

Consolidated Financial Statements

**THE CORPORATION OF THE
TOWNSHIP OF MINDEN HILLS**

Year ended December 31, 2015

CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Consolidated Financial Statements

Year ended December 31, 2015

	Page
Management's Responsibility for the Consolidated Financial Statements	
Independent Auditors' Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Change in Net Financial Assets	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5
Schedule to Note 17 - Segmented Information	18-19

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Township of Minden Hills (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Township. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

The image shows two handwritten signatures in cursive. The signature on the left is for the Reeve, and the signature on the right is for the Treasurer, L. Blanchard. Both signatures are written in black ink and are positioned above horizontal lines that serve as baselines for the printed names below.

Reeve

Treasurer



KPMG LLP
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144 Pine Street
Sudbury ON P3C 1X3

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Minden Hills

We have audited the accompanying consolidated financial statements of Corporation of the Township of Minden Hills, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 consolidated financial statements are free from 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 our 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, we consider 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 financial position of The Corporation of the Township of Minden Hills as at December 31, 2015, and its consolidated results of operations, its change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

May 18, 2016
Sudbury, Canada

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

THE CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Consolidated Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash	\$ 7,483,483	\$ 6,492,414
Accounts receivable (note 2)	615,091	1,039,882
Taxes receivable	1,202,432	1,334,458
Inventories held for resale	67,037	69,593
	9,368,043	8,936,347
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	1,457,162	1,486,417
Deferred revenue - obligatory reserve funds (note 5)	103,841	97,440
Deferred revenue - other	91,440	71,309
Long-term debt (note 6)	78,642	89,830
Landfill closure and post-closure liability (note 7)	1,147,394	1,134,338
	2,878,479	2,879,334
Net financial assets	6,489,564	6,057,013
Non-financial assets:		
Tangible capital assets (note 8)	18,785,360	18,131,872
Prepaid expenses	22,755	21,359
	18,808,115	18,153,231
Contingencies (note 14)		
Commitment (note 15)		
Accumulated surplus (note 10)	\$ 25,297,679	\$ 24,210,244

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

THE CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2015, with comparative information for 2014

	Budget 2015 (note 13)	Actual 2015	Actual 2014
Revenue:			
Property taxation	\$ 6,368,260	\$ 6,437,162	\$ 6,092,452
User charges	1,982,690	2,113,734	1,874,187
Government of Canada	8,500	26,613	20,653
Province of Ontario	1,541,430	1,582,650	1,396,563
Other municipalities	46,500	48,725	62,657
Penalties and interest	180,500	248,583	238,171
Investment income	66,000	78,692	96,356
Donations	24,800	40,742	29,511
Federal Gas Tax revenue earned	163,700	163,743	168,296
Loss on disposal of capital assets	-	(74,029)	(132,495)
Other	229,530	150,663	179,161
Total revenue	10,611,910	10,817,278	10,025,512
Expenses:			
General government	1,467,305	1,432,968	1,626,303
Protection services	2,106,155	2,114,459	1,875,772
Transportation services	1,711,495	2,353,269	2,641,369
Environmental services	1,734,480	1,692,642	1,653,381
Health services	130,935	77,742	69,399
Recreational and cultural services	1,647,475	1,828,374	1,732,937
Planning and development	275,650	230,389	258,880
Total expenses	9,073,495	9,729,843	9,858,041
Annual surplus	1,538,415	1,087,435	167,471
Accumulated surplus, beginning of the year	24,210,244	24,210,244	24,042,773
Accumulated surplus, end of year	\$ 25,748,659	\$ 25,297,679	\$ 24,210,244

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

THE CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	Budget 2015	Actual 2015	Actual 2014
	(note 13)		
Annual surplus	\$ 783,755	\$ 1,087,435	\$ 167,471
Acquisition of tangible capital assets		(2,149,430)	(1,661,730)
Amortization of tangible capital assets	-	1,377,754	1,408,612
Loss on disposal of tangible capital assets	-	74,029	132,495
Proceeds on sale of tangible capital assets	-	44,159	15,162
Decrease (increase) in prepaid expenses	-	(1,396)	4,831
	783,755	432,551	66,841
Change in net financial assets	783,755	432,551	66,841
Net financial assets, beginning of year	6,057,013	6,057,013	5,990,172
Net financial assets, end of year	\$ 6,840,768	\$ 6,489,564	\$ 6,057,013

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

THE CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Consolidated Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,087,435	\$ 167,471
Items not involving cash:		
Amortization of tangible capital assets	1,377,754	1,408,612
Loss on disposal of tangible capital assets	74,029	132,495
Increase in landfill closure and post-closure liability	13,056	1,371
	2,552,274	1,709,949
Change in non-cash assets and liabilities:		
Decrease in accounts receivable	424,791	225,793
Decrease (increase) in taxes receivable	132,026	(61,238)
Decrease in inventories held for resale	2,556	2,555
Decrease (increase) in prepaid expenses	(1,396)	4,831
Decrease (increase) in accounts payable and accrued liabilities	(29,255)	366,804
Increase in deferred revenue - obligatory reserve funds	6,401	11,058
Increase in deferred revenue - other	20,131	17,215
Net change in cash from operating activities	3,107,528	2,276,967
Capital activities:		
Proceeds on disposal of tangible capital assets	44,159	15,162
Acquisition of tangible capital assets	(2,149,430)	(1,661,730)
Net change in cash from capital activities	(2,105,271)	(1,646,568)
Financing activities:		
Debt principal repayments	(11,188)	(10,880)
Net change in cash	991,069	619,519
Cash, beginning of year	6,492,414	5,872,895
Cash, end of year	\$ 7,483,483	\$ 6,492,414

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

CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

The Corporation of the Township of the Minden Hills (the "Township") 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:

The consolidated financial statements of the Township are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Reporting entity:

- (i) These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the Township.

The Township 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:

Minden Hills Cemetery Board
Minden Waterworks System
Minden Sewage System
Minden Business Improvement Area

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

(b) Trust Funds:

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Reserves and reserve funds:

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

(d) Deferred revenue:

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

CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, design, construction, development, improvement or betterment of the tangible capital asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	5 - 40
Buildings and facilities	10 - 40
Roadways and bridges	5 - 40
Water and sewer	40 - 50
Vehicles	6 - 40
Machinery and equipment	3 - 40

Landfill sites are amortized using the units of production method based upon capacity used during the year.

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(i) 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.

(ii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iii) 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.

(f) Landfill liability:

The liability for closure of operational sites and post-closure care has been recognized based on estimated future expenses, estimated inflation and the usage of the site's capacity during the year.

CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(g) 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 transfer are due.

(h) Non-financial assets:

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

(i) 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 transfer are authorized, and eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(j) 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 provision of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporated mounts 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 processed by the Township upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no significant collection risk.

(k) 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 Township does not have any significant concentration of interest, currency or credit risk.

CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(l) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the valuation allowances for taxes and accounts receivable, the carrying value of tangible capital assets and provisions for accrued liabilities and landfill liabilities.

Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Accounts receivable:

Accounts receivable consist of the following:

	2015	2014
Flood recovery funding	\$ —	\$ 436,938
Utilities receivable	289,496	313,277
Trade receivables and other	161,372	146,107
HST recoverable	164,223	143,560
	\$ 615,091	\$ 1,039,882

3. Operations of school boards and the County of Haliburton:

During 2015, requisitions were made by the County of Haliburton 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	\$ 4,433,291	\$ 4,416,295
Taxation from other governments	2,321	16,465
Amounts requisitioned and remitted	\$ 4,435,612	\$ 4,432,760

These amounts have not been included in the consolidated statement of operations and accumulated surplus.

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

4. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	2015	2014
Trade and miscellaneous	\$ 1,195,703	\$ 1,197,437
Personnel related	261,459	288,980
	\$ 1,457,162	\$ 1,486,417

5. Deferred revenue- obligatory reserve funds:

A requirement of the Public Sector Accounting Board of the Chartered Professional Accounts of Canada, 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:

	2015	2014
Parkland	\$ 103,841	\$ 97,440

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

	2015	2014
Balance, beginning of year	\$ 97,440	86,382
Add amounts received:		
Federal gas tax	163,743	168,296
Parkland fees	8,284	10,239
Investment income (loss)	(1,883)	819
	267,584	265,736
Less transfer to operations:		
Federal gas tax revenue earned	163,743	168,296
Balance, end of year	\$ 103,841	\$ 97,440

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

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:

	2015	2014
Ontario Infrastructure Projects Corporation debenture maturing December 15, 2017, repayable in blended semi-annual instalments of \$3,805, with interest at 4.76%	\$ 14,357	\$ 21,045
Long-term non-interest bearing loan repayable to the Minden Hills Cemetery Board Perpetual Care Trust in annual instalments of \$4,500	64,285	68,785
	\$ 78,642	\$ 89,830

(b) The long-term debt in (a) issued in the name of the Township 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 paid during the year on long-term debt amounted to \$923 (2014 - \$1,379).

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

	Principal
2016	\$ 11,510
2017	11,847
2018	4,500
2019	4,500
2020	4,500
2021 and subsequent years	41,785
	\$ 78,642

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

7. Landfill closure and post-closure liability:

The liability for landfill closure and post-closure costs of \$1,147,394 (2014 - \$1,134,338) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the seven landfill sites owned by the Township. The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs including monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Township has a landfill reserve of \$323,513 (2014 - \$368,823) and the remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for setting this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the two operating landfill sites and the five landfill sites already closed. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. The total discounted future cash flows for closure and post-closure cost is estimated at \$1,451,351 (2014 - \$1,451,351), calculated at a discount rate of 4.0% (2014 - 4.0%).

The remaining capacity of the two operating solid waste landfill sites is estimated at 261,265 m³ (2014 - 271,910 m³) which is 54.98% (2014 - 57.22%) of the sites total capacity. The remaining landfill sites are expected to reach capacity between 2045 and 2070.

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

8. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Land and land improvements	\$ 3,688,216	\$ 556,331	\$ -	\$ 4,244,547
Buildings	8,039,923	-	(188,327)	7,851,596
Machinery and equipment	866,501	82,400	(42,984)	905,917
Vehicles	3,989,598	479,775	(218,177)	4,251,196
Water and sewer	5,362,940	-	-	5,362,940
Roads and bridges	23,377,973	1,030,924	-	24,408,897
Total	\$ 45,325,151	\$ 2,149,430	\$ (449,488)	\$ 47,025,093

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Land and land improvements	\$ 919,181	\$ -	\$ 149,983	\$ 1,069,164
Buildings	3,275,005	(100,862)	209,169	3,383,312
Machinery and equipment	318,334	(28,458)	71,287	361,163
Vehicles	2,209,639	(201,980)	268,785	2,276,444
Water and sewer	1,397,851	-	111,421	1,509,272
Roads and bridges	19,073,269	-	567,109	19,640,378
Total	\$ 27,193,279	\$ (331,300)	\$ 1,377,754	\$ 28,239,733

	Net book value December 31, 2014	Net book value December 31, 2015
Land and land improvements	\$ 2,769,035	\$ 3,175,383
Buildings	4,764,918	4,468,284
Machinery and equipment	548,167	544,754
Vehicles	1,779,959	1,974,752
Water and sewer	3,965,089	3,853,668
Roads and bridges	4,304,704	4,768,519
Total	\$ 18,131,872	\$ 18,785,360

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

8. Tangible capital assets (continued):

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Land and land improvements	\$ 3,690,156	\$ 131,273	\$ (133,213)	\$ 3,688,216
Buildings	7,936,070	103,853	-	8,039,923
Machinery and equipment	715,967	178,455	(27,921)	866,501
Vehicles	3,858,262	377,258	(245,922)	3,989,598
Water and sewer	5,730,760	-	(367,820)	5,362,940
Roads and bridges	22,507,082	370,891	-	23,377,973
Total	\$ 44,438,297	\$ 1,161,730	\$ (774,876)	\$ 45,325,151

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Land and land improvements	\$ 904,861	\$ (133,213)	\$ 147,533	\$ 919,181
Buildings	3,054,452	-	220,553	3,275,005
Machinery and equipment	271,733	(23,774)	70,375	318,334
Vehicles	2,167,832	(205,402)	247,209	2,209,639
Water and sewer	1,551,260	(264,830)	111,421	1,397,851
Roads and bridges	18,461,748	-	611,521	19,073,269
Total	\$ 26,411,886	\$ (627,219)	\$ 1,408,612	\$ 27,193,279

	Net book value Tuesday, December 31, 2013	Net book value Wednesday, December 31, 2014
Land and land improvements	\$ 2,785,295	\$ 2,769,035
Buildings	4,881,618	4,764,918
Machinery and equipment	444,234	548,167
Vehicles	1,690,430	1,779,959
Water and sewer	4,179,500	3,965,089
Roads and bridges	4,045,334	4,304,704
Total	\$ 18,026,411	\$ 18,131,872

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

9. Pension agreements:

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of permanent, full-time 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.

Contributions required on account of current service in 2015 were \$208,119 (2014 - \$192,921).

10. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2015	2014
Surplus (deficit):		
Township	\$ 438,026	\$ 244,731
Unfunded landfill closure and post-closure costs	(1,134,338)	(1,134,338)
Business Improvement Area Board	42	42
Cemetery:		
Operations	35,410	31,839
Inventory	67,037	69,593
Unfinanced inventory construction	(58,542)	(37,789)
	(652,365)	(825,922)
Invested in capital assets:		
Tangible capital assets – net book value	18,785,360	18,131,872
Long-term debt	(78,642)	(89,830)
Unfunded capital	(298,219)	(298,219)
	18,408,499	17,743,823
Surplus	17,756,134	16,917,901
Reserves:		
Working capital	1,494,828	1,494,828
Future operations	700,531	339,575
Future capital assets	5,314,336	5,445,412
	7,509,695	7,279,815
Reserve funds:		
Cultural	31,850	12,528
	\$ 25,297,679	\$ 24,210,244

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

11. Credit facility agreement:

The Township has a revolving credit facility agreement with its financial institution. The amount available at any time is limited to \$1,000,000 via operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less .5% per annum. Council authorized the temporary borrowing limit by By-law 12-01. At December 31, 2015, there was a balance outstanding of \$Nil (2014 - \$Nil).

12. Trust funds:

Trust funds administered by the Township amounting to \$452,891 (2014 - \$440,495) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus. As such, balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

13. Budget figures:

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results according to Public Sector Accounting Standards. As a result, the budget figures presented in the statement of operations and accumulated surplus and change in net financial assets represent the financial plan adopted by Council with adjustment as follows:

	2015
Annual surplus per budget approved by Council	\$ -
Less:	
Internal transfers	(778,755)
Add:	
Principal loan repayments	62,250
Capital additions	1,500,260
Surplus per revised budget	\$ 783,755

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

14. Contingencies:

The Township, in the course of operations, has been named in several lawsuits the outcome of which is indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

During the normal course of business, the Township is involved in certain employment related matters and has recorded accruals based on management's estimate of potential settlement amounts where these amounts are reasonably determinable.

15. Commitment:

During 2012, the Township committed to contributing \$100,000 towards the 2015 Pan American Games. Contributions are \$25,000 for each of the years 2012 to 2015.

16. Comparative information:

Certain of the 2014 comparative amounts have been reclassified to conform to the current year presentation.

17. Segmented information:

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

For each reported segment, revenue 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 Services

General government services 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 and protective inspection and control.

CORPORATION OF THE TOWNSHIP OF THE MINDEN HILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

17. Segmented information (continued):

Transportation Services

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

Environmental Services

The environmental function is responsible for providing water, sewer, waste disposal and recycling services to ratepayers.

Health Services

The Health services function consists of external transfers to the local medical centre and cemetery operations.

Recreation and Cultural Services

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

Planning and Development

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

THE CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Schedule to Note 17 - Segmented Information

Year ended December 31, 2015

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation & Cultural Services	Planning and Development	Total 2015
Revenues:								
Property taxation	\$ 6,437,162	-	-	-	-	-	-	\$ 6,437,162
User charges	93,590	363,308	3,450	1,315,958	76,412	200,391	60,625	2,113,734
Government transfers - operating	1,354,900	20,540	8,096	121,299	-	96,008	8,420	1,609,263
Other municipalities	-	-	42,171	6,554	-	-	-	48,725
Penalties and interest	241,002	-	-	7,581	-	-	-	248,583
Investment income	72,692	-	-	6,000	-	-	-	78,692
Donations	-	8,639	-	-	-	29,878	2,225	40,742
Federal gas tax revenue earned	-	-	163,743	-	-	-	-	163,743
Other	77,638	1,150	39,269	2,875	-	28,632	1,099	150,663
Gain (loss) on sale of capital assets	(85,890)	3,603	17,688	-	6,901	(16,331)	-	(74,029)
	8,191,094	397,240	274,417	1,460,267	83,313	338,578	72,369	10,817,278
Expenses:								
Salaries and benefits	898,514	410,296	959,980	168,144	31,249	764,292	168,730	3,401,205
Interest	-	-	-	-	-	-	-	-
Materials	425,264	148,075	588,264	671,976	34,761	648,847	28,343	2,545,530
Contracted services	45,805	1,475,922	36,412	684,344	4,864	70,456	27,696	2,345,499
Rents and financial	5,000	-	-	-	-	-	-	5,000
External transfers	-	12,000	-	-	-	42,855	-	54,855
Amortization of tangible capital assets	58,385	68,166	768,613	168,178	6,868	301,924	5,620	1,377,754
	1,432,968	2,114,459	2,353,269	1,692,642	77,742	1,828,374	230,389	9,729,843
Annual surplus (deficit)	\$ 6,758,126	(1,717,219)	(2,078,852)	(232,375)	5,571	(1,489,796)	(158,020)	1,087,435

THE CORPORATION OF THE TOWNSHIP OF MINDEN HILLS

Schedule to Note 17 - Segmented Information

Year ended December 31, 2014

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation & Cultural Services	Planning and Development	Total 2014
Revenues:								
Property taxation	\$ 6,092,452	-	-	-	-	-	-	\$ 6,092,452
User charges	34,553	258,492	1,500	1,312,655	20,883	198,579	47,525	1,874,187
Government transfers - operating	1,266,554	15,478	15,504	56,086	-	54,646	8,948	1,417,216
Other municipalities	-	-	56,263	6,394	-	-	-	62,657
Penalties and interest	230,085	-	-	8,086	-	-	-	238,171
Investment income	90,356	-	-	6,000	-	-	-	96,356
Donations	-	100	-	-	200	25,941	3,270	29,511
Federal gas tax revenue earned	-	-	168,296	-	-	-	-	168,296
Other	40,045	1,200	87,801	(121,997)	-	39,592	25	46,666
	7,754,045	275,270	329,364	1,267,224	21,083	318,758	59,768	10,025,512
Expenses:								
Salaries and benefits	887,143	407,964	944,150	161,996	22,463	702,504	142,743	3,268,963
Interest	-	-	-	-	801	-	-	801
Materials	532,348	154,080	849,219	680,466	35,526	616,352	58,867	2,926,858
Contracted services	112,979	1,239,304	51,949	649,993	3,421	62,056	32,651	2,152,353
Rents and financial	24,212	-	-	-	-	-	22,619	46,831
External transfers	-	12,000	-	-	-	41,602	-	53,602
Amortization of tangible capital assets	69,621	62,424	796,051	160,926	7,188	310,423	2,000	1,408,633
	1,626,303	1,875,772	2,641,369	1,653,381	69,399	1,732,937	258,880	9,858,041
Annual surplus (deficit)	\$ 6,127,742	(1,600,502)	(2,312,005)	(386,157)	(48,316)	(1,414,179)	(199,112)	167,471