

**CORPORATION OF THE  
TOWNSHIP OF TUDOR AND CASHEL**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**CORPORATION OF THE  
TOWNSHIP OF TUDOR AND CASHEL**

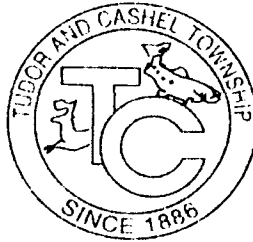
**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

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## TOWNSHIP OF TUDOR AND CASHEL

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### CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

For The Year Ended December 31, 2013

#### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Tudor and Cashel are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

The Board of Directors reviews and approves the Township's financial statements for issuance to the members of the Corporation of the Township of Tudor and Cashel. The Board of Directors meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditors' report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Collins Barrow Kawarthas LLP has full and free access to the Township.

Reeve

Wanda Donaldson

Date

Sept. 02, 2014

Clerk-Treasurer

Bernice Crocker

Date

Sept. 02, 2014

**INDEPENDENT AUDITORS' REPORT****To the Members of the Board of Directors of the Corporation of  
the Township of Tudor and Cashel***Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Tudor and Cashel and its local board, which comprise the consolidated statement of financial position as at December 31, 2013, 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Township of Tudor and Cashel and its local board as at December 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*Chartered Professional Accountants  
Peterborough, Ontario  
September 2, 2014

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2013

	2013	2012
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	768,798	716,870
Accounts receivable	181,797	108,883
Taxes receivable	390,146	310,346
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,340,741</b>	<b>1,136,099</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	145,533	140,543
Deferred revenue - obligatory reserve funds (note 5)	23,996	23,996
Deferred revenue - other	3,305	20,685
Long term debt (note 6)	95,281	-
Landfill closure and post-closure liability (note 7)	281,186	242,490
<b>TOTAL LIABILITIES</b>	<b>549,301</b>	<b>427,714</b>
<b>NET FINANCIAL ASSETS</b>	<b>791,440</b>	<b>708,385</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	3,494,154	3,357,425
Prepaid expenses	19,760	17,403
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>3,513,914</b>	<b>3,374,828</b>
<b>ACCUMULATED SURPLUS (note 9)</b>	<b>4,305,354</b>	<b>4,083,213</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2013

	Budget 2013 \$ (Unaudited)	Actual 2013 \$	Actual 2012 \$
<b>REVENUES</b>			
Property taxation	974,941	973,871	878,116
User charges	33,808	69,910	50,389
Province of Ontario	361,522	362,145	341,305
Other municipalities	-	338	-
Penalties and interest on taxes	27,000	60,711	32,817
Investment income	6,000	7,264	8,045
Gain on sale of capital assets	-	-	6,595
Federal gas tax earned	44,900	41,841	62,761
Donations	-	377	-
Tax registration proceeds	4,500	37,874	6,712
<b>TOTAL REVENUES</b>	<b>1,452,671</b>	<b>1,554,331</b>	<b>1,386,740</b>
<b>EXPENSES</b>			
General government	408,727	340,849	303,332
Protection services	220,172	208,825	209,337
Transportation services	575,418	549,514	474,205
Environmental services	123,201	144,923	143,453
Health services	37,965	37,649	34,826
Recreation and cultural services	40,541	29,956	33,280
Planning and development	24,129	20,474	21,140
<b>TOTAL EXPENSES</b>	<b>1,430,153</b>	<b>1,332,190</b>	<b>1,219,573</b>
<b>ANNUAL SURPLUS</b>	<b>22,518</b>	<b>222,141</b>	<b>167,167</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>4,083,213</b>	<b>4,083,213</b>	<b>3,916,046</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>4,105,731</b>	<b>4,305,354</b>	<b>4,083,213</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2013

	Budget 2013 \$ (Unaudited)	Actual 2013 \$	Actual 2012 \$
<b>ANNUAL SURPLUS</b>	22,518	222,141	167,167
Amortization of tangible capital assets	163,285	184,229	163,285
Acquisition of tangible capital assets	(198,058)	(320,958)	(346,718)
Gain on disposal of tangible capital assets	-	-	(6,595)
Proceeds on sale of tangible capital assets	-	-	6,595
Increase in prepaid expenses	-	(2,357)	-
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(12,255)	83,055	(16,266)
<b>NET FINANCIAL ASSETS - beginning of year</b>	708,385	708,385	724,651
<b>NET FINANCIAL ASSETS - end of year</b>	696,130	791,440	708,385

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2013

	2013	2012
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus	222,141	167,167
Increase in accounts receivable	(72,914)	(59,301)
Increase in taxes receivable	(79,800)	(94,017)
Increase in prepaid expenses	(2,357)	-
Increase/(decrease) in accounts payable and accrued liabilities	4,990	(15,676)
Decrease in deferred revenue - obligatory reserve funds	-	(17,845)
Decrease in deferred revenue - other	(17,380)	(19,082)
Non-cash charges to operations		
Amortization of tangible capital assets	184,229	163,285
Gain on sale of capital assets	-	(6,595)
Increase in landfill closure and post-closure liability	38,696	35,056
<b>Net increase in cash from operating transactions</b>	<b>277,605</b>	<b>152,992</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(320,958)	(346,718)
Proceeds on disposal of tangible capital assets	-	6,595
<b>Net decrease in cash from capital transactions</b>	<b>(320,958)</b>	<b>(340,123)</b>
<b>FINANCING</b>		
Long term debt issued	100,000	-
Debt principal repayments	(4,719)	-
<b>Net increase in cash from financing transactions</b>	<b>95,281</b>	<b>-</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>51,928</b>	<b>(187,131)</b>
<b>CASH - beginning of year</b>	<b>716,870</b>	<b>904,001</b>
<b>CASH - end of year</b>	<b>768,798</b>	<b>716,870</b>

The accompanying notes are an integral part of these financial statements



# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

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The Township of Tudor and Cashel is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

#### (a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These financial statements include:

- Tudor and Cashel Public Library Board

All interfund assets and liabilities and revenues and expenses are eliminated.

#### (b) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	30 years
Buildings	50 years
Roads and bridges	5 to 50 years
Machinery and equipment	5 to 50 years
Vehicles	2 to 12 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

#### (c) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

#### (d) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(f) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(g) Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(h) Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(i) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs; and
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

The Township's financial instruments consist of cash, accounts receivable, taxes receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Township does not have any significant concentration of interest, currency or credit risk.

### 2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2013, requisitions were made by the County of Hastings and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	317,633	423,179
Taxation from other governments	1,070	3,204
<b>Amounts requisitioned and remitted</b>	<b>318,703</b>	<b>426,383</b>

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

### 3. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$250,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2013-02. At December 31, 2013 there was no balance outstanding (2012 - \$Nil).

### 4. BUDGET FIGURES

The budget, approved by the Township, for 2013 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

### 5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the Township is summarized below:

	2013	2012
	\$	\$
Federal gas tax	23,996	23,996

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2013	2012
	\$	\$
Balance - beginning of year	23,996	41,841
Add amounts received:		
County gas tax funding received	20,920	23,996
Federal gas tax funding received	20,921	20,920
	41,841	44,916
Less transfer to operations:		
Federal gas tax earned	41,841	62,761
Balance - end of year	23,996	23,996

### 6. LONG TERM DEBT

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

	2013	2012
	\$	\$
Ontario Infrastructure and Lands Corporation loan repayable in blended monthly installments of \$1,771 with interest at 2.41%, due September 2018	95,281	-

(b) The long term debt in (a) issued in the name of the Township has been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(c) Interest paid during the year on long term debt amounted to \$611 (2012 - \$Nil).

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

### 6. LONG TERM DEBT, continued

(d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2014	19,164	2,085	21,249
2015	19,631	1,618	21,249
2016	20,109	1,140	21,249
2017	20,599	650	21,249
2018	15,778	159	15,937
	<b>95,281</b>	<b>5,652</b>	<b>100,933</b>

### 7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$281,186 (2012 - \$242,490) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the two sites the Township operates. The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill sites, using a discount factor of 4% and an inflation rate of 2%. The remaining capacity of the solid waste landfill sites is estimated at 3,647 m<sup>3</sup> (2012 - 5,717 m<sup>3</sup>) which is 16.46% (2012 - 25.8%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$281,186 (2012 - \$242,490) as at December 31, 2013. The landfill sites are expected to reach their capacity in 1 and 3 years.

### 8. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2013 \$	2012 \$
<b>General</b>		
Land	344,404	344,404
Land improvements	43,413	45,150
Buildings	413,897	427,152
Machinery and equipment	76,100	72,152
Vehicles	386,906	319,331
<b>Infrastructure</b>		
Roads and bridges	2,229,434	2,149,236
	<b>3,494,154</b>	<b>3,357,425</b>

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

### 8. TANGIBLE CAPITAL ASSETS, continued

During the year there were no write-downs of assets (2012 - \$Nil) and no interest capitalized (2012 - \$Nil).

The allocation of tangible capital assets by segment is as follows:

	2013	2012
	\$	\$
General government	493,789	495,397
Protection services	131,170	135,342
Transportation services	2,860,084	2,717,934
Environmental services	2,519	-
Health services	1,367	1,367
Recreation and cultural services	5,225	7,385
	<b>3,494,154</b>	<b>3,357,425</b>

### 9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2013	2012
	\$	\$
<b>Surplus/(Deficit)</b>		
Township operations	826,512	723,159
Library board	577	(178)
Unfunded landfill closure and post-closure costs	(281,186)	(242,490)
	545,903	480,491
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	3,494,154	3,357,425
<b>Surplus</b>	<b>4,040,057</b>	<b>3,837,916</b>
<b>Reserves</b>		
Working funds	189,382	179,382
General	74,896	64,896
Library	425	425
<b>Total Reserves</b>	<b>264,703</b>	<b>244,703</b>
<b>Reserve Funds</b>		
Recreation	594	594
	<b>4,305,354</b>	<b>4,083,213</b>

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

**10. EXPENSES BY OBJECT**

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2013 \$ (Unaudited)	Actual 2013 \$	Actual 2012 \$
Salaries and benefits	501,311	487,195	454,587
Interest charges	-	611	-
Materials	439,459	320,610	282,315
Contracted services	300,943	314,508	295,752
Rents and financial	125	94	84
External transfers	25,030	24,943	23,550
Amortization	163,285	184,229	163,285
	1,430,153	1,332,190	1,219,573

**11. COMPARATIVE FIGURES**

Certain comparative figures were restated, where required, to conform with the current year presentation.

**12. SEGMENTED INFORMATION**

The Township of Tudor and Cashel is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

**General Government**

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

**Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

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### 12. SEGMENTED INFORMATION, continued

#### **Transportation Services**

The activities of the transportation function include construction and maintenance of the Township's roads and bridges and winter control.

#### **Environmental Services**

The environmental function is responsible for waste disposal and recycling services to ratepayers.

#### **Health Services**

The health services function consists of cemeteries and external transfers to the local medical centre.

#### **Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities and library services.

#### **Planning and Development**

The planning and development services function manages commercial, industrial and residential development within the Township.

### 13. CONTINGENT LIABILITIES

The Township, in the course of its operations, has been named in a lawsuit. The outcome of which is indeterminable at this time. No amounts in connection with this item has been reflected in these financial statements.



# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2013

	General					Infrastructure	Totals
	Land	Land	Buildings	Machinery and	Vehicles	Roads and	
	\$	Improvements	\$	Equipment	\$	Bridges	\$
		\$	\$	\$	\$	\$	\$
<b>COST</b>							
Balance, beginning of year	344,404	52,094	656,742	510,979	682,746	4,916,192	7,163,157
Add: additions during the year	-	-	-	14,849	100,641	205,468	320,958
Less: disposals during the year	-	-	-	1,959	-	-	1,959
Balance, end of year	344,404	52,094	656,742	523,869	783,387	5,121,660	7,482,156
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	-	6,944	229,590	438,827	363,415	2,766,956	3,805,732
Add: additions during the year	-	1,737	13,255	10,901	33,066	125,270	184,229
Less: disposals during the year	-	-	-	1,959	-	-	1,959
Balance, end of year	-	8,681	242,845	447,769	396,481	2,892,226	3,988,002
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>344,404</b>	<b>43,413</b>	<b>413,897</b>	<b>76,100</b>	<b>386,906</b>	<b>2,229,434</b>	<b>3,494,154</b>

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2013

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	422,461	162,188	268,247	81,769	-	36,097	3,109	973,871
User charges	7,860	37,117	4,633	7,963	-	5,660	6,677	69,910
Government transfers - operating	101,292	49,456	130,142	35,454	3,968	16,764	4,849	341,925
Government transfers - capital	-	-	-	-	20,220	-	-	20,220
Other municipalities	-	338	-	-	-	-	-	338
Penalties and interest on taxes	60,711	-	-	-	-	-	-	60,711
Investment income	7,264	-	-	-	-	-	-	7,264
Federal gas tax earned	-	-	41,841	-	-	-	-	41,841
Donations	-	-	-	-	-	377	-	377
Tax registration proceeds	-	-	-	-	-	-	37,874	37,874
<b>Total revenues</b>	<b>599,588</b>	<b>249,099</b>	<b>444,863</b>	<b>125,186</b>	<b>24,188</b>	<b>58,898</b>	<b>52,509</b>	<b>1,554,331</b>
<b>Expenses</b>								
Salaries and benefits	201,951	-	221,153	44,419	-	4,123	15,549	487,195
Interest charges	-	-	611	-	-	-	-	611
Materials	100,782	8,694	134,055	21,737	30,616	19,801	4,925	320,610
Contracted services	30,043	180,899	23,444	78,487	-	1,635	-	314,508
Rents and financial	94	-	-	-	-	-	-	94
External transfers	850	15,060	-	-	7,033	2,000	-	24,943
Amortization	7,129	4,172	170,251	280	-	2,397	-	184,229
<b>Total expenses</b>	<b>340,849</b>	<b>208,825</b>	<b>549,514</b>	<b>144,923</b>	<b>37,649</b>	<b>29,956</b>	<b>20,474</b>	<b>1,332,190</b>
<b>Net surplus/(deficit)</b>	<b>258,739</b>	<b>40,274</b>	<b>(104,651)</b>	<b>(19,737)</b>	<b>(13,461)</b>	<b>28,942</b>	<b>32,035</b>	<b>222,141</b>

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2012

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	65,113	157,000	463,987	112,117	(4,450)	46,245	38,104	878,116
User charges	7,526	23,052	7,856	4,506	-	5,799	1,650	50,389
Government transfers - operating	318,000	-	-	913	-	3,305	-	322,218
Government transfers - capital	-	-	-	-	19,087	-	-	19,087
Penalties and interest on taxes	32,817	-	-	-	-	-	-	32,817
Investment income	8,045	-	-	-	-	-	-	8,045
Gain on sale of capital assets	-	-	6,595	-	-	-	-	6,595
Federal gas tax earned	-	-	62,761	-	-	-	-	62,761
Tax registration proceeds	6,712	-	-	-	-	-	-	6,712
<b>Total revenues</b>	<b>438,213</b>	<b>180,052</b>	<b>541,199</b>	<b>117,536</b>	<b>14,637</b>	<b>55,349</b>	<b>39,754</b>	<b>1,386,740</b>
<b>Expenses</b>								
Salaries and benefits	187,708	-	190,803	52,212	-	4,326	19,538	454,587
Materials	76,218	7,942	126,234	20,285	28,739	21,295	1,602	282,315
Contracted services	30,418	183,231	8,731	70,956	-	2,416	-	295,752
Rents and financial	84	-	-	-	-	-	-	84
External transfers	871	13,992	-	-	6,087	2,600	-	23,550
Amortization	8,033	4,172	148,437	-	-	2,643	-	163,285
<b>Total expenses</b>	<b>303,332</b>	<b>209,337</b>	<b>474,205</b>	<b>143,453</b>	<b>34,826</b>	<b>33,280</b>	<b>21,140</b>	<b>1,219,573</b>
<b>Net surplus/(deficit)</b>	<b>134,881</b>	<b>(29,285)</b>	<b>66,994</b>	<b>(25,917)</b>	<b>(20,189)</b>	<b>22,069</b>	<b>18,614</b>	<b>167,167</b>

**CORPORATION OF THE  
TOWNSHIP OF TUDOR AND CASHEL**

**TUDOR AND CASHEL PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**INDEPENDENT AUDITORS' REPORT****To the Members of the Tudor and Cashel Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Tudor and Cashel***Report on the Financial Statements*

We have audited the accompanying financial statements of the Tudor and Cashel Public Library Board of the Corporation of the Township of Tudor and Cashel, which comprise the statement of financial position as at December 31, 2013, the 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 financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these 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 auditors' 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

Except as noted in the following paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*

The Board derives revenue from user charges and other revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to user charges and other revenue, assets and accumulated surplus.

*Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Tudor and Cashel Public Library Board as at December 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*Chartered Professional Accountants  
Peterborough, Ontario  
September 2, 2014

**CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL**

**TUDOR AND CASHEL PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2013**

	2013	2012
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	5,232	975
<b>LIABILITIES</b>		
Due to Township	675	675
Accounts payable	250	53
Deferred revenue	3,305	-
<b>TOTAL LIABILITIES</b>	4,230	728
<b>NET FINANCIAL ASSETS</b>	1,002	247
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	5,225	7,385
<b>ACCUMULATED SURPLUS (note 3)</b>	6,227	7,632

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2013

	Budget 2013 \$ (Unaudited)	Actual 2013 \$	Actual 2012 \$
<b>REVENUES</b>			
Municipal contribution	1,500	1,500	1,500
Province of Ontario	3,968	4,724	3,305
User charges and other income	198	147	711
<b>TOTAL REVENUES</b>	<b>5,666</b>	<b>6,371</b>	<b>5,516</b>
<b>EXPENSES</b>			
Salaries and benefits	4,111	4,123	4,326
Supplies	1,387	1,256	1,252
Amortization	2,643	2,397	2,643
<b>TOTAL EXPENSES</b>	<b>8,141</b>	<b>7,776</b>	<b>8,221</b>
<b>ANNUAL DEFICIT</b>	<b>(2,475)</b>	<b>(1,405)</b>	<b>(2,705)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>7,632</b>	<b>7,632</b>	<b>10,337</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>5,157</b>	<b>6,227</b>	<b>7,632</b>

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2013

	Budget 2013 \$ (Unaudited)	Actual 2013 \$	Actual 2012 \$
<b>ANNUAL DEFICIT</b>	(2,475)	(1,405)	(2,705)
Amortization of tangible capital assets	2,643	2,397	2,643
Acquisition of tangible capital assets	-	(237)	(1,540)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	168	755	(1,602)
<b>NET FINANCIAL ASSETS - beginning of year</b>	247	247	1,849
<b>NET FINANCIAL ASSETS - end of year</b>	415	1,002	247

*The accompanying notes are an integral part of these financial statements*



# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2013

	2013	2012
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual deficit	(1,405)	(2,705)
Decrease in due to Township	-	(1)
Increase in accounts payable	197	53
Increase in deferred revenue	3,305	-
Non-cash charges to operations		
Amortization of tangible capital assets	2,397	2,643
<b>Net increase/(decrease) in cash from operating transactions</b>	<b>4,494</b>	<b>(10)</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(237)	(1,540)
<b>INCREASE/(DECREASE) IN CASH</b>	<b>4,257</b>	<b>(1,550)</b>
<b>CASH - beginning of year</b>	<b>975</b>	<b>2,525</b>
<b>CASH - end of year</b>	<b>5,232</b>	<b>975</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2013

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Financial Instruments

The Board's financial instruments consist of cash, due to Township and accounts payable. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Board does not have any significant concentration of credit, currency or interest rate risk.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Furniture and equipment	7 to 15 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(e) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

**TUDOR AND CASHEL PUBLIC LIBRARY BOARD  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(g) Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

**2. TANGIBLE CAPITAL ASSETS**

The net book value of the Board's tangible capital assets are:

	Books \$	Furniture and Equipment \$	2013 Totals \$	2012 Totals \$
<b>COST</b>				
Balance, beginning of year	38,683	53,590	92,273	91,149
Add: additions during the year	237	-	237	1,540
Less: disposals during the year	1,959	-	1,959	416
<b>Balance, end of year</b>	<b>36,961</b>	<b>53,590</b>	<b>90,551</b>	<b>92,273</b>
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	34,746	50,142	84,888	82,661
Add: additions during the year	1,709	688	2,397	2,643
Less: disposals during the year	1,959	-	1,959	416
<b>Balance, end of year</b>	<b>34,496</b>	<b>50,830</b>	<b>85,326</b>	<b>84,888</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>2,465</b>	<b>2,760</b>	<b>5,225</b>	<b>7,385</b>

**CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL**

**TUDOR AND CASHEL PUBLIC LIBRARY BOARD  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2013**

**3. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2013	2012
	\$	\$
<b>Surplus/(Deficit)</b>		
Operations	577	(178)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	5,225	7,385
<b>Surplus</b>	5,802	7,207
<b>Reserve Funds</b>		
Future capital	425	425
	<b>6,227</b>	<b>7,632</b>

**4. BUDGET FIGURES**

The operating budget, approved by the Board, for 2013 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.