

**CORPORATION OF THE  
TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**CORPORATION OF THE  
TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED FINANCIAL STATEMENTS**

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# TOWNSHIP OF DOURO-DUMMER

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## CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

For The Year Ended December 31, 2014

### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Douro-Dummer 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 Douro-Dummer. 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.

Mayor

Date

DEC 15/15

Treasurer

Date

Dec. 15 / 2015

**INDEPENDENT AUDITORS' REPORT****To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer***Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Douro-Dummer 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 Douro-Dummer 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  
December 18, 2015

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2014

	2014	Restated 2013
	\$	\$
		(Note 2)
<b>FINANCIAL ASSETS</b>		
Cash	1,204,535	611,660
Investments (note 4)	2,210,889	2,033,091
Accounts receivable	332,067	355,421
Taxes receivable	1,103,747	1,033,168
Inventory held for resale	105,319	81,696
<b>TOTAL FINANCIAL ASSETS</b>	<b>4,956,557</b>	<b>4,115,036</b>
<b>LIABILITIES</b>		
Accounts payable	846,944	592,348
Deferred revenue - obligatory reserve funds (note 5)	331,309	351,518
Landfill closure and post-closure liability (note 6)	386,100	408,200
Employee future benefits (note 7)	174,741	169,418
<b>TOTAL LIABILITIES</b>	<b>1,739,094</b>	<b>1,521,484</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,217,463</b>	<b>2,593,552</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	25,745,753	25,900,504
Prepaid expenses	11,045	13,693
Inventories of materials and supplies	126,711	141,927
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>25,883,509</b>	<b>26,056,124</b>
<b>ACCUMULATED SURPLUS (note 9)</b>	<b>29,100,972</b>	<b>28,649,676</b>

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2014

	Budget 2014 \$ (unaudited)	Actual 2014 \$	Restated Actual 2013 \$ (Note 2)
<b>REVENUES</b>			
Property taxation	3,951,115	3,957,255	3,631,731
User charges	589,572	812,293	655,779
Government of Canada	-	1,775	95,199
Province of Ontario	608,857	685,166	664,727
Other municipalities	5,500	3,800	138,000
Penalties and interest on taxes	135,000	167,053	148,474
Investment income	50,450	72,396	48,340
Donations	1,100	11,373	1,561
Contributed capital	-	-	36,712
Federal gas tax earned	185,000	232,838	283,259
Parkland fees earned	5,000	5,000	12,000
Development charges earned	34,000	34,000	24,000
<b>TOTAL REVENUES</b>	<b>5,565,594</b>	<b>5,982,949</b>	<b>5,739,782</b>
<b>EXPENSES</b>			
General government	1,099,779	953,415	1,032,243
Protection services	1,461,844	1,487,864	1,339,310
Transportation services	1,718,750	1,923,620	3,158,258
Environmental services	301,286	296,381	149,505
Health services	5,028	3,321	4,124
Recreation and cultural services	762,275	826,729	768,661
Planning and development	179,089	40,323	45,019
<b>TOTAL EXPENSES</b>	<b>5,528,051</b>	<b>5,531,653</b>	<b>6,497,120</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>37,543</b>	<b>451,296</b>	<b>(757,338)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>28,649,676</b>	<b>28,649,676</b>	<b>29,407,014</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>28,687,219</b>	<b>29,100,972</b>	<b>28,649,676</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2014

	Budget 2014 \$ (unaudited)	Actual 2014 \$	Restated Actual 2013 \$ (Note 2)
<b>ANNUAL SURPLUS/(DEFICIT)</b>	37,543	451,296	(757,338)
Amortization of tangible capital assets	1,185,109	1,155,308	1,196,046
Acquisition of tangible capital assets	(1,139,435)	(1,111,071)	(920,555)
Loss on disposal of tangible capital assets	-	61,877	1,214,290
Proceeds on sale of tangible capital assets	-	48,637	-
Contributed capital assets	-	-	(36,712)
(Increase)/decrease in prepaid expenses	-	2,648	(3,969)
(Increase)/decrease in inventories of materials and supplies	-	15,216	(3,750)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	83,217	623,911	688,012
<b>NET FINANCIAL ASSETS - beginning of year</b>	2,593,552	2,593,552	1,905,540
<b>NET FINANCIAL ASSETS - end of year</b>	2,676,769	3,217,463	2,593,552

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2014

	2014	Restated 2013
	\$	\$
		(Note 2)
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus/(deficit)	451,296	(757,338)
(Increase)/decrease in accounts receivable	23,354	(173,723)
Increase in taxes receivable	(70,579)	(197,257)
Increase in inventory held for resale	(23,623)	(18,147)
(Increase)/decrease in prepaid expenses	2,648	(3,969)
(Increase)/decrease in inventories of materials and supplies	15,216	(3,750)
Increase in accounts payable	254,596	47,554
Decrease in deferred revenue - obligatory reserve funds	(20,209)	(50,721)
Decrease in other deferred revenue	-	(4,994)
Items not affecting cash		
Amortization of tangible capital assets	1,155,308	1,196,046
Loss on disposal of tangible capital assets	61,877	1,214,290
Contributed capital assets	-	(36,712)
Loss on disposal of investments	7,896	-
Decrease in landfill closure and post-closure liability	(22,100)	(151,604)
Increase in employee future benefits	5,323	61,269
<b>Net increase in cash from operating transactions</b>	<b>1,841,003</b>	<b>1,120,944</b>
<b>CAPITAL</b>		
Purchase of tangible capital assets	(1,111,071)	(920,555)
Proceeds on disposal of tangible capital assets	48,637	-
<b>Net decrease in cash from capital transactions</b>	<b>(1,062,434)</b>	<b>(920,555)</b>
<b>INVESTING</b>		
Purchase of investments	(1,268,499)	(840,252)
Disposal of investments	1,082,805	407,391
<b>Net decrease in cash from investing transactions</b>	<b>(185,694)</b>	<b>(432,861)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>592,875</b>	<b>(232,472)</b>
<b>CASH - beginning of year</b>	<b>611,660</b>	<b>844,132</b>
<b>CASH - end of year</b>	<b>1,204,535</b>	<b>611,660</b>

The accompanying notes are an integral part of these financial statements



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

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The Township of Douro-Dummer 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:

- Douro-Dummer Public Library

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) 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	20 to 25 years
Buildings	10 to 50 years
Machinery and equipment	5 to 40 years
Vehicles	5 to 30 years
Computers	5 years
Roads and bridges	10 to 50 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

#### (d) 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.

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# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(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 transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (j) 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;
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates;
- The values of employee future benefit obligations and assets and the amount of employee future benefit costs charged to earnings depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

#### (k) Inventory held for resale

Inventory held for resale, which includes land, is stated at the lower of cost and net realizable value, with cost being the purchase price plus the cost to prepare the land for resale.

### 2. PRIOR PERIOD ADJUSTMENT

The Township has restated its financial statements to account for an error in the determination of historical cost and accumulated amortization of tangible capital assets. Adjustments necessary to the 2013 financial information are as follows:

#### Adjustment to Opening 2013 Tangible Capital Assets

Net book value of assets previously recorded to January 1, 2013	\$ 25,845,892
Assets not previously recorded to January 1, 2013	85,712
Accumulated amortization to January 1, 2013, previously recorded in error	48,524
Land held for resale at January 1, 2013, previously recorded as tangible capital assets	<u>(63,549)</u>
Opening 2013 net book value of tangible capital assets as restated	<u>\$ 25,916,579</u>

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

### 2. PRIOR PERIOD ADJUSTMENT, continued

#### Adjustment to Opening 2013 Accumulated Surplus

Accumulated surplus as previously stated	
Tangible capital assets	\$ 27,282,886
Capital fund	(676,522)
Reserves and reserve funds	<u>2,666,414</u>
	29,272,778
Assets not previously capitalized	85,712
Amortization expense previously recorded in error	<u>48,524</u>
Opening 2013 accumulated surplus as restated	<u>\$ 29,407,014</u>

#### Adjustment to 2013 Annual Surplus

2013 annual surplus as previously stated	\$ (759,410)
Add: Amortization previously recorded in error	<u>2,072</u>
2013 annual surplus as restated	<u>\$ (757,338)</u>

### 3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2014, requisitions were made by the County of Peterborough 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	2,658,118	3,903,060
Taxation from other governments	<u>472</u>	<u>3,546</u>
Amounts requisitioned and remitted	<u>2,658,590</u>	<u>3,906,606</u>

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

### 4. INVESTMENTS

The investments held at the end of the year, stated at cost, are comprised of the following:

	2014 Market Value \$	2014 Cost \$	2013 Cost \$
<b>Short-term investments</b>			
One Fund - money market fund	461,121	461,121	262,828
GICs - interest ranging from 1.80% to 3.05%, maturing between January - December 2015	503,352	497,799	-
Desjardins - fixed income and securities, maturing November 2015	196,148	191,067	-
Desjardins - fixed income and securities, maturing April 2014	-	-	151,187
Desjardins - fixed income and securities, maturing October 2014	-	-	102,930
GICs - interest ranging from 1.3% to 3.05%, maturing between January - August 2014	-	-	574,712
	<b>1,160,621</b>	<b>1,149,987</b>	<b>1,091,657</b>
<b>Long-term investments</b>			
GICs - interest ranging from 1.55% to 2.3%, maturing between March 2016 and February 2018	1,023,551	1,011,002	-
CIBC - 2.35% Bond, maturing October, 2017	50,838	49,900	49,900
GICs - interest ranging from 1.85% to 2.4%, maturing between April 2015 and June 2017	-	-	797,207
Desjardins - fixed income and securities, maturing November 2015	-	-	94,327
	<b>1,074,389</b>	<b>1,060,902</b>	<b>941,434</b>
	<b>2,235,010</b>	<b>2,210,889</b>	<b>2,033,091</b>

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

### 5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2014	2013
	\$	\$
Parkland	10,806	6,806
Development charges	74,912	73,087
Federal gas tax	245,591	271,625
	<b>331,309</b>	<b>351,518</b>

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

	2014	2013
	\$	\$
Balance - beginning of year	351,518	402,239
Add amounts received:		
Development charges	35,825	46,572
Parkland fees	9,000	3,750
Federal gas tax	202,741	213,314
Interest	4,063	4,902
	<b>251,629</b>	<b>268,538</b>
Less transfer to operations:		
Development charges earned	34,000	24,000
Parkland fees earned	5,000	12,000
Federal gas tax earned	232,838	283,259
	<b>271,838</b>	<b>319,259</b>
Balance - end of year	<b>331,309</b>	<b>351,518</b>

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

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

The liability for landfill closure and post-closure costs of \$386,100 (2013 - \$408,200) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the three closed sites owned by the Township. 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 total discounted future cash flows for closure and post-closure costs were calculated using a discount factor of 4% and an inflation rate of 2%. The Township has a landfill reserve of \$70,949 (2013 - \$70,949) and the remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

### 7. EMPLOYEE FUTURE AMOUNTS PAYABLE

The Township provides certain employee amounts that will require funding in future periods.

	2014	2013
	\$	\$
Accrued benefit obligation	99,073	86,933
Unamortized actuarial gain	75,668	82,485
	<b>174,741</b>	<b>169,418</b>

The Township provides eligible employees a defined benefit plan to pay costs of extended health and vision benefits after they retire. All benefits are provided upon retirement and continue for a period of 10 years, but not beyond the age 65, at which time the benefits cease. The liability is not funded by the Township. The actuarial valuation as at December 31, 2013 was based on assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate	2.5%
Future health care premiums - first year (2013)	10.0%
- reducing over 10 years to	3.5%

The post-employment benefit is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus and is comprised as follows:

	2014	2013
	\$	\$
Current year benefit cost	4,940	4,773
Interest on accrued benefit obligation	7,200	4,808
Amortization of actuarial gains (losses)	(6,817)	(4,657)
Accrued benefit liability at December 31	<b>5,323</b>	<b>4,924</b>

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## 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	Restated 2013 (Note 2)
	\$	\$
<b>General</b>		
Land and land improvements	1,877,152	1,898,260
Buildings and building improvements	1,943,070	1,995,494
Machinery and equipment	1,435,994	1,447,304
Vehicles	1,642,416	1,658,519
Computers and computer software	13,337	21,429
<b>Infrastructure</b>		
Roads and bridges	18,406,202	18,651,714
	25,318,171	25,672,720
<b>Assets under construction</b>	427,582	227,784
	25,745,753	25,900,504

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	Restated 2013 (Note 2)
	\$	\$
General government	1,657,119	1,448,685
Protection services	1,033,253	1,072,578
Transportation services	19,720,560	20,021,810
Environmental services	74,935	85,651
Recreation and cultural services	2,395,942	2,417,147
Planning and development	863,944	854,633
	25,745,753	25,900,504



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

### 9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014	Restated 2013 (Note 2)
	\$	\$
<b>Surplus/(Deficit)</b>		
Inventory held for resale	105,319	81,696
Unfunded employee future benefits	(174,741)	(169,418)
Unfunded landfill closure and post-closure costs	(386,100)	(408,200)
Douro-Dummer Public Library	(5,244)	(7,140)
	(460,766)	(503,062)
<b>Invested in Capital Assets</b>		
Tangible capital assets - net book value	25,745,753	25,900,504
<b>Surplus</b>	25,284,987	25,397,442
<b>Reserves</b>		
Working funds	1,249,026	663,075
Self insurance	33,887	33,887
Post employment benefits	50,484	43,427
Future capital projects	2,127,127	2,201,797
Future operations	337,591	292,826
<b>Total Reserves</b>	3,798,115	3,235,012
<b>Reserve Funds</b>		
Future capital projects	17,870	17,222
	29,100,972	28,649,676

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

### 10. EXPENSES BY OBJECT

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

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Restated Actual 2013 \$ (Note 2)
Salaries and benefits	1,904,120	1,855,104	1,865,846
Materials	1,080,771	1,235,458	1,222,874
Contracted services	1,262,751	1,131,765	909,734
Rents and financial	2,800	3,616	4,877
External transfers	92,500	88,525	83,453
Amortization	1,185,109	1,155,308	1,196,046
Loss (gain) on disposal of tangible capital assets	-	61,877	1,214,290
	5,528,051	5,531,653	6,497,120

### 11. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all 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 2014 were \$96,433 (2013 - \$97,750).

### 12. TRUST FUNDS

Trust funds administered by the Township amounting to \$41,089 (2013 - \$41,319) 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, 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.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

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### 14. COMPARATIVE FIGURES

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

### 15. CONTINGENT LIABILITIES

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

### 16. SEGMENTED INFORMATION

The Township of Douro-Dummer 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 segment 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.

#### **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 waste collection and waste disposal services to ratepayers.

#### **Health Services**

The health services function consists of the activities of the cemetery.

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

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

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# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

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### 16. SEGMENTED INFORMATION, continued

#### Planning and Development

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

	General				Infrastructure		Totals
	Land and land improvements	Buildings and building improvements	Machinery and Equipment	Vehicles	Computers and computer software	Roads and Bridges	
	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>							
Balance, beginning of year	2,065,620	5,175,529	2,524,280	3,695,821	171,902	27,802,033	41,662,969
Add: additions during the year	-	9,363	64,402	286,249	-	-	751,057
Less: disposals during the year	1	67,754	14,340	249,760	-	18,916	350,771
Internal transfers	-	39,507	62,604	-	-	449,148	(551,259)
Balance, end of year	2,065,619	5,156,645	2,636,946	3,732,310	171,902	28,232,265	42,423,269
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	167,360	3,180,035	1,076,976	2,037,302	150,473	9,150,319	15,762,465
Add: additions during the year	21,107	96,160	138,270	197,019	8,092	694,660	1,155,308
Less: disposals during the year	-	62,620	14,294	144,427	-	18,916	240,257
Balance, end of year	188,467	3,213,575	1,200,952	2,089,894	158,565	9,826,063	16,677,516
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	1,877,152	1,943,070	1,435,994	1,642,416	13,337	18,406,202	25,745,753

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## 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	796,871	1,226,938	1,383,831	151,654	13,321	384,640	-	3,957,255								
User charges	13,202	200,907	37,933	144,727	-	341,694	73,830	812,293								
Government transfers - operating	579,200	42,541	42,397	-	-	18,503	-	682,641								
Government transfers - capital	-	-	1,775	-	-	2,525	-	4,300								
Other municipalities	-	3,800	-	-	-	-	-	3,800								
Penalties and interest on taxes	167,053	-	-	-	-	-	-	167,053								
Investment income	72,346	-	-	-	-	50	-	72,396								
Donations	-	500	-	-	-	10,873	-	11,373								
Federal gas tax earned	-	-	194,830	-	-	38,008	-	232,838								
Parkland fees earned	-	-	-	-	-	5,000	-	5,000								
Development charges earned	-	-	25,000	-	-	9,000	-	34,000								
<b>Total revenues</b>	<b>1,628,672</b>	<b>1,474,686</b>	<b>1,685,766</b>	<b>296,381</b>	<b>13,321</b>	<b>810,293</b>	<b>73,830</b>	<b>5,982,949</b>								
<b>Expenses</b>																
Salaries and benefits	631,070	306,142	564,010	37,683	-	290,100	26,099	1,855,104								
Materials	172,629	230,796	374,864	90,414	3,321	358,131	5,303	1,235,458								
Contracted services	71,038	762,676	73,103	158,467	-	57,825	8,656	1,131,765								
Rents and financial	3,616	-	-	-	-	-	-	3,616								
External transfers	1,290	87,235	-	-	-	-	-	88,525								
Amortization	73,772	101,015	857,112	9,817	-	113,327	265	1,155,308								
Loss (gain) on disposal of tangible capital assets	-	-	54,531	-	-	7,346	-	61,877								
<b>Total expenses</b>	<b>953,415</b>	<b>1,487,864</b>	<b>1,923,620</b>	<b>296,381</b>	<b>3,321</b>	<b>826,729</b>	<b>40,323</b>	<b>5,531,653</b>								
<b>Net surplus/(deficit)</b>	<b>675,257</b>	<b>(13,178)</b>	<b>(237,854)</b>	<b>-</b>	<b>10,000</b>	<b>(16,436)</b>	<b>33,507</b>	<b>451,296</b>								

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2013 - restated (note 2)

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services		Planning and Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Property taxation	567,892	1,232,979	1,279,853	204,380	16,828	261,925	67,874	3,631,731	
User charges	13,979	143,193	23,260	102,448	-	352,982	19,917	655,779	
Government transfers - operating	548,400	10,024	38,035	-	-	46,347	-	642,806	
Government transfers - capital	-	-	117,120	-	-	-	-	117,120	
Other municipalities	-	4,300	133,700	-	-	-	-	138,000	
Penalties and interest on taxes	148,474	-	-	-	-	-	-	148,474	
Investment income	48,158	-	-	-	-	182	-	48,340	
Donations	-	150	-	-	-	1,411	-	1,561	
Contributed capital	-	-	36,712	-	-	-	-	36,712	
Federal gas tax earned	-	-	258,180	-	-	25,079	-	283,259	
Parkland fees earned	-	-	-	-	-	12,000	-	12,000	
Development charges earned	-	-	20,000	-	-	4,000	-	24,000	
<b>Total revenues</b>	<b>1,326,903</b>	<b>1,390,646</b>	<b>1,906,860</b>	<b>306,828</b>	<b>16,828</b>	<b>703,926</b>	<b>87,791</b>	<b>5,739,782</b>	
<b>Expenses</b>									
Salaries and benefits	645,907	293,447	576,188	35,619	-	276,048	38,637	1,865,846	
Materials	204,988	185,964	404,316	66,232	4,124	357,056	194	1,222,874	
Contracted services	96,364	678,692	71,098	38,492	-	19,032	6,056	909,734	
Rents and financial	4,877	-	-	-	-	-	-	4,877	
External transfers	1,490	81,963	-	-	-	-	-	83,453	
Amortization	78,617	99,244	897,763	9,162	-	111,128	132	1,196,046	
Loss (gain) on disposal of tangible capital assets	-	-	1,208,893	-	-	5,397	-	1,214,290	
<b>Total expenses</b>	<b>1,032,243</b>	<b>1,339,310</b>	<b>3,158,258</b>	<b>149,505</b>	<b>4,124</b>	<b>768,661</b>	<b>45,019</b>	<b>6,497,120</b>	
<b>Net surplus/(deficit)</b>	<b>294,660</b>	<b>51,336</b>	<b>(1,251,398)</b>	<b>157,323</b>	<b>12,704</b>	<b>(64,735)</b>	<b>42,772</b>	<b>(757,338)</b>	

**INDEPENDENT AUDITORS' REPORT****To the Board of Directors of Corporation of the  
Township of Douro-Dummer***Report on the Financial Statements*

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Douro-Dummer, which comprise the statement of financial position as at December 31, 2014, the statement of continuity 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 audit opinion.

*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Douro-Dummer as at December 31, 2014 and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*

Chartered Professional Accountants  
Peterborough, Ontario  
December 18, 2015



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2014

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2014 Total \$	2013 Total \$
<b>FINANCIAL ASSETS</b>						
Cash	8,240	13,464	-	1,525	23,229	24,856
Investments	-	-	-	-	-	8,082
Loans receivable	-	11,676	-	-	11,676	12,006
Due from Township	-	1,305	3,700	179	5,184	3,879
Accrued interest	-	-	-	-	-	92
Due from Province	-	1,000	-	-	1,000	-
	8,240	27,445	3,700	1,704	41,089	48,915
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Due to Township	-	-	-	-	-	1,589
Due to Province	-	-	-	-	-	6,007
	-	-	-	-	-	7,596
<b>FUND BALANCES</b>	8,240	27,445	3,700	1,704	41,089	41,319
	8,240	27,445	3,700	1,704	41,089	48,915

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2014

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2014 Total \$	2013 Total \$
<b>BALANCES -</b>						
beginning of year	8,174	27,775	3,700	1,670	41,319	41,472
<b>RECEIPTS</b>						
Interest earned	66	268	37	54	425	617
<b>EXPENSES</b>						
Administration fees	-	268	-	-	268	305
Transfer to Province	-	330	-	-	330	419
Transfer to Township	-	-	37	-	37	46
Bank charges	-	-	-	20	20	-
	-	598	37	20	655	770
<b>BALANCES - end of</b>						
year	8,240	27,445	3,700	1,704	41,089	41,319

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## TRUST FUNDS 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.

#### (a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### (b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

### 2. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2014 are comprised of repayable loans of \$11,676 (2013 - \$12,006).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

### 3. CEMETERY PERPETUAL CARE

Cemetery perpetual care trust fund is funded by the sale of cemetery plots. The funds are invested and earnings derived thereof are used to perform perpetual care at the cemetery. The operations and investment of the trust funds are undertaken by the municipality in accordance with the regulations of the Cemeteries Act.

**CORPORATION OF THE  
TOWNSHIP OF DOURO-DUMMER**

**DOURO-DUMMER PUBLIC LIBRARY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

## REVIEW ENGAGEMENT REPORT

### **To the Members of the Douro-Dummer Public Library, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer**

We have reviewed the statement of financial position of the Douro-Dummer Public Library of the Corporation of the Township of Douro-Dummer as at December 31, 2014 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Board.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*

Chartered Professional Accountants  
Peterborough, Ontario  
December 18, 2015

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF FINANCIAL POSITION (Unaudited) At December 31, 2014

	2014	2013
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	14,357	50
Accounts receivable	1,689	1,023
Due from Township	-	18,397
<b>TOTAL FINANCIAL ASSETS</b>	16,046	19,470
<b>LIABILITIES</b>		
Due to Township	578	-
<b>NET FINANCIAL ASSETS</b>	15,468	19,470
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	49,011	47,144
<b>ACCUMULATED SURPLUS (note 3)</b>	64,479	66,614

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY

### STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (Unaudited)

For the Year Ended December 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
<b>REVENUES</b>			
Municipal contributions	66,714	66,714	50,114
Province of Ontario	14,107	14,731	31,362
User charges	200	1,491	1,220
Other grants	1,550	3,773	11,321
<b>TOTAL REVENUES</b>	<b>82,571</b>	<b>86,709</b>	<b>94,017</b>
<b>EXPENSES</b>			
Salaries, wages and benefits	40,937	43,561	42,124
Subscriptions and videos	550	122	546
Supplies, materials and rentals	7,170	7,350	12,468
Public relations and advertising	1,200	862	665
Memberships, staff training and mileage	5,010	4,816	3,809
Utilities	6,900	8,209	7,021
Property maintenance and repairs	11,304	11,926	10,192
Contracted services	1,000	1,903	1,177
Amortization	10,069	10,091	11,105
Loss on disposal of capital assets	-	4	-
<b>TOTAL EXPENSES</b>	<b>84,140</b>	<b>88,844</b>	<b>89,107</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(1,569)</b>	<b>(2,135)</b>	<b>4,910</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>66,614</b>	<b>66,614</b>	<b>61,704</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>65,045</b>	<b>64,479</b>	<b>66,614</b>

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (Unaudited) For the Year Ended December 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(1,569)	(2,135)	4,910
Amortization of tangible capital assets	10,069	10,091	11,105
Acquisition of tangible capital assets	(13,500)	(11,962)	(10,354)
Loss on disposal of tangible capital assets	-	4	-
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(5,000)	(4,002)	5,661
<b>NET FINANCIAL ASSETS - beginning of year</b>	19,470	19,470	13,809
<b>NET FINANCIAL ASSETS - end of year</b>	14,470	15,468	19,470

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



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF CASH FLOWS (Unaudited) 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/(deficit)	(2,135)	4,910
(Increase)/decrease in accounts receivable	(666)	14,304
Increase in due from Township	18,397	(18,397)
Increase/(decrease) in due to Township	578	(1,568)
Non-cash charges to operations		
Amortization of tangible capital assets	10,091	11,105
Loss on disposal of tangible capital assets	4	-
<b>Net increase in cash from operating transactions</b>	<b>26,269</b>	<b>10,354</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(11,962)	(10,354)
<b>INCREASE IN CASH</b>	<b>14,307</b>	<b>-</b>
<b>CASH - beginning of year</b>	<b>50</b>	<b>50</b>
<b>CASH - end of year</b>	<b>14,357</b>	<b>50</b>

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS (Unaudited) 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) 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:

Buildings and building improvement:	15 to 50 years
Equipment and books	5 to 40 years
Computers	5 years

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

(d) 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.

(e) 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.

(f) Reserves

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

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# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS (Unaudited) For the Year Ended December 31, 2014

### 2. TANGIBLE CAPITAL ASSETS

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

	Building \$	Equipment and Books \$	Computer \$	2014 Totals \$	2013 Totals \$
<b>COST</b>					
Balance, beginning of year	62,599	82,624	7,879	153,102	142,748
Add: additions during the year	-	11,962	-	11,962	10,354
Less: disposals during the year	10	-	-	10	-
<b>Balance, end of year</b>	<b>62,589</b>	<b>94,586</b>	<b>7,879</b>	<b>165,054</b>	<b>153,102</b>
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	48,333	49,746	7,879	105,958	94,853
Add: additions during the year	803	9,288	-	10,091	11,105
Less: disposals during the year	6	-	-	6	-
<b>Balance, end of year</b>	<b>49,130</b>	<b>59,034</b>	<b>7,879</b>	<b>116,043</b>	<b>105,958</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>13,459</b>	<b>35,552</b>	<b>-</b>	<b>49,011</b>	<b>47,144</b>

### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014 \$	2013 \$
<b>Surplus/(Deficit)</b>		
Current fund	(5,244)	(7,140)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	49,011	47,144
<b>Surplus</b>	<b>43,767</b>	<b>40,004</b>
<b>Reserves</b>		
Future capital projects	20,712	26,610
	<b>64,479</b>	<b>66,614</b>

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS (Unaudited) For the Year Ended December 31, 2014

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### 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 review.

### 5. COMPARATIVE FIGURES

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