

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

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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, 2014

#### 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 Council.

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 Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Tudor and Cashel. Council 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 Council.

Reeve Reeve Wanda Donaldson Date June 02, 2015

Clerk-Treasurer Bernice Crocker Date June 02, 2015

**INDEPENDENT AUDITORS' REPORT****To 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 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, 2014, 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, 2014 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  
June 2, 2015

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2014

	2014	2013
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	895,752	768,798
Accounts receivable	71,912	181,797
Taxes receivable	428,257	390,146
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,395,921</b>	<b>1,340,741</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	152,198	145,533
Deferred revenue - obligatory reserve funds (note 4)	57,091	23,996
Deferred revenue - other	-	3,305
Long term debt (note 6)	76,117	95,281
Landfill closure and post-closure liability (note 5)	202,000	281,186
<b>TOTAL LIABILITIES</b>	<b>487,406</b>	<b>549,301</b>
<b>NET FINANCIAL ASSETS</b>	<b>908,515</b>	<b>791,440</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	3,557,572	3,494,154
Prepaid expenses	19,760	19,760
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>3,577,332</b>	<b>3,513,914</b>
<b>ACCUMULATED SURPLUS (note 9)</b>	<b>4,485,847</b>	<b>4,305,354</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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
<b>REVENUES</b>			
Property taxation	1,025,361	1,004,501	973,871
User charges	29,192	52,868	50,136
Province of Ontario	423,174	412,951	365,845
Other municipalities	-	-	338
Penalties and interest on taxes	27,000	60,827	60,711
Investment income	6,000	9,160	7,264
Gain on sale of capital assets	-	9,500	-
Federal gas tax earned	-	-	41,841
Donations	-	1,645	377
Tax registration proceeds	-	834	37,874
Other	131,478	20,426	16,074
<b>TOTAL REVENUES</b>	<b>1,642,205</b>	<b>1,572,712</b>	<b>1,554,331</b>
<b>EXPENSES</b>			
General government	420,519	395,250	340,849
Protection services	250,072	255,100	225,999
Transportation services	608,783	654,252	549,514
Environmental services	132,679	29,216	144,923
Health services	17,088	17,711	37,649
Recreation and cultural services	42,441	34,961	29,956
Planning and development	10,000	5,729	3,300
<b>TOTAL EXPENSES</b>	<b>1,481,582</b>	<b>1,392,219</b>	<b>1,332,190</b>
<b>ANNUAL SURPLUS</b>	<b>160,623</b>	<b>180,493</b>	<b>222,141</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>4,305,354</b>	<b>4,305,354</b>	<b>4,083,213</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>4,465,977</b>	<b>4,485,847</b>	<b>4,305,354</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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
<b>ANNUAL SURPLUS</b>	160,623	180,493	222,141
Amortization of tangible capital assets	184,225	206,995	184,229
Acquisition of tangible capital assets	(355,530)	(270,413)	(320,958)
Gain on disposal of tangible capital assets	-	(9,500)	-
Proceeds on sale of tangible capital assets	-	9,500	-
Increase in prepaid expenses	-	-	(2,357)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(10,682)</b>	<b>117,075</b>	<b>83,055</b>
<b>NET FINANCIAL ASSETS - beginning of year</b>	<b>791,440</b>	<b>791,440</b>	<b>708,385</b>
<b>NET FINANCIAL ASSETS - end of year</b>	<b>780,758</b>	<b>908,515</b>	<b>791,440</b>

*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, 2014

	2014	2013
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus	180,493	222,141
(Increase)/decrease in accounts receivable	109,885	(72,914)
Increase in taxes receivable	(38,111)	(79,800)
Increase in prepaid expenses	-	(2,357)
Increase in accounts payable and accrued liabilities	6,665	4,990
Increase in deferred revenue - obligatory reserve funds	33,095	-
Decrease in deferred revenue - other	(3,305)	(17,380)
Non-cash charges to operations		
Amortization of tangible capital assets	206,995	184,229
Gain on disposal of tangible capital assets	(9,500)	-
Increase/(decrease) in landfill closure and post-closure liability	(79,186)	38,696
<b>Net increase in cash from operating transactions</b>	<b>407,031</b>	<b>277,605</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(270,413)	(320,958)
Proceeds on disposal of tangible capital assets	9,500	-
<b>Net decrease in cash from capital transactions</b>	<b>(260,913)</b>	<b>(320,958)</b>
<b>FINANCING</b>		
Long term debt issued	-	100,000
Debt principal repayments	(19,164)	(4,719)
<b>Net increase/(decrease) in cash from financing transactions</b>	<b>(19,164)</b>	<b>95,281</b>
<b>INCREASE IN CASH</b>	<b>126,954</b>	<b>51,928</b>
<b>CASH - beginning of year</b>	<b>768,798</b>	<b>716,870</b>
<b>CASH - end of year</b>	<b>895,752</b>	<b>768,798</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, 2014

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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
- Tudor and Cashel Cemetery 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, 2014

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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 Township's significant estimates include:

- 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, 2014

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### 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 2014, 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	315,524	434,623
Taxation from other governments	1,308	3,620
Amounts requisitioned and remitted	316,832	438,243

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 2014-02. At December 31, 2014 there was no balance outstanding. (2013 - \$Nil)

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

### 4. 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:

	2014	2013
	\$	\$
Federal gas tax	57,091	23,996

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

	2014	2013
	\$	\$
Balance - beginning of year	23,996	23,996
Add amounts received:		
County gas tax funding received	15,569	20,920
Federal gas tax funding received	17,526	20,921
	33,095	41,841
Less transfer to operations:		
Federal gas tax earned	-	41,841
Balance - end of year	57,091	23,996

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

The liability for landfill closure and post-closure costs of \$202,000 (2013 - \$281,186) 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 6176 m<sup>3</sup> (2013 - 3,647 m<sup>3</sup>) which is 27.88% (2013 - 16.46%) of the site's total capacity. Due to a revised estimate, the remaining capacity increased as at December 31, 2014 over the prior year. The total discounted future cash flows for closure and post-closure cost is estimated at \$279,720 (2013 - \$334,095) as at December 31, 2014. The landfill sites are expected to reach their capacity in 9 and 4 years.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

### 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:

	2014	2013
	\$	\$
Ontario Infrastructure and Lands Corporation loan repayable in blended monthly installments of \$1,771 with interest at 2.41%, due September 2018	76,117	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 \$2,086 (2013 - \$611).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
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
	76,117	3,567	79,684

### 7. EXPENSES BY OBJECT

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

	Budget 2014	Actual 2014	Actual 2013
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	495,459	485,447	487,195
Interest charges	2,085	2,086	611
Materials	440,200	412,311	320,610
Contracted services	333,500	264,905	314,508
Rents and financial	125	76	94
External transfers	25,988	20,399	24,943
Amortization	184,225	206,995	184,229
	1,481,582	1,392,219	1,332,190

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

### 8. TANGIBLE CAPITAL ASSETS

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

	2014	2013
	\$	\$
General		
Land	344,404	344,404
Land improvements	41,676	43,413
Buildings	406,403	413,897
Machinery and equipment	74,650	76,100
Vehicles	538,225	386,906
Infrastructure		
Roads and bridges	2,152,214	2,229,434
	3,557,572	3,494,154

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

During the year there were no write-downs of assets (2013 - \$Nil) and no interest capitalized (2013 - \$Nil).

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

	2014	2013
	\$	\$
General government	490,473	493,789
Protection services	126,997	131,170
Transportation services	2,928,033	2,860,084
Environmental services	6,467	2,519
Health services	1,367	1,367
Recreation and cultural services	4,235	5,225
	3,557,572	3,494,154

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

### 9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014	2013
	\$	\$
<b>Surplus/(Deficit)</b>		
Township operations	885,137	921,793
Library board	(385)	577
Tudor and Cashel Cemetery Board	5,314	-
Unfunded landfill closure and post-closure costs	(202,000)	(281,186)
	688,066	641,184
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	3,557,572	3,494,154
Long term debt	(76,117)	(95,281)
	3,481,455	3,398,873
<b>Surplus</b>	4,169,521	4,040,057
<b>Reserves</b>		
Working funds	165,382	189,382
General	80,446	74,896
Roads	35,479	-
Fire	34,000	-
Library	425	425
<b>Total Reserves</b>	315,732	264,703
<b>Reserve Funds</b>		
Recreation	594	594
	4,485,847	4,305,354

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

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

### 10. BUDGET FIGURES

The budget, approved by the Township, for 2014 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.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	Revenue	Expenses
	\$	\$
Council approved budget:		
Operating	1,692,205	1,692,052
<b>Total Council approved budget</b>	<b>1,692,205</b>	<b>1,692,052</b>
Less: Tangible capital assets capitalized	-	(355,530)
Add: Amortization of tangible capital assets	-	184,225
Less: Principal repayment of long term debt	-	(19,165)
Less: Transfers to/from reserves and reserve funds	(50,000)	(20,000)
<b>Adjusted budget per Consolidated Statement of Operations</b>	<b>1,642,205</b>	<b>1,481,582</b>

### 11. 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, 2014

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### 11. 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.

### 12. COMMITMENT

Subsequent to year-end the Township committed to the purchase of a grader in the amount of \$269,000 plus HST. This grader will be funded with long-term debt.

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2014

	General				Infrastructure		Totals \$
	Land \$	Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Roads and Bridges \$	
<b>COST</b>							
Balance, beginning of year	344,404	52,094	656,742	523,869	783,387	5,121,660	7,482,156
Add: additions during the year	-	-	5,879	10,379	194,092	60,063	270,413
Less: disposals during the year	-	-	-	2,461	157,000	-	159,461
<b>Balance, end of year</b>	<b>344,404</b>	<b>52,094</b>	<b>662,621</b>	<b>531,787</b>	<b>820,479</b>	<b>5,181,723</b>	<b>7,593,108</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	-	8,681	242,845	447,769	396,481	2,892,226	3,988,002
Add: additions during the year	-	1,737	13,373	11,829	42,773	137,283	206,995
Less: disposals during the year	-	-	-	2,461	157,000	-	159,461
<b>Balance, end of year</b>	<b>-</b>	<b>10,418</b>	<b>256,218</b>	<b>457,137</b>	<b>282,254</b>	<b>3,029,509</b>	<b>4,035,536</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>344,404</b>	<b>41,676</b>	<b>406,403</b>	<b>74,650</b>	<b>538,225</b>	<b>2,152,214</b>	<b>3,557,572</b>

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2014

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	(5,255)	194,909	642,222	100,587	15,281	29,437	27,320	1,004,501
User charges	2,350	32,365	-	7,956	4,150	5,597	450	52,868
Government transfers - operating	397,669	-	-	11,049	-	4,208	-	412,926
Government transfers - capital	-	-	-	-	25	-	-	25
Penalties and interest on taxes	60,827	-	-	-	-	-	-	60,827
Investment income	8,544	-	-	-	616	-	-	9,160
Gain on sale of capital assets	-	-	9,500	-	-	-	-	9,500
Donations	-	-	-	-	-	1,645	-	1,645
Tax registration proceeds	834	-	-	-	-	-	-	834
Other	10,284	-	4,825	-	5,317	-	-	20,426
<b>Total revenues</b>	<b>475,253</b>	<b>227,274</b>	<b>656,547</b>	<b>119,592</b>	<b>25,389</b>	<b>40,887</b>	<b>27,770</b>	<b>1,572,712</b>
<b>Expenses</b>								
Salaries and benefits	201,858	-	233,890	45,295	-	4,404	-	485,447
Interest charges	-	-	2,086	-	-	-	-	2,086
Materials	132,167	9,451	206,008	20,575	15,738	22,643	5,729	412,311
Contracted services	52,518	225,916	20,182	(37,404)	-	3,693	-	264,905
Rents and financial	76	-	-	-	-	-	-	76
External transfers	866	15,560	-	-	1,973	2,000	-	20,399
Amortization	7,765	4,173	192,086	750	-	2,221	-	206,995
<b>Total expenses</b>	<b>395,250</b>	<b>255,100</b>	<b>654,252</b>	<b>29,216</b>	<b>17,711</b>	<b>34,961</b>	<b>5,729</b>	<b>1,392,219</b>
<b>Net surplus/(deficit)</b>	<b>80,003</b>	<b>(27,826)</b>	<b>2,295</b>	<b>90,376</b>	<b>7,678</b>	<b>5,926</b>	<b>22,041</b>	<b>180,493</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	2,646	37,117	-	4,263	-	5,660	450	50,136
Government transfers - operating	101,292	49,456	130,142	39,154	3,968	16,764	4,849	345,625
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
Other	11,441	-	4,633	-	-	-	-	16,074
<b>Total revenues</b>	<b>605,815</b>	<b>249,099</b>	<b>444,863</b>	<b>125,186</b>	<b>24,188</b>	<b>58,898</b>	<b>46,282</b>	<b>1,554,331</b>
<b>Expenses</b>								
Salaries and benefits	201,951	15,549	221,153	44,419	-	4,123	-	487,195
Interest charges	-	-	611	-	-	-	-	611
Materials	100,782	10,319	134,055	21,737	30,616	19,801	3,300	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>225,999</b>	<b>549,514</b>	<b>144,923</b>	<b>37,649</b>	<b>29,956</b>	<b>3,300</b>	<b>1,332,190</b>
<b>Net surplus/(deficit)</b>	<b>264,966</b>	<b>23,100</b>	<b>(104,651)</b>	<b>(19,737)</b>	<b>(13,461)</b>	<b>28,942</b>	<b>42,982</b>	<b>222,141</b>

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

**TUDOR AND CASHEL PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**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**

T. 705.742.3418  
F. 705.742.9775

[www.collinsbarrowkawarthas.com](http://www.collinsbarrowkawarthas.com)

*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, 2014, 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.

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 to 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, 2014 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  
June 2, 2015

# CORPORATION OF THE TOWNSHIP OF TUDOR AND CASHEL

## TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2014

	2014	2013
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	756	5,232
<b>LIABILITIES</b>		
Due to Township	675	675
Accounts payable	41	250
Deferred revenue	-	3,305
<b>TOTAL LIABILITIES</b>	716	4,230
<b>NET FINANCIAL ASSETS</b>	40	1,002
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	4,235	5,225
<b>ACCUMULATED SURPLUS (note 3)</b>	4,275	6,227

*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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
<b>REVENUES</b>			
Municipal contribution	1,500	1,500	1,500
Province of Ontario	3,305	4,208	4,724
User charges and other	92	140	147
<b>TOTAL REVENUES</b>	<b>4,897</b>	<b>5,848</b>	<b>6,371</b>
<b>EXPENSES</b>			
Salaries and benefits	4,294	4,405	4,123
Supplies	450	1,174	1,256
Amortization	2,397	2,221	2,397
<b>TOTAL EXPENSES</b>	<b>7,141</b>	<b>7,800</b>	<b>7,776</b>
<b>ANNUAL DEFICIT</b>	<b>(2,244)</b>	<b>(1,952)</b>	<b>(1,405)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>6,227</b>	<b>6,227</b>	<b>7,632</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>3,983</b>	<b>4,275</b>	<b>6,227</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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
<b>ANNUAL DEFICIT</b>	(2,244)	(1,952)	(1,405)
Amortization of tangible capital assets	2,397	2,221	2,397
Acquisition of tangible capital assets	-	(1,231)	(237)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	153	(962)	755
<b>NET FINANCIAL ASSETS - beginning of year</b>	1,002	1,002	247
<b>NET FINANCIAL ASSETS - end of year</b>	1,155	40	1,002

*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, 2014

	2014	2013
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual deficit	(1,952)	(1,405)
Increase/(decrease) in accounts payable	(209)	197
Increase/(decrease) in deferred revenue	(3,305)	3,305
Non-cash charges to operations		
Amortization of tangible capital assets	2,221	2,397
<b>Net increase/(decrease) in cash from operating transactions</b>	<b>(3,245)</b>	<b>4,494</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(1,231)	(237)
<b>INCREASE/(DECREASE) IN CASH</b>	<b>(4,476)</b>	<b>4,257</b>
<b>CASH - beginning of year</b>	<b>5,232</b>	<b>975</b>
<b>CASH - end of year</b>	<b>756</b>	<b>5,232</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, 2014

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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 Board's significant estimates include:

- 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.

#### (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.

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# 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, 2014

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (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 \$	2014 Totals \$	2013 Totals \$
<b>COST</b>				
Balance, beginning of year	36,961	53,590	90,551	92,273
Add: additions during the year	1,231	-	1,231	237
Less: disposals during the year	2,460	-	2,460	1,959
<b>Balance, end of year</b>	<b>35,732</b>	<b>53,590</b>	<b>89,322</b>	<b>90,551</b>
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	34,496	50,830	85,326	84,888
Add: additions during the year	1,533	688	2,221	2,397
Less: disposals during the year	2,460	-	2,460	1,959
<b>Balance, end of year</b>	<b>33,569</b>	<b>51,518</b>	<b>85,087</b>	<b>85,326</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>2,163</b>	<b>2,072</b>	<b>4,235</b>	<b>5,225</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, 2014

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### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014	2013
	\$	\$
<b>Surplus/(Deficit)</b>		
Operations	(385)	577
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	4,235	5,225
<b>Surplus</b>	3,850	5,802
<b>Reserve Funds</b>		
Future capital	425	425
	4,275	6,227

### 4. BUDGET FIGURES

The operating budget, approved by the Board, for 2014 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.