

**THE CORPORATION OF THE MUNICIPALITY  
OF CENTRAL ELGIN  
Consolidated Financial Statements  
December 31, 2014**

**THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2014**

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**GRAHAM SCOTT ENNS** LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

P. 519-633-0700 · F. 519-633-7009  
450 Sunset Drive, St. Thomas, ON N5R 5V1

P. 519-773-9265 · F. 519-773-9683  
25 John Street South, Aylmer, ON N5H 2C1

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

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Council, Inhabitants and Ratepayers of  
**The Corporation of the Municipality of Central Elgin:**

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **The Corporation of the Municipality of Central Elgin**, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flow 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 accounting standards for public sector entities 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.

### **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 whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 financial statements present fairly, in all material respects, the consolidated statement of financial position of **The Corporation of the Municipality of Central Elgin** as at December 31, 2014, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended in accordance with Canadian accounting standards for public sector entities.

**St. Thomas, Ontario**

**November 14, 2016**

*Graham Scott Enns LLP*  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

**THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN**

**Consolidated Statement of Financial Position  
December 31, 2014**

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	2014	2013
	<u>\$</u>	<u>\$</u>
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	3,058,538	3,990,465
Loan receivable (Note 3)	1,077,000	1,077,000
Taxes receivable (Note 7)	2,064,180	1,810,501
Accounts receivable	2,461,615	2,255,940
Investments (Note 2)	12,725,493	14,234,519
Investment in EARTH Corporation (Note 8)	<u>1,313,830</u>	<u>1,217,981</u>
<b>Total financial assets</b>	<u><b>22,700,656</b></u>	<u><b>24,586,406</b></u>
<b>LIABILITIES</b>		
Bank indebtedness (Note 4)	1,500,000	-
Temporary advances (Note 5)	5,000,000	-
Deferred revenue - obligatory reserve funds (Note 6)	15,345,421	17,509,667
Accounts payable and accrued liabilities	3,611,074	2,971,732
Employee post-retirement benefit liabilities (Note 13)	-	12,038
Net long-term liabilities (Note 10)	<u>10,666,766</u>	<u>11,468,777</u>
<b>Total financial liabilities</b>	<u><b>36,123,261</b></u>	<u><b>31,962,214</b></u>
<b>NET FINANCIAL DEBT</b>	<u><b>(13,422,605)</b></u>	<u><b>(7,375,808)</b></u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 11)	116,667,600	106,283,510
Inventories	67,053	37,749
Prepaid expenses	<u>58,056</u>	<u>33,528</u>
<b>Total non-financial assets</b>	<u><b>116,792,709</b></u>	<u><b>106,354,787</b></u>
<b>ACCUMULATED SURPLUS (NOTE 12)</b>	<u><b>103,370,104</b></u>	<u><b>98,978,979</b></u>

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The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Consolidated Statement of Operations and Accumulated Surplus For the Year Ended December 31, 2014

	Budget (Note 16) <u>\$</u>	Actual 2014 <u>\$</u>	Actual 2013 <u>\$</u>
<b>REVENUES</b>			
Property taxation	11,408,855	<b>11,354,048</b>	11,036,021
Taxation from other governments	384,595	<b>335,613</b>	293,591
User charges	4,374,886	<b>4,334,215</b>	4,157,223
Funding transfer- Federal	390,278	<b>490,530</b>	-
- Provincial	789,195	<b>760,622</b>	813,262
- Other Municipalities	834,600	<b>817,312</b>	921,273
Contribution from benefiting land owners and developers	4,758,408	<b>3,876,465</b>	330,509
Investment income	64,192	<b>45,144</b>	148,004
Penalties and interest	286,977	<b>294,787</b>	274,626
Donated capital assets	-	-	874,931
Other	772,177	<b>1,028,830</b>	1,212,723
ERTH Corporation income (loss) (Note 8)	-	<b>111,990</b>	30,981
Total revenues	<u>24,064,163</u>	<u><b>23,449,556</b></u>	<u>20,093,144</u>
<b>EXPENSES</b>			
General government	1,430,202	<b>1,737,949</b>	1,476,086
Protection to persons and property	4,403,121	<b>4,318,282</b>	3,990,871
Transportation services	5,748,246	<b>5,442,415</b>	4,969,891
Environmental services	4,601,274	<b>4,645,698</b>	4,415,466
Health services	81,322	<b>57,189</b>	49,296
Social housing	172,881	<b>172,890</b>	175,286
Recreation and cultural services	1,911,068	<b>2,117,585</b>	1,951,629
Planning and development	369,704	<b>267,444</b>	708,873
Loss on disposal of tangible capital assets	-	<b>298,979</b>	86,390
Total expenditures (Note 17)	<u>18,717,818</u>	<u><b>19,058,431</b></u>	<u>17,823,788</u>
<b>ANNUAL SURPLUS</b>	<u>5,346,345</u>	<u><b>4,391,125</b></u>	<u>2,269,356</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>98,978,979</u>	<u><b>98,978,979</b></u>	<u>96,709,623</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (NOTE 12)</b>	<u>104,325,324</u>	<u><b>103,370,104</b></u>	<u>98,978,979</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Consolidated Statement of Change in Net Debt  
For the Year Ended December 31, 2014

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	Budget (Note 16) \$	Actual 2014 \$	Actual 2013 \$
<b>ANNUAL SURPLUS</b>	5,346,345	<b>4,391,125</b>	2,269,356
Acquisition of tangible capital assets	(12,876,294)	<b>(13,971,982)</b>	(6,991,808)
Amortization of tangible capital assets	3,288,914	<b>3,288,914</b>	3,114,567
Proceeds on disposal of tangible capital assets	-	-	21,593
Change in inventories and prepaid expenses	-	<b>(53,833)</b>	(34,202)
Loss on disposal of tangible capital assets	-	<b>298,979</b>	<u>86,390</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(4,241,035)	<b>(6,046,797)</b>	(1,534,104)
<b>NET DEBT, BEGINNING OF YEAR</b>	<u>(7,375,808)</u>	<u><b>(7,375,808)</b></u>	<u>(5,841,704)</u>
<b>NET DEBT, END OF YEAR</b>	<u>(11,616,843)</u>	<u><b>(13,422,605)</b></u>	<u>(7,375,808)</u>

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The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Consolidated Statement of Cash Flows For the Year Ended December 31, 2014

	2014	2013
	<u>\$</u>	<u>\$</u>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	4,391,125	2,269,356
<b>Add (deduct) items not involving cash:</b>		
Amortization of tangible capital assets	3,288,914	3,114,567
Change in employee benefits and other liabilities	(12,038)	(5,403)
Equity in (earnings) loss of government business enterprise	(111,990)	(30,981)
Contributions of capital assets	-	(874,931)
Loss on disposal of investments	77,300	-
Loss on disposal of tangible capital assets	<u>298,979</u>	<u>86,390</u>
	7,932,290	4,558,998
Change in non-cash assets and liabilities related to operations (Note 17 [b])	<u>(2,038,090)</u>	<u>1,448,791</u>
	<u>5,894,200</u>	<u>6,007,789</u>
<b>INVESTING ACTIVITIES</b>		
Redemption of (purchase of) investments	1,431,727	(421,054)
Dividends received from EARTH Corporation	<u>16,139</u>	<u>-</u>
	<u>1,447,866</u>	<u>(421,054)</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(13,971,982)	(6,116,869)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>21,593</u>
	<u>(13,971,982)</u>	<u>(6,095,276)</u>
<b>FINANCING ACTIVITIES</b>		
Bank and temporary advances	6,500,000	-
Long-term debt advances (repayment)	<u>(802,011)</u>	<u>(770,586)</u>
	<u>5,697,989</u>	<u>(770,586)</u>
<b>NET CHANGE IN CASH</b>	<b>(931,927)</b>	<b>(1,279,127)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>3,990,465</u>	<u>5,269,592</u>
<b>CASH, END OF YEAR</b>	<u>3,058,538</u>	<u>3,990,465</u>
<b>SUPPLEMENTARY INFORMATION:</b>		
Cash paid for interest on debt	<u>545,044</u>	<u>581,682</u>
Cash received for interest on investments	<u>626,614</u>	<u>576,416</u>

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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The Corporation of the Municipality of Central Elgin (the "Municipality") is a municipality in the Province of Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of 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:

#### **Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses 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 Municipality and which are 100% owned or controlled by the Municipality.

#### **Consolidated Entities**

The Municipality consolidates the Central Elgin Municipal Non-Profit Housing Corporation. Any interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

#### **Proportionate Consolidation**

The Elgin Area Primary Water Board, Port Burwell Water Board, Elgin Area Secondary Water Board, Aylmer Area Water Board and East Elgin Medical Facility have been consolidated on a proportionate basis. The Water Boards are proportionately consolidated based upon the water flow used by the Municipality in proportion to the entire flows provided by the joint boards.

#### **Equity Accounting**

The investment in EARTH Corporation (a Government Business Enterprise) is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated. The Municipality recognizes its equity interest in the annual income or loss of EARTH Corporation in its consolidated statement of operations with corresponding increase or decrease in its investment asset account. Any dividends that the Municipality may receive from EARTH Corporation will be reflected as a reduction in the investment asset account.



# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Accounting for School Board Transactions**

Although the Municipality collects taxation on behalf of the School Boards, the taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these statements.

#### **Trust Funds**

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements.

#### **Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

#### **Government Transfers**

Government transfers are recognized in the consolidated financial statements as revenues in the financial period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3100 of the Public Sector Accounting Handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

In addition, the Municipality periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from both senior levels of government as a result of an allocation of the gas tax funds. During the year, the Municipality received \$713,757 from other municipalities that was applied against the cost of the tangible capital assets.

#### **Deferred Revenue**

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work. In addition, certain user charges and fees which have been collected but for which the related services have yet to be performed. Revenue is recognized in the period when the related expense are incurred, services preformed.

# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Investment Income**

Investment income is reported as revenue in the period earned. When required by funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

#### **Tax Revenues**

In 2014 the Municipality received \$11,689,661 (2013 - \$11,329,612) in property tax revenues for municipal purposes. The authority to levy and collect property taxes is established under the Municipal Act 2001, the Assessment Act, the Education Act, and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved policies, in order to raise the revenue required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund costs of education on a Province-wide basis.

Taxation revenues are recorded at the time billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The Municipality may receive supplementary assessment rolls over the course of the year from MPAC that identify new or omitted assessments. Property taxes for these supplementary/omitted amounts are then billed according to the approved tax rate for the property class.

Taxation revenues in any year may also be reduced as a result of reductions in assessment value rising from assessment and/or tax appeals. Each year, an amount is identified to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenue (e.g. uncollectible amounts, write-offs, etc.).

#### **Employee Benefit Plans**

The Municipality accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by the employees based on the length of service and pay rates. Employee benefits include post employment benefits. Post employment benefits are subject to actuarial valuations and are accrued in accordance with the projected benefit method, prorated on service and management's best estimate of salary escalation and retirement ages of employees. Any actuarial gains and losses related to past service of employees are amortized over the expected average remaining service period.

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# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

#### i) 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, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Building and components	20 to 75 years
Vehicles	7 to 15 years
Machinery and equipment	5 to 30 years
Land improvements	25 years
Plants and facilities	20 to 75 years
Roads	6 to 60 years
Bridges and other structures	40 to 80 years
Underground and other networks	15 to 100 years

No amortization is charged in the year of acquisition and a full year of amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. During the year roads and underground networks contributed to the Municipality totalled \$nil (2013 - \$874,930) and were capitalized at their fair value at the time of receipt.

#### iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

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# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### iv) Inventories

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

#### v) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

#### vi) Interest capitalization

Interest costs attributable to financing up-front costs of the acquisition, construction, or development of tangible capital assets will be expensed in the operating budget, and not capitalized.

### Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for public sector entities 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 expenditures during the period. Significant estimates include assumptions used in estimating useful life and net realizable value of tangible capital assets, provisions for accrued liabilities and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

### Recent Accounting Pronouncements

PSAB released a standard related to Financial Instruments (PS 3450). The standard applies to all local governments for fiscal years beginning on or after April 1, 2016. The standard applies to all types of financial instruments. The new standard requires equity and derivative instruments be measured at fair value, with changes in value being recorded in statement of remeasurement gains/losses. The standard gives the option of cost/amortized cost vs. fair value of remaining instruments, which is elected upon by the government organization. The Municipality has not yet determined what, if any, financial reporting implications may arise from this standard.

# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 2. HARBOUR TRANSFER

During 2010 the Municipality signed an agreement with the Federal Ministry of Transport to transfer the harbour property in Port Stanley. As part of this transfer the Municipality also entered into an operating agreement and contribution agreement. As part of the contribution agreement the Municipality received \$13,515,900 to be maintained in a separate bank account for the term of the contribution agreement (September 2030). These funds can be used for eligible expenditures as outlined in the contribution agreement and any unexpended funds must be returned to the Ministry of Transport at the end of the contribution agreement. At year end, the Municipality had invested these funds in fixed income and cash equivalents as follows:

	2014		2013	
	Cost \$	Market Value \$	Cost \$	Market Value \$
Federal and provincial bonds	7,689,197	8,154,413	8,976,581	9,076,037
Corporate bonds	2,582,729	2,669,009	3,881,466	3,863,482
Cash and cash equivalents	<u>2,431,991</u>	<u>2,431,991</u>	<u>1,376,472</u>	<u>1,376,472</u>
	<u>12,703,917</u>	<u>13,255,413</u>	<u>14,234,519</u>	<u>14,315,991</u>

The federal and provincial bonds mature on dates ranging from 2016-2023 and yielding interest rates from 1.5% to 5.60% and the corporate bonds mature on dates ranging from 2014-2022 and yielding interest rates from 3.103% to 4.71%. Income earned on these funds and included in the obligatory funds was \$504,170 (2013 -\$428,412) and a loss of \$77,299 (2013 - \$nil) reported in the Statement of Operations. The Municipality has \$559,074 (2013 - \$71,586) of cash included in the cash and cash equivalents presented on the balance sheet that is related to the Harbour Contribution Agreement - Obligatory Reserve Funds (Note 6). These assets are reported as an obligatory reserve fund as per the Harbour contribution agreement.

### 3. LOAN RECEIVABLE

The loan arose on September 1, 2000 as a result of the restructuring of the Hydro-Electric Power Commission of the Corporation of the Municipality of Central Elgin under Bill 35. The loan is receivable from EARTH Corporation with no specific terms of repayment, bearing interest at a rate of 7.25% commencing January 1, 2003. In 2014, \$78,083 (2013 - \$78,083) was charged and received on this loan. The loan is convertible to Class B shares of EARTH Corporation.

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# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 4. BANK INDEBTEDNESS

The Municipality has available a \$3,150,000 line of credit with the Bank of Montreal. This line of credit bears interest at the bank's prime rate. At year end, the Municipality had been advanced \$1,500,000 on this facility.

### 5. TEMPORARY ADVANCES

The Municipality has secured \$10,383,238 in financing from Ontario Infrastructure and Lands Corporation for an on going water and sewer project. As the project is ongoing the Municipality receives advances as required to fund the project until which time the project is complete and the temporary advances will be converted into long-term debt. The advance bears interest at prime and is due on demand if certain provision are not met. The long-term debt will be repaid beginning in May 2016, repayable in semi-annual payments of \$587,924 with interest at 2.43%, due November 2025.

### 6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized below:

	2014	2013
	<u>\$</u>	<u>\$</u>
Development charges	633,796	2,252,201
Federal gasoline tax	429,443	500,955
Parkland	239,204	408,245
Harbour contribution agreement	13,234,715	14,306,106
Other	<u>808,263</u>	<u>42,160</u>
	<u><u>15,345,421</u></u>	<u><u>17,509,667</u></u>

### 7. TAXES RECEIVABLE

Taxes receivable are reported net of allowance for doubtful accounts. Balances as at December 31 were as follows:

	2014	2013
	<u>\$</u>	<u>\$</u>
Taxes receivable	1,978,138	1,742,019
Penalties and interest	156,163	138,603
Allowance for doubtful accounts	<u>(70,121)</u>	<u>(70,121)</u>
	<u><u>2,064,180</u></u>	<u><u>1,810,501</u></u>

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# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 8. INVESTMENT IN EARTH CORPORATION

The Municipality owns 9.22% (2013 - 8.89%) of EARTH Corporation and received \$16,141 (2013 - \$22,230) in dividends. During the year end, EARTH Corporation purchased 782,007 Class B shares for cancellation from another shareholder and as such the investment by the Municipality in EARTH Corporation increased to 9.22%. As a business enterprise of the Municipality it is accounted for on a modified equity basis in these financial statements. The EARTH Corporation is the electricity distribution utility for the Municipality's urban residents. The following table provides condensed supplementary financial information for the EARTH Corporation for the year ended December 31:

	<b>2014</b>	2013
	<u>\$</u>	<u>\$</u>
<b>Financial Position:</b>		
Total Net Assets	<u><b>15,147,260</b></u>	<u>12,138,626</u>
<b>Results of operations:</b>		
Total revenues from operations	<b>29,064,221</b>	26,057,630
Total operating and other expenses	<u><b>27,850,011</b></u>	<u>25,709,212</u>
Total net income (loss)	<b>1,214,210</b>	348,418
Dividends issued	<u><b>175,000</b></u>	<u>-</u>
Net increase (decrease) in retained earnings	<u><b>1,039,210</b></u>	<u>348,418</u>

### 9. OPERATION OF SCHOOL BOARDS AND THE COUNTY OF ELGIN

During 2014, requisitions were made by the school boards and the County of Elgin requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	School Boards	County
	<u>\$</u>	<u>\$</u>
Taxation and user charges	3,516,754	8,418,043
Share of payments in lieu of taxes	<u>-</u>	<u>72,868</u>
Amounts requisitioned	<u><b>3,516,754</b></u>	<u><b>8,490,911</b></u>

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**THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN**

**Notes to the Consolidated Financial Statements  
For the Year Ended December 31, 2014**

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**10. NET LONG-TERM LIABILITIES**

- a) The balance of net long-term liabilities reported on the Consolidated Statement of Financial Position consists of the following:

	<b>2014</b>	<b>2013</b>
	<u>\$</u>	<u>\$</u>
Total long-term liabilities incurred by the Municipality and outstanding at the end of the year	<b>10,400,346</b>	11,165,044
Long-term liabilities assumed by the Municipality	<u>266,420</u>	<u>303,733</u>
Total long-term liabilities at the end of the year	<u><b>10,666,766</b></u>	<u>11,468,777</u>

Principal repayments are summarized as follows:

	2015	2016	2017	2018	2019	Beyond	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Recoverable from:							
General tax revenue	-	-	-	-	-	-	-
User charges	<u>766,017</u>	<u>740,558</u>	<u>698,869</u>	<u>702,375</u>	<u>703,206</u>	<u>7,055,741</u>	<u>10,666,766</u>
	<u>766,017</u>	<u>740,558</u>	<u>698,869</u>	<u>702,375</u>	<u>703,206</u>	<u>7,055,741</u>	<u>10,666,766</u>

- b) All long-term liabilities issued on or before December 31, 1992 have received approval of the Ontario Municipal Board. Long-term liabilities issued after January 31, 1993 have 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 rates range from 4.54% to 6%. Interest expense on long-term liabilities in 2014 amounted to \$545,044 (2013 - \$581,682)



**THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN**

**Notes to the Consolidated Financial Statements  
For the Year Ended December 31, 2014**

**11. TANGIBLE CAPITAL ASSETS**

**December 31, 2014**

<b>Cost</b>	<b>Opening</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending</b>
<b><u>Infrastructure</u></b>				
Land	44,610	47,266	-	<b>91,876</b>
Buildings/Building Improvements	15,985,786	597,300	-	<b>16,583,086</b>
Machinery and Equipment	4,835,997	14,015	(35,001)	<b>4,815,011</b>
Linear - Roadways	56,937,906	1,357,160	(635,803)	<b>57,659,263</b>
Linear - Sewer and Water Services	<u>42,677,637</u>	<u>25,140</u>	<u>(191,013)</u>	<u><b>42,511,764</b></u>
<b>Infrastructure Total</b>	<u>120,481,936</u>	<u>2,040,881</u>	<u>(861,817)</u>	<u><b>121,661,000</b></u>
<b><u>General</u></b>				
Land	2,813,664	-	-	<b>2,813,664</b>
Land Improvements	2,018,671	38,403	-	<b>2,057,074</b>
Building/Building Improvements	10,063,254	259,842	-	<b>10,323,096</b>
Machinery and Equipment	2,548,221	217,508	(108,680)	<b>2,657,049</b>
Vehicle	<u>3,226,563</u>	<u>838,868</u>	<u>(531,740)</u>	<u><b>3,533,691</b></u>
<b>General Total</b>	20,670,373	1,354,621	(640,420)	<b>21,384,574</b>
Assets under construction	<u>4,304,183</u>	<u>10,827,622</u>	<u>(251,142)</u>	<u><b>14,880,663</b></u>
<b>Total Cost</b>	<u>145,456,492</u>	<u>14,223,124</u>	<u>(1,753,379)</u>	<u><b>157,926,237</b></u>
<b>Accumulated Amortization</b>	<b>Opening</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending</b>
<b><u>Infrastructure</u></b>				
Buildings/Building Improvements	4,170,370	367,202	-	<b>4,537,572</b>
Machinery and Equipment	3,053,287	120,471	(35,001)	<b>3,138,757</b>
Linear - Roadways	16,859,740	1,399,908	(431,875)	<b>17,827,773</b>
Linear - Sewer and Water Services	<u>7,774,788</u>	<u>527,648</u>	<u>(101,859)</u>	<u><b>8,200,577</b></u>
<b>Infrastructure Total</b>	<u>31,858,185</u>	<u>2,415,229</u>	<u>(568,735)</u>	<u><b>33,704,679</b></u>
<b><u>General</u></b>				
Land Improvements	617,188	104,794	-	<b>721,982</b>
Building/Building Improvements	3,729,939	231,132	-	<b>3,961,071</b>
Machinery and Equipment	1,534,293	67,686	(102,784)	<b>1,499,195</b>
Vehicle	<u>1,433,377</u>	<u>470,073</u>	<u>(531,740)</u>	<u><b>1,371,710</b></u>
<b>General Total</b>	<u>7,314,797</u>	<u>873,685</u>	<u>(634,524)</u>	<u><b>7,553,958</b></u>
<b>Total Accumulated Amortization</b>	<u>39,172,982</u>	<u>3,288,914</u>	<u>(1,203,259)</u>	<u><b>41,258,637</b></u>
<b>Net Book Value</b>	<b>Opening</b>			<b>Ending</b>
<b><u>Infrastructure</u></b>				
Land	44,610			<b>91,876</b>
Building/Building Improvements	11,815,416			<b>12,045,514</b>
Machinery and Equipment	1,782,710			<b>1,676,254</b>
Linear - Roadways	40,078,166			<b>39,831,490</b>
Linear - Sewer and Water Services	<u>34,902,849</u>			<u><b>34,311,187</b></u>
	88,623,751			<b>87,956,321</b>
<b><u>General</u></b>				
Land	2,813,664			<b>2,813,664</b>
Land Improvements	1,401,483			<b>1,335,092</b>
Building/Building Improvements	6,333,315			<b>6,362,025</b>
Machinery and Equipment	1,013,928			<b>1,157,854</b>
Vehicles	<u>1,793,186</u>			<u><b>2,161,981</b></u>
	13,355,576			<b>13,830,616</b>
Assets under construction	<u>4,304,183</u>			<u><b>14,880,663</b></u>
<b>Total Net Book Value</b>	<u>106,283,510</u>			<u><b>116,667,600</b></u>

**THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN**

**Notes to the Consolidated Financial Statements  
For the Year Ended December 31, 2014**

**11. TANGIBLE CAPITAL ASSETS (CONTINUED)**

**December 31, 2013**

Cost	Opening	Additions	Disposals	Ending
<b><u>Infrastructure</u></b>				
Land	44,610	-	-	44,610
Buildings/Building Improvements	15,983,414	2,372	-	15,985,786
Machinery and Equipment	4,805,228	35,367	(4,598)	4,835,997
Linear - Roadways	55,119,828	2,050,923	(232,845)	56,937,906
Linear - Sewer and Water Services	41,713,368	964,269	-	42,677,637
<b>Infrastructure Total</b>	<u>117,666,448</u>	<u>3,052,931</u>	<u>(237,443)</u>	<u>120,481,936</u>
<b><u>General</u></b>				
Land	2,813,664	-	-	2,813,664
Land Improvements	1,871,184	182,140	(34,653)	2,018,671
Building/Building Improvements	9,493,333	569,921	-	10,063,254
Machinery and Equipment	2,377,853	210,064	(39,696)	2,548,221
Vehicle	3,093,918	269,803	(137,158)	3,226,563
<b>General Total</b>	<u>19,649,952</u>	<u>1,231,928</u>	<u>(211,507)</u>	<u>20,670,373</u>
Assets under construction	1,597,242	2,952,789	(245,848)	4,304,183
<b>Total Cost</b>	<u>138,913,642</u>	<u>7,237,648</u>	<u>(694,798)</u>	<u>145,456,492</u>

Accumulated Amortization	Opening	Amortization	Disposal	Ending
<b><u>Infrastructure</u></b>				
Buildings/Building Improvements	4,063,161	107,209	-	4,170,370
Machinery and Equipment	2,736,695	321,190	(4,598)	3,053,287
Linear - Roadways	15,653,376	1,339,650	(133,286)	16,859,740
Linear - Sewer and Water Services	6,946,413	828,375	-	7,774,788
<b>Infrastructure Total</b>	<u>29,399,645</u>	<u>2,596,424</u>	<u>(137,884)</u>	<u>31,858,185</u>
<b><u>General</u></b>				
Land Improvements	642,294	4,667	(29,773)	617,188
Building/Building Improvements	3,458,527	271,412	-	3,729,939
Machinery and Equipment	1,533,074	40,915	(39,696)	1,534,293
Vehicle	1,365,843	201,149	(133,615)	1,433,377
<b>General Total</b>	<u>6,999,738</u>	<u>518,143</u>	<u>(203,084)</u>	<u>7,314,797</u>
<b>Total Accumulated Amortization</b>	<u>36,399,383</u>	<u>3,114,567</u>	<u>(340,968)</u>	<u>39,172,982</u>

Net Book Value	Opening	Ending
<b><u>Infrastructure</u></b>		
Land	44,610	44,610
Building/Building Improvements	11,920,253	11,815,416
Machinery and Equipment	2,068,533	1,782,710
Linear - Roadways	39,466,452	40,078,166
Linear - Sewer and Water Services	34,766,955	34,902,849
	<u>88,266,803</u>	<u>88,623,751</u>
<b><u>General</u></b>		
Land	2,813,664	2,813,664
Land Improvements	1,228,890	1,401,483
Building/Building Improvements	6,034,806	6,333,315
Machinery and Equipment	844,779	1,013,928
Vehicles	1,728,075	1,793,186
	<u>12,650,214</u>	<u>13,355,576</u>
Assets under construction	1,597,242	4,304,183
<b>Total Net Book Value</b>	<u>102,514,259</u>	<u>106,283,510</u>

# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

### 12. ACCUMULATED SURPLUS

The accumulated surplus consists of individual fund surplus/(deficit) and reserves/reserve funds as follows:

	2014	2013
	<u>\$</u>	<u>\$</u>
<b>SURPLUS</b>		
General revenue fund	573,608	424,289
Sewer operations	(180,714)	(490,611)
Water operations	(367,620)	(304,255)
Benefiting land owners	-	72,848
Invested in tangible capital assets	116,667,600	106,283,510
Invested in EARTH Corporation	2,390,830	2,294,981
Capital fund	(14,101,746)	(6,389,327)
Reserves and reserve funds	<u>9,054,912</u>	<u>8,568,359</u>
	<b>114,036,870</b>	<b>110,459,794</b>
<b>AMOUNTS TO BE RECOVERED</b>		
Employee benefits	-	(12,038)
Net long-term debt	<u>(10,666,766)</u>	<u>(11,468,777)</u>
<b>ACCUMULATED SURPLUS</b>	<u><b>103,370,104</b></u>	<u><b>98,978,979</b></u>
<b>RESERVES AND RESERVE FUNDS</b>		
Reserves set aside for specific purposes by council:		
- for working capital	1,330,213	1,231,714
- for current purposes	2,584,800	1,687,077
- for capital purposes	<u>4,177,844</u>	<u>4,951,913</u>
Total reserves	<u><b>8,092,857</b></u>	<u><b>7,870,704</b></u>
Reserve funds set aside for specific purposes by council:		
- for replacement of equipment	12,110	12,003
- for replacement of sanitary and storm sewers	376,627	105,270
- for replacement of water systems	241,403	276,724
- for sick leave	20,143	19,881
- for social housing capital projects	181,074	154,349
- from lot levies and parking revenues	104,183	103,065
- for capital projects	<u>26,515</u>	<u>26,363</u>
Total reserve funds	<u><b>962,055</b></u>	<u><b>697,655</b></u>

# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 13. POST EMPLOYMENT BENEFITS

The Municipality provides some medical and life insurance benefits to certain retirees until the age of 65. None of the active employees are eligible for this benefit and as such no actuarial review has been prepared. Premiums paid for 2014 amounted to \$985 (2013 - \$5,606).

### 14. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 50 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Each year, an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of the Plan was conducted December 31, 2014, and the results of this valuation disclosed actuarial liabilities of \$76.9 billion in respect of benefits accrued for service with actuarial assets at that date of \$69.8 billion leaving an actuarial deficit of \$7.1 billion.

Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Municipality does not recognize any share of the OMERS Pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS for 2014 was \$342,755 (2013 - \$287,186).

### 15. CONTINGENT LIABILITIES

As at December 31, 2014 certain legal actions are pending against the Municipality. The final outcome of the outstanding claims cannot be determined at this time. However, management believes that ultimate disposition of these matters will not materially exceed the amounts recorded in these consolidated financial statements.

Estimated costs to settle claims are based on available information and projections of estimated future expenses developed based on the Municipality's historical experience. Claims are reported as an operating expense in the year of the loss, where the costs are deemed to be likely and can be reasonably determined. Claim provisions are reported as a liability in the consolidated statement of financial position.

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# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

### 16. BUDGET FIGURES

The operating budget approved by the council of the Municipality for 2014 is reflected on the consolidated statement of operations. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. These adjustments include reserve transfers, capital expenditures, amortization and debt financing and repayment.

	Approved Budget	Adjustments	PSAB Budget
	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>REVENUES</b>			
Property taxation	11,408,855	-	11,408,855
Taxation from other governments	384,595	-	384,595
User charges	4,162,280	212,606	4,374,886
Transfer payments			
Federal	390,278	-	390,278
Provincial	702,100	87,095	789,195
Other municipalities	834,600	-	834,600
Investment income	64,192	-	64,192
Penalties and interest on taxes	286,977	-	286,977
Recoveries from benefiting landowners and developers	2,901,014	1,857,394	4,758,408
Other	772,177	-	772,177
Reserve transfers	763,185	(763,185)	-
Capital funding - borrowing	<u>6,241,431</u>	<u>(6,241,431)</u>	<u>-</u>
<b>Total Revenues</b>	<u><b>28,911,684</b></u>	<u><b>(4,847,521)</b></u>	<u><b>24,064,163</b></u>
<b>EXPENSES</b>			
General government	1,383,708	46,494	1,430,202
Protection to persons and property	4,139,736	263,385	4,403,121
Transportation services	4,029,212	1,719,034	5,748,246
Environmental services	4,376,176	225,098	4,601,274
Health services	73,754	7,568	81,322
Social housing	-	172,881	172,881
Recreation and cultural services	1,663,100	247,968	1,911,068
Planning and development	369,704	-	369,704
Capital	<u>12,876,294</u>	<u>(12,876,294)</u>	<u>-</u>
<b>Total Expenses</b>	<u><b>28,911,684</b></u>	<u><b>(10,193,866)</b></u>	<u><b>18,717,818</b></u>
<b>BUDGETED ANNUAL SURPLUS</b>	<u><b>-</b></u>	<u><b>5,346,345</b></u>	<u><b>5,346,345</b></u>

**THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN**

**Notes to the Consolidated Financial Statements  
For the Year Ended December 31, 2014**

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**17. SUPPLEMENTARY INFORMATION:**

	<b>2014</b>	<b>2013</b>
	<u><b>\$</b></u>	<u><b>\$</b></u>
<b>[a] Current fund expenditures by object:</b>		
Salaries, wages and employee benefits	<b>5,550,724</b>	5,325,147
Long-term debt interest expense	<b>545,213</b>	581,682
Materials	<b>5,901,647</b>	4,465,429
Contracted services	<b>3,249,895</b>	3,769,923
Rents and financial expenses	<b>103,655</b>	188,954
Amortization and loss on disposal of capital assets	<b>3,587,891</b>	3,200,957
Transfer to others	<u><b>119,406</b></u>	<u>291,696</u>
	<u><b>19,058,431</b></u>	<u>17,823,788</u>
 <b>[b] Change in non-cash assets and liabilities related to operations:</b>		
(Increase) decrease in taxes receivable	<b>(253,679)</b>	310,358
(Increase) decrease in accounts receivable	<b>(205,675)</b>	(1,041,253)
(Increase) decrease in inventories and prepaid expenses	<b>(53,832)</b>	(34,209)
Increase (decrease) in accounts payable and accrued liabilities	<b>639,342</b>	1,191,215
Increase (decrease) in deferred revenue - obligatory reserve funds	<u><b>(2,164,246)</b></u>	<u>1,022,680</u>
	<u><b>(2,038,090)</b></u>	<u>1,448,791</u>

# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 18. SEGMENTED INFORMATION

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens, including contract police services, fire, roads, community services, water and sewer. For management reporting purposes the Municipality's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

The Municipality services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provided, are as follows:

#### **Protection**

Protection is comprised of the Police Services Board and Fire departments. The mandate of the Police Services Board, by way of contact with the Ontario Provincial Police, is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires.

#### **Community Services**

The Parks and Recreation department provides public services that contribute to neighbourhood development and sustainability through the provision of parks, recreation and leisure services. It provides public services that contribute to healthy communities through partnerships, promotion, prevention and protection.

The County of Elgin is contracted to provide the information needs of the Municipality's citizens through the provision of library services.

#### **Planning, By-Law Enforcement and Economic Development**

The Planning, Property and Development departments provides a diverse bundle of services. It manages urban development for business interest, environmental concerns, heritage matters, local neighbourhoods and the downtown through city planning, community development, and parks planning. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-law for the protection of occupants. It facilitates economic development through its economic development programs.

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# THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2014

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### 18. SEGMENTED INFORMATION (CONTINUED)

#### **Public Works**

The Physical Services department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of both county and municipal roadway and municipal drainage systems, the maintenance of parking, street lighting and the harbour.

#### **The Water and Waste Funds**

Water, stormwater and wastewater disposal is provided by the Water and Sewer Department. The department provides drinking water to citizens of Central Elgin, as well as, collection and treatment of stormwater and wastewater.

#### **Social Housing**

The Municipal Non-Profit Housing Corporation provides low income housing to the community.

#### **Finance and Administration**

This segment includes a number of support functions that are responsible for maintenance of buildings, Mayor and Council, the Clerk's department, Treasury Department and Human Resources Department.

#### **Other Funds**

This segment includes the remaining departments and activities of the Municipality. Some of the larger activities in this segment include Solid Waste Collection and Disposal., Emergency Measures and Animal Control, Public Health Services, Business Improvement Association, Conservation authorities, and Cemetery maintenance.

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. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund services based on the Fund's net surplus. Certain government transfers, transfer from other funds, and other revenues have been apportioned based on a percentage of budgeted expenses.

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 – Current Fund Operations and Schedule of Segment Disclosure – Current Fund Operations.



**THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN**

**Consolidated Schedule of Segment Disclosure  
For the Year Ended December 31, 2014**

	Social Housing	Planning	Public Works	Finance & Administration	Protection	Water and Waste Funds	Community Services	Other Funds	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES</b>									
Taxation	-	369,704	4,029,212	1,382,708	3,511,250	-	1,663,100	733,687	11,689,661
Sales of services and regulatory fees	212,606	-	85,841	23,436	3,325	3,285,120	723,887	-	4,334,215
Government transfers	-	-	1,124,844	567,100	-	112,056	-	264,464	2,068,464
Other	-	23,423	1,979,833	681,244	169,349	1,246,008	290,582	854,787	5,245,226
ERTH Corporation net income	-	-	-	-	-	-	-	111,990	111,990
	<u>212,606</u>	<u>393,127</u>	<u>7,219,730</u>	<u>2,654,488</u>	<u>3,683,924</u>	<u>4,643,184</u>	<u>2,677,569</u>	<u>1,964,928</u>	<u>23,449,556</u>
<b>EXPENSES</b>									
Salaries, wages and employees benefits	27,000	27,536	1,736,945	960,794	712,913	799,675	993,360	292,501	5,550,724
Long-term debt interest	-	11,200	-	-	-	534,013	-	-	545,213
Materials	136,622	166,455	1,784,370	545,559	488,875	1,170,674	835,596	773,496	5,901,647
Contracted services, rents and financial	-	10,913	246,023	183,795	2,266,972	105,384	40,661	619,208	3,472,956
Loss on disposal of capital assets	-	-	203,928	-	5,896	89,155	-	-	298,979
Amortization	9,268	-	1,719,034	46,494	263,385	995,195	247,968	7,568	3,288,912
	<u>172,890</u>	<u>216,104</u>	<u>5,690,300</u>	<u>1,736,642</u>	<u>3,738,041</u>	<u>3,694,096</u>	<u>2,117,585</u>	<u>1,692,773</u>	<u>19,058,431</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>39,716</u>	<u>177,023</u>	<u>1,529,430</u>	<u>917,846</u>	<u>(54,117)</u>	<u>949,088</u>	<u>559,984</u>	<u>272,155</u>	<u>4,391,125</u>

**THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN**

**Consolidated Schedule of Segment Disclosure  
For the Year Ended December 31, 2013**

	Social Housing	Planning	Public Works	Finance & Administration	Protection	Water and Waste Funds	Community Services	Other Funds	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES</b>									
Taxation	-	387,899	594,799	900,881	3,262,958	-	1,296,764	4,886,310	11,329,611
Sales of services and regulatory fees	204,240	199,605	97,155	455,960	105,605	3,254,400	555,570	2,094,762	6,967,297
Government transfers	-	-	787,414	-	-	12,015	-	935,106	1,734,535
Other	-	-	-	-	-	30,720	-	-	30,720
ERTH Corporation net loss	-	-	-	-	-	-	-	30,981	30,981
	<u>204,240</u>	<u>587,504</u>	<u>1,479,368</u>	<u>1,356,841</u>	<u>3,368,563</u>	<u>3,297,135</u>	<u>1,852,334</u>	<u>7,947,159</u>	<u>20,093,144</u>
<b>EXPENSES</b>									
Salaries, wages and employees benefits	26,900	248,212	1,690,060	900,257	697,840	829,670	932,635	(427)	5,325,147
Long-term debt interest	-	30,584	-	-	-	551,098	-	-	581,682
Materials	138,965	130,807	633,483	277,441	418,142	604,907	779,013	1,482,671	4,465,429
Contracted services, rents and financial	-	168,801	136,385	259,568	2,043,845	471,429	19,320	1,151,225	4,250,573
Loss on disposal of capital assets	-	-	-	-	-	86,390	-	-	86,390
Amortization	<u>9,421</u>	<u>-</u>	<u>1,617,030</u>	<u>38,239</u>	<u>242,252</u>	<u>979,393</u>	<u>220,661</u>	<u>7,571</u>	<u>3,114,567</u>
	<u>175,286</u>	<u>578,404</u>	<u>4,076,958</u>	<u>1,475,505</u>	<u>3,402,079</u>	<u>3,522,887</u>	<u>1,951,629</u>	<u>2,641,040</u>	<u>17,823,788</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>28,954</u>	<u>9,100</u>	<u>(2,597,590)</u>	<u>(118,664)</u>	<u>(33,516)</u>	<u>(225,752)</u>	<u>(99,295)</u>	<u>5,306,119</u>	<u>2,269,356</u>