development	10,000	4,235	53,584
TOTAL EXPENSES	1,717,847	1,735,823	1,791,786
ANNUAL DEFICIT (Note 12)	(38,531)	(28,997)	(141,827)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,665,025	4,665,025	4,806,852
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,626,494	\$ 4,636,028	\$ 4,665,025

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, 2013

	Budget 2013	Actual 2013	Actual 2012
Annual deficit	\$ (38,531)	\$ (28,997)	\$ (141,827)
Acquisition of tangible capital assets	(226,300)	(250,219)	(395,994)
Amortization of tangible capital assets	265,200	264,964	341,765
Loss on disposal of tangible capital assets	-	2,279	11,208
Proceeds from disposal of tangible capital assets	75,500	75,500	80,020
Change in supplies inventories	-	4,788	235
Change in prepaid expenses	-	(147)	(1,720)
Increase (decrease) in net financial assets	75,869	68,168	(106,313)
Net financial assets, beginning of year	577,214	577,214	683,527
Net financial assets, end of year	\$ 653,083	\$ 645,382	\$ 577,214

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, 2013

	2013	2012
Operating transactions		
Annual deficit	\$ (28,997)	\$ (141,827)
Non-cash charges to operations:		
Amortization	264,964	341,765
Loss on disposal of tangible capital assets	2,279	11,208
Change in employee benefits payable	1,939	5,805
Change in landfill closure and post-closure liability	(2,008)	5,394
	<u>238,177</u>	<u>222,345</u>
Changes in non-cash items:		
Taxes receivable	34,672	45,146
Accounts receivable	(1,943)	22,563
Accounts payable and accrued liabilities	25,098	29,371
Deferred revenue-general	3,209	-
Deferred revenue-obligatory reserve funds	3,105	(73,323)
Inventories of supplies	4,788	235
Prepaid expenses	(147)	(1,720)
	<u>68,782</u>	<u>22,272</u>
Cash provided by operating transactions	<u>306,959</u>	<u>244,617</u>
Capital transactions		
Acquisition of tangible capital assets	(250,219)	(395,994)
Proceeds from disposal of tangible capital assets	75,500	80,020
Cash applied to capital transactions	<u>(174,719)</u>	<u>(315,974)</u>
Financing transactions		
Decrease in accrued interest on long-term debt	(206)	(200)
Debt principal repayments	(26,328)	(25,640)
Cash applied to financing transactions	<u>(26,534)</u>	<u>(25,840)</u>
Net change in cash and cash equivalents	105,706	(97,197)
Cash and cash equivalents, beginning of year	508,662	605,859
Cash and cash equivalents, end of year	\$ 614,368	\$ 508,662
Cash flow supplementary information:		
Cash paid for interest	\$ 1,618	\$ 2,308

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, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of McMurrich/Monteith (the "Municipality") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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.

(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.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2013

(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 - 16 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) 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.

(v) 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 contributions when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

(vi) Deferred revenue - general

The Municipality defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(vii) Deferred revenue-obligatory reserve funds

The Municipality receives gas tax revenue from the Federal Government and payments in lieu of parkland under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2013

- (viii) Taxation and related revenues
Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). 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. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. 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.
- (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.
- (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 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 accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

2. CHANGE IN ACCOUNTING POLICY

On January 1, 2013 the Municipality adopted Public Sector Accounting Standards section 3410 "Government Transfers". This new standard replaces the existing Section 3410 of the same name and establishes guidance on the recognition, presentation and disclosure of government transfers from the perspective of both transferring governments and recipient governments. The Municipality has adopted this new standard prospectively.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2013

3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2013	2012
District of Parry Sound Social Services Administration Board	\$ 94,131	\$ 97,774
North Bay Parry Sound District Health Unit	21,723	20,663
District of Parry Sound (West) Home for the Aged	23,940	22,238
	\$ 139,794	\$ 140,675

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.

4. TRANSACTIONS ON BEHALF OF OTHERS

(a) During the year, \$398,933 of taxation was collected on behalf of school boards (2012 \$415,448).

(b) Trust funds administered by the Municipality amounting to \$59,295 (2012 \$51,883) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

5. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The balance of deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position is made up of the following:

	2013	2012
Recreational land (the Planning Act)	\$ 8,693	\$ 5,048
Federal Gas Tax	40,947	41,487
	\$ 49,640	\$ 46,535

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2013

6. MUNICIPAL DEBT

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

	2013	2012
Ontario Infrastructure Projects Corporation serial debenture, due March 2015, repayable in semi-annual payments of \$13,974 including interest calculated at 2.67%	\$ 40,826	\$ 67,154

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

	Principal		Interest	
2014	\$	27,037	\$	911
2015		13,789		184
	\$	40,826	\$	1,095

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

	2013		2012	
Principal payments	\$	26,328	\$	25,640
Interest		1,412		2,108
	\$	27,740	\$	27,748

7. CREDIT FACILITY AGREEMENT

The Municipality has an authorized operating loan with the Toronto-Dominion Bank of \$300,000 (2012 \$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 \$17,361 (2012 \$15,422) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2013

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 \$59,251 (2012 \$61,259) and represents the present value of closure and post-closure costs for 50% of the total site area, using an estimated long-term borrowing rate of 2.67% (2012 2.67%) and inflation rate of 1.8% (2012 2.2%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$117,576 (2012 \$131,521), leaving an amount to be recognized of \$58,325 (2012 \$70,262). The estimated remaining capacity of the site is approximately 13,104 cubic metres, estimated to be filled in 13 years. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has reserves of \$30,432 (2012 \$28,232) to fund this liability.

10. CONTINGENCIES

- (a) The Municipality has entered into an agreement with the Association of Municipalities of Ontario with respect to the transfer of federal gas tax revenues. The agreement contains specific provisions for the utilization of the funds, including a provision for repayment of a proportionate amount of funds in the event that, any time within 10 years from the date of completion of the eligible project the Municipality sells, leases, encumbers or otherwise disposes of, directly or indirectly any asset constructed, rehabilitated or improved, in whole or in part, with the financial assistance received under the terms of the agreement. At December 31, 2013, the Municipality has received a total of \$318,726 for the years 2005 to 2013, and has expended \$283,003 for the years 2005 to 2013.
- (b) Prior to 2005, the Municipality participated in group underwriting relating to its insurance claims and this group has ceased writing new policies of insurance. Each participant in the underwriting group may be required to fund a deficit in any policy year to ensure that sufficient funds are available to cover all outstanding liabilities. The Municipality's share of the group's deficit is not determinable at this time.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2013

11. TANGIBLE CAPITAL ASSETS

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

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
2012							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 295,948	\$ 1,339,631	\$ 106,436	\$ 1,195,015	\$ 7,209,952	\$ 37,024	\$ 10,184,006
Additions and betterments	7,038	6,695	96,578	125,149	158,795	1,739	395,994
Disposals and writedowns	-	-	-	(136,907)	(36,391)	-	(173,298)
Transfer between classes	11,584	-	25,440	-	-	(37,024)	-
BALANCE, END OF YEAR	314,570	1,346,326	228,454	1,183,257	7,332,356	1,739	10,406,702
ACCUMULATED AMORTIZATION							
Balance, beginning of year	81,559	305,567	18,996	535,068	5,153,773	-	6,094,963
Annual amortization	8,134	33,574	11,266	76,028	212,763	-	341,765
Amortization disposals	-	-	-	(48,007)	(34,063)	-	(82,070)
BALANCE, END OF YEAR	89,693	339,141	30,262	563,089	5,332,473	-	6,354,658
TANGIBLE CAPITAL ASSETS-NET	\$ 224,877	\$ 1,007,185	\$ 198,192	\$ 620,168	\$ 1,999,883	\$ 1,739	\$ 4,052,044

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2013

12. ACCUMULATED SURPLUS

The 2013 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	\$ 375,965	\$ (55,000)	\$ 320,965
Election	4,000	2,000	6,000
Fire	10,884	16,500	27,384
Roads	280,001	11,917	291,918
Landfill	28,232	2,200	30,432
Recreation	20,205	(11,602)	8,603
	719,287	(33,985)	685,302
OTHER			
Consolidated tangible capital assets	4,052,044	(92,524)	3,959,520
General operating surplus -			
Municipality	26,632	70,818	97,450
Cemetery	11,423	91	11,514
Unfunded amounts -			
Municipal debt	(67,154)	26,328	(40,826)
Accrued interest	(526)	206	(320)
Employee benefits payable	(15,422)	(1,939)	(17,361)
Landfill closure and post-closure liabilities	(61,259)	2,008	(59,251)
	\$ 4,665,025	\$ (28,997)	\$ 4,636,028

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2013

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, 2013

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	-	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	-	688	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, 2013

13. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2012

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,057,160	\$ 1,057,160
User charges	3,894	-	400	3,353	-	-	292	-	-	7,939
Government transfers -										
Canada	248	-	126,064	1,437	-	-	8,066	-	-	135,815
Ontario	-	1,374	1,542	6,836	-	-	2,589	-	354,000	366,341
Other municipalities	-	12,254	-	-	-	-	-	-	-	12,254
Gain (loss) on disposal of capital assets	-	(11,400)	192	-	-	-	-	-	-	(11,208)
Other	-	16,907	-	5,054	719	-	8,787	-	50,191	81,658
TOTAL REVENUE	4,142	19,135	128,198	16,680	719	-	19,734	-	1,461,351	1,649,959
EXPENSES										
Salaries, wages and benefits	130,564	47,278	214,224	74,557	826	-	33,253	-	-	500,702
Long-term debt charges (interest)	-	-	2,108	-	-	-	-	-	-	2,108
Materials	55,017	61,942	298,997	15,127	-	4,299	26,603	1,089	-	463,074
Contracted services	70,018	144,676	3,045	11,075	50,859	-	10,011	52,495	-	342,179
Rents and financial expenses	340	-	943	-	-	-	-	-	-	1,283
External transfers	-	-	-	-	20,663	120,012	-	-	-	140,675
Interfunctional adjustments	-	-	(6,194)	6,194	-	-	-	-	-	-
Amortization	6,248	22,481	283,314	10,621	-	688	18,413	-	-	341,765
TOTAL EXPENSES	262,187	276,377	796,437	117,574	72,348	124,999	88,280	53,584	-	1,791,786
ANNUAL SURPLUS (DEFICIT)	\$ (258,045)	\$ (257,242)	\$ (668,239)	\$ (100,894)	\$ (71,629)	\$ (124,999)	\$ (68,546)	\$ (53,584)	\$ 1,461,351	\$ (141,827)

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2013

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	\$ (26,633)
Increase in municipal reserves and reserve funds	467
ADJUSTMENTS:	
Acquisition of tangible capital assets	226,300
Amortization of tangible capital assets	(265,200)
Municipal debt repayment and accrued interest	26,535
ANNUAL DEFICIT	\$ (38,531)

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.

The amount contributed to OMERS for 2013 was \$30,499 (2012 \$24,128) for current service and is included as an expense on the Consolidated Statement of Operations.