

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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**Tay Valley Township
Consolidated
Financial Statements
December 31, 2014**

Tay Valley Township
Five Year Financial Review
(not subject to audit)

December 31	2014	2013	2012	2011	2010
Population (Statistics Canada)	5,771	5,771	5,571	5,571	6,000
Number of Households (MPAC)	3,891	3,875	3,868	3,843	3,825
Taxable Assessment (000's)	\$	\$	\$	\$	\$
Residential and farm	1,041,450	1,006,684	973,455	902,035	831,170
Commercial and industrial	58,660	47,794	47,310	42,272	40,894
Total	1,100,110	1,054,478	1,020,765	944,307	872,064
Commercial, industrial as % of assessment	5.33%	4.53%	4.63%	4.40%	4.70%
Rates of Taxation					
Residential					
▸ for general municipal purposes	0.388617	0.397489	0.396556	0.404645	0.413418
▸ for county purposes	0.392978	0.410042	0.418354	0.431698	0.443520
▸ for school board purposes	0.203000	0.212000	0.221000	0.231000	0.241000
Total	0.984595	1.019531	1.035910	1.067343	1.097938
Multi-Residential (total)	2.056004	2.160636	2.235244	2.267276	2.293008
Commercial (total)	2.650786	2.710667	2.717630	2.802743	2.895237
Industrial (total)	3.606520	3.768390	3.886101	4.268753	4.856974
Tax Arrears ▸ percentage of current levy (>10%)**	6.88%	5.74%	5.61%	5.30%	3.96%
Taxes Transferred (000's)					
▸ County	4,532	4,555	4,519	4,315	4,110
▸ School Boards	2,874	2,844	2,804	2,813	2,850
Revenues (000's)	\$	\$	\$	\$	\$
▸ Taxation and payments in lieu	4,481	4,414	4,278	4,057	3,837
▸ Government transfers	815	716	750	731	710
▸ Fees and service charges	341	430	352	353	281
▸ Other	458	478	431	434	428
▸ Revenues related to capital assets	626	320	6	763	954
Total	6,721	6,358	5,817	6,338	6,210
Expenditures (000's)					
▸ Operations	5,888	5,750	5,707	5,497	5,490
▸ Amortization	705	669	651	630	582
Net Assets (Net Debt)					
▸ % of Operating Revenue (>(20%)) **	60.51%	55.16%	43.77%	38.48%	41.30%
▸ % of Taxation (>(50%)) **	82.31%	75.41%	59.45%	52.88%	56.58%

** Represents the Provincial Low Risk Indicator.
(Note: All dollar amounts are in thousands of dollars.)

Tay Valley Township
Five Year Financial Review
(not subject to audit)

December 31	2014	2013	2012	2011	2010
	\$	\$	\$	\$	\$
Long Term Debt					
▸ Net long term debt (000's)	903	935	923	955	732
▸ Long term debt charges (000's)	71	84	81	58	12
▸ Annual repayment limit (000's)	1,240	1,087	1,089	1,019	1,013
▸ Long term debt per household	232	241	239	248	191
▸ Debt charges (000's)					
▸ tax supported	71	84	81	58	12
<hr/>					
Municipal Equity (000's)					
▸ Surplus and Reserves	4,682	4,329	3,524	3,116	2,962
▸ Invested in capital assets	9,533	9,025	9,221	9,518	8,862
▸ Reserves as % of operating expenses (>20%) **	78.88%	74.23%	61.52%	56.32%	53.21%
▸ Asset consumption ratio	50.74%	48.48%	45.47%	43.70%	32.98%
<hr/>					
Financial Indicators					
▸ Sustainability					
▸ financial assets to liabilities	2.41	2.07	1.95	1.85	1.85
▸ financial assets to liabilities excluding long term debt	3.68	2.95	3.06	3.02	2.60
▸ capital reserve to accumulated amortization	8.83%	11.87%	13.48%	14.53%	21.22%
▸ Flexibility					
▸ Debt charges to total operating revenue (<5%) **	1.17%	1.41%	1.40%	0.88%	0.24%
▸ Total operating revenue to taxable assessment	0.55%	0.57%	0.57%	0.59%	0.60%
▸ Working capital to operating expenses (>10%)**	80.85%	77.12%	61.69%	56.93%	53.19%
▸ Vulnerability					
▸ Operating government transfers ▸ to operating revenue	13.37%	11.86%	12.90%	13.12%	13.37%
▸ Total government transfers ▸ to total revenues	20.71%	15.23%	12.89%	22.47%	25.63%



Tay Valley Township

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of Tay Valley Township are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of significant accounting policies are described in note 2 to the consolidated financial statements. The preparation of consolidated 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 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 Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by Allan Chartered Accountant Professional Corporation, independent external auditors appointed by the Township. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

Larry Donaldson
Chief Administrative Officer

Peter Tranter
Acting Treasurer

Allan & Partners LLP

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Tay Valley Township:

We have audited the consolidated statement of financial position of the Corporation of the Tay Valley Township as at December 31, 2014 and the consolidated statement of operations, 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 Consolidated Financial Statements

The Corporation of the Tay Valley Township's 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 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, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Tay Valley Township as at December 31, 2014 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Professional Accountants
Licensed Public Accountants

Authorized to practice public accounting by the Institute of Chartered Professional Accountants of Ontario

Perth, Ontario,
June 9, 2015.

Tay Valley Township

Consolidated Statement of Financial Position

December 31	2014	2013
	\$	\$
ASSETS		
Financial Assets		
Cash and short term deposits	5,122,784	5,424,549
Taxes receivable (allowance \$50,000)	764,016	625,574
Accounts receivable	375,985	350,090
Other	1,550	1,550
Long term receivables (note 5)	38,272	46,437
	6,302,607	6,448,200
LIABILITIES		
Financial Liabilities		
Accounts payable	323,053	356,032
Accrued landfill closure and post closure (note 10)	437,500	412,500
Accrued post employment benefits	6,298	39,652
Prepaid property taxes	315,305	320,197
Deferred revenues (note 4)	249,927	677,368
Other current liabilities	210,311	210,162
Solar farm security deposit	169,083	166,666
Long term liabilities (note 5)	903,014	935,378
	2,614,491	3,117,955
NET FINANCIAL ASSETS	3,688,116	3,330,245
NON-FINANCIAL ASSETS		
Tangible capital assets (note 14)	10,408,006	9,960,463
Inventories	91,421	63,500
	10,499,427	10,023,963
Contingent Liabilities (note 12)		
MUNICIPAL EQUITY (note 6)	14,187,543	13,354,208

Approved On Behalf of Council:

Reeve

Tay Valley Township

Consolidated Statement of Operations

For the year ended December 31	(Note 16) Budget	2014	2013
	\$	\$	\$
REVENUES			
Taxation ▶ residential	3,946,579	3,964,207	3,922,122
▶ commercial and industrial	448,121	463,682	438,943
▶ other governments	53,000	52,850	52,816
User charges ▶ protection to persons and property	8,000	21,596	26,021
▶ waste disposal	89,400	93,310	71,110
▶ planning and zoning	52,000	70,132	199,365
▶ other	137,640	156,296	133,620
Government transfers	759,628	814,765	715,873
Contribution from developers	4,000	4,184	20,000
Licences and permits	106,000	106,843	113,121
Investment income	77,995	98,346	96,260
Penalties and interest on taxes	95,000	120,876	115,102
Provincial offences	90,000	94,618	86,596
Other	18,940	33,661	47,228
TOTAL REVENUES	5,886,303	6,095,366	6,038,177
EXPENDITURES			
General government	1,002,451	1,091,259	996,787
Protection to persons and property	1,296,843	1,258,120	1,227,396
Transportation services	2,277,518	2,144,231	2,103,243
Environmental services	663,300	641,916	690,945
Social and health services	---	4,956	2,748
Recreation and cultural services	474,033	459,156	518,799
Planning and development	258,500	288,170	210,125
TOTAL EXPENDITURES	5,972,645	5,887,808	5,750,043
NET REVENUES (EXPENDITURES) FROM OPERATIONS	(86,342)	207,558	288,134
OTHER			
Grants and transfers related to capital			117,000
Gain on disposal of capital asset	---	---	
Government transfers	576,000	625,777	203,077
	576,000	625,777	320,077
ANNUAL SURPLUS	489,658	833,335	608,211
MUNICIPAL EQUITY, BEGINNING OF YEAR	13,354,208	13,354,208	12,745,997
MUNICIPAL EQUITY, END OF YEAR	13,843,866	14,187,543	13,354,208

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

Tay Valley Township

Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31	(Note 16) Budget	2014	2013
	\$	\$	\$
ANNUAL SURPLUS	489,658	833,335	608,211
Amortization of tangible capital assets	16,692	705,157	669,182
Acquisition of tangible capital assets	(971,000)	(1,152,700)	(486,359)
Acquisition of supplies inventories	---	(27,921)	(4,750)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(464,650)	357,871	786,284
NET FINANCIAL ASSETS, BEGINNING OF YEAR	3,330,245	3,330,245	2,543,961
NET FINANCIAL ASSETS, END OF YEAR	2,865,595	3,688,116	3,330,245

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

Tay Valley Township

Consolidated Statement of Cash Flows

For the year ended December 31	2014	2013
	\$	\$
OPERATING		
Annual surplus for the year	833,335	608,211
Amortization	705,157	669,182
	1,538,492	1,277,393
Net Change in Non-Cash Working Capital Balances		
Taxes receivable	(138,442)	(28,176)
Accounts receivable	(25,895)	(19,556)
Long term receivables	8,165	7,703
Accounts payable	(32,979)	(15,681)
Accrued landfill closure and post closure	25,000	25,000
Accrued post employment benefits	(33,354)	(7,546)
Prepaid property taxes	(4,892)	48,896
Deferred revenues	(427,441)	(3,463)
Other current liabilities	149	(12,462)
Solar farm security deposit	2,417	166,666
Inventories	(27,921)	(4,750)
	(655,193)	156,631
Working Capital from Operations	883,299	1,434,024
CAPITAL		
Acquisition of tangible capital assets	(1,152,700)	(486,359)
Net investment in tangible capital assets	(1,152,700)	(486,359)
FINANCING		
Debt principal repayments	(32,364)	(41,450)
Net decrease in cash from financing activities	(32,364)	(41,450)
NET (DECREASE) INCREASE IN CASH	(301,765)	906,215
CASH, BEGINNING OF YEAR	5,424,549	4,518,334
CASH, END OF YEAR	5,122,784	5,424,549

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

Tay Valley Township

Notes to the Consolidated Financial Statements

December 31, 2014

1. Status of Tay Valley Township

Tay Valley Township (the 'Township') was created in 1998 with the amalgamation of the former Township of Bathurst, Township of North Burgess and Township of South Sherbrooke and assumed its responsibilities under the authority of the Provincial Secretary. The Township operates as a lower tier government in the County of Lanark, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

2. Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Corporation of Tay Valley Township are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards for local governments as recommended by the Public Sector Accounting Board ('PSAB') of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies by the Township are as follows:

Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Township. 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 or controlled by the Township. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:

▸ Pinehurst Cemetery

The following joint local boards, which are not controlled by the Township, have been consolidated on a proportionate basis:

- Perth and District Public Library Board
▸ Drummond/North Elmsley Tay Valley Fire Rescue

- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements.

Basis of Accounting

- (i) 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. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Tay Valley Township
Notes to the Consolidated Financial Statements

December 31, 2014

2. Significant Accounting Policies / continued

Basis of Accounting / continued

- (ii) 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.
- (iii) Trust funds and their related operations administered by the Township are not included in these financial statements but are reported separately on the Trust Funds Statement of Financial Activities and Financial Position.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which include 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:

Land	
Buildings	20 to 60 years
Bridges	50 to 75 years
Equipment	5 to 30 years
Roads	5 to 30 years
Vehicles	5 to 30 years

One half of the annual amortization is charged in the year of acquisition and in the years of disposal. Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Township has a capitalization threshold of \$20,000 for vehicles and equipment and \$50,000 for linear assets, bridges and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

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.

Inventories and Prepaid Expenses

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

Tay Valley Township

Notes to the Consolidated Financial Statements

December 31, 2014

2. Significant Accounting Policies / continued

Pension and Employee Benefits

The Township accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Township's policy.

Cash and Cash Equivalents

The Township considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

Government Transfers

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

Deferred Revenues

The Township defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, development charges collected under the *Development Charges Act, 1997*, and Parkland funds collected under the Planning Act are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

Investments

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on surplus current funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

Landfill Closure and Post-Closure Liabilities

The Township accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management.

Tay Valley Township
Notes to the Consolidated Financial Statements

December 31, 2014

2. Significant Accounting Policies / continued

Landfill Closure and Post-Closure Liabilities / continued

Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Township has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Township classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions on such areas as employee benefits, assessment appeals and environmental provisions. These estimates and assumptions are based on the Township's best information and judgment and may differ significantly based on actual results.

3. Operations of the School Boards and County of Lanark

During 2014, the Township collected and made property tax transfers including payments in lieu of property taxes, to the County of Lanark and School Boards as follows:

	School Boards \$	County \$
Property taxes	2,873,976	4,488,530
Taxation from other governments	---	43,124
Amounts requisitioned and paid	2,873,976	4,531,654

Tay Valley Township

Notes to the Consolidated Financial Statements

December 31, 2014

4. Deferred Revenues

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 Township are summarized below:

	Gravel Pit Rehabilitation	Development Charges	Parkland	Federal Gas Tax	Total
	\$	\$	\$	\$	\$
January 1, 2014	1,550	156,932	39,694	479,192	677,368
Contributions from developers	---	28,750	700	---	29,450
Interest	---	2,505	585	4,052	7,142
Government grants	---	---	---	165,928	165,928
Transfer to capital fund	---	(4,184)	---	(625,777)	(629,961)
December 31, 2014	1,550	184,003	40,979	23,395	249,927

5. Long Term Liabilities

- (a) The balance of long term liabilities reported on the "Consolidated Statement of Financial Position" is comprised of the following:

	2014	2013
	\$	\$
Ontario Infrastructure Projects Corporation (4.45%), debenture for the Township offices with semi annual blended payments of \$46,686 maturing 2035.	632,798	650,723
Ontario Infrastructure Projects Corporation (4.25%), debenture for the South Sherbrooke Fire Hall with semi annual blended payments of \$16,333 maturing 2036.	231,944	238,218
Instalment debentures with the Province of Ontario under the Ontario Tile Loan Program. The responsibility for payment of principal and interest charges for tile drainage and shoreline property assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	38,272	46,437
Net long term liabilities at the end of the year	903,014	935,378

Tay Valley Township
Notes to the Consolidated Financial Statements

December 31, 2014

5. Long Term Liabilities / continued

(b) Principal payments fall due as follows:

	General Revenues
	\$
2015	33,930
2016	35,574
2017	30,505
2018	31,907
2019	33,374
2020 and thereafter	737,814
	903,104

(c) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) Interest expense on long term liabilities in 2014 amounted to \$38,818 (2013 \$43,410).

6. Municipal Equity

Municipal equity consists of:

	2014	2013
	\$	\$
Invested in tangible capital assets	10,408,006	9,960,463
Long term liabilities	(903,104)	(935,378)
	9,504,992	9,025,085
Unrestricted surplus	63,625	62,710
Reserves (Schedule 1)	4,618,926	4,221,258
Reserve Funds (Schedule 1)	---	45,155
Total Municipal Equity	14,187,543	13,354,208

Tay Valley Township

Notes to the Consolidated Financial Statements

December 31, 2014

7. Pension Contributions

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent 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. The amount contributed to OMERS was \$112,319 (2013 \$118,124) for current services and is included as an expenditure on the Consolidated Statement of Operations classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

8. Trust Funds

Trust funds administered by the Township amounting to \$28,778 (2013 \$26,559) are presented in a separate financial statement of trust fund balances and operations. 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 financial activities.

9. Provincial Offences Administration (POA)

The Town of Perth has assumed the administration of the Provincial Offences office for all County of Lanark resident municipalities. The transfer of administration from the Ministry of Attorney General to the Township was a result of the Provincial Offences Act (POA) 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

The Township's share of net revenues arising from operation of the POA office have been consolidated with these financial statements. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in the Perth court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

Tay Valley Township shares net POA revenues based on weighted assessment.

Tay Valley Township

Notes to the Consolidated Financial Statements

December 31, 2014

10. Landfill Closure and Post Closure Liability

The Environment Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites and is in accordance with the Township's accounting policy. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

The Township currently has three active and two inactive landfill sites. The Maberly site is a transfer site and has been rendered inactive, although there is capacity available for emergency use. The site has been capped with a clay cap as per MOE closure guidelines. The Stanleyville site is also a transfer site and has been temporarily capped until such time as the Township determines it is required to be put into service. The Stanleyville site and the Glen Tay site have estimated lives beyond 2030. The remaining volume is estimated at 154,000 cubic metres for the Stanleyville site and 182,000 cubic metres for the Glen Tay site, with annual usage projected as 5,800 cubic metres for Glen Tay. The anticipated closure plan involves placement of a clay cap and soil cover, landscaping and revegetation and ongoing annual monitoring and maintenance at an estimated cost of \$162,500 for the Stanleyville site and \$372,850 for the Glen Tay site. Annual post closure maintenance and monitoring requirements are estimated to be \$13,750 per annum.

The inactive sites, Christie Lake and Noonan, have been closed using a clay cap cover and soil. Hydrogeological samples are taken annually to test the surface and ground water. Annual site monitoring costs are estimated at \$10,800 per annum.

11. Contractual Obligations

The Municipality has negotiated a long term contract with the Ontario Provincial Police for the provision of policing services. The contract ended December 31, 2013 and was amended to extend the contract to December 31, 2014. In January 2015, a new five year contract was signed and will end December 31st, 2019. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The contract for 2014 was \$503,037 (2013 \$490,362).

The Municipality has negotiated a long term contract with Stanley Sanitation Ltd. for the disposal and transfer of recycled materials and waste. The contract ends August 31, 2014. Annual charges are determined based on the volume of recycled goods that are transferred. The contract for 2014 approximated \$251,957 (2013 \$223,229).

12. Contingent Liabilities

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2014, management believes that the Township has valid defences and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Township's financial position.

Tay Valley Township
Notes to the Consolidated Financial Statements

December 31, 2014

13. Risk Management

In the normal course of operations, the Township is exposed to a variety of financial risks which are actively managed by the Township.

The Township's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair values of cash, investments, accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Township's exposure to and management of risk has not changed materially from December 31, 2013.

Credit Risk

Credit risk arises from the possibility that the entities to which the Township provides services to may experience difficulty and be unable to fulfill their obligations. The Township is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Township does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Township is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Township's operating results.

Liquidity Risk

Liquidity risk is the risk that the Township will not be able to meet its obligations as they fall due. The Township requires working capital to meet day-to-day operating activities. Management expects that the Township's cash flows from operating activities will be sufficient to meet these requirements.

14. Tangible Capital Assets

	2014	2013
	\$	\$
Land	136,257	136,257
Buildings	3,341,745	3,413,721
Bridges	2,592,417	2,634,614
Equipment	571,520	617,268
Roads	2,757,354	2,116,906
Vehicles	1,008,713	1,041,697
	10,408,006	9,960,463

For additional information, see Schedule 2 ► Tangible Capital Assets.

Tay Valley Township

Notes to the Consolidated Financial Statements

December 31, 2014

15. Segmented Information

The Township is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the consolidated statement of operations.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenditures 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 accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 2.

2014	Salaries, Wages & Employee Benefits	Debt Interest	Materials & Services	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$
General Government						
Governance	125,138	---	45,048	---	---	170,186
Corporate Management & Program Support	545,442	38,818	302,332	18,630	15,851	921,073
Protection to Persons and Property						
Fire	207,746	---	188,763	---	97,959	494,468
Police	---	---	515,156	---	---	515,156
Conservation Authority	---	---	---	56,859	---	56,859
Protective Inspection	85,681	---	105,956	---	---	191,637
Transportation						
Roadways	502,069	---	863,179	---	565,411	1,930,659
Winter Control	52,222	---	154,761	---	---	206,983
Street Lighting	---	---	6,589	---	---	6,589
Environmental						
Waste Services	189,146	---	243,048	---	---	432,194
Recycling	---	---	209,722	---	---	209,722
Health Services						
Cemeteries	---	---	4,956	---	---	4,956
Recreation and Cultural Services						
Recreation Facilities & Programs	---	---	29,581	---	---	29,581
Recreation Facilities Other	18,792	---	27,049	198,473	---	244,314
Libraries	112,088	---	38,137	9,100	25,936	185,261
Planning and Development						
Planning & Zoning	138,933	---	144,737	4,500	---	288,170
2014	1,977,257	38,818	2,879,014	287,562	705,157	5,887,808

Tay Valley Township
Notes to the Consolidated Financial Statements

December 31, 2014

15. Segmented Information / continued

2013	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$
General Government						
Governance	118,799	---	12,934	---	---	131,733
Corporate Management & Program Support	535,145	39,851	270,132	4,075	15,851	865,054
Protection to Persons and Property						
Fire	206,640	480	192,698	---	92,075	491,893
Police	---	---	487,749	---	---	487,749
Conservation Authority	---	---	---	60,972	---	60,972
Protective Inspection	86,684	---	100,098	---	---	186,782
Transportation						
Roadways	456,265	---	854,610	---	537,818	1,848,693
Winter Control	84,537	---	163,387	---	---	247,924
Street Lighting	---	---	6,626	---	---	6,626
Environmental						
Waste Services	191,227	---	324,826	---	---	516,053
Recycling	---	---	174,892	---	---	174,892
Health Services						
Cemeteries	---	---	2,748	---	---	2,748
Recreation and Cultural Services						
Recreation Facilities & Programs	---	---	29,876	---	---	29,876
Recreation Facilities Other	13,886	---	80,566	216,288	---	310,740
Libraries	111,713	---	35,529	7,502	23,439	178,183
Planning and Development						
Planning & Zoning	134,691	---	72,184	3,250	---	210,125
2013	1,939,587	40,331	2,808,855	292,087	669,183	5,750,043

16. Budget Figures

The operating budget approved by Township Council for 2014 is reflected on the Consolidated Statement of Operations. 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. As well, the Township does not budget activity within Reserves and Reserve Funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purposes of these consolidated financial statements to comply with PSAB reporting requirements.

Tay Valley Township
Schedule 1 ▶ Continuity of Reserves and Reserve Funds

For the year ended December 31	(Note 16) Budget	2014	2013
	\$	\$	\$
Revenues			
Investment income	---	---	---
Total Net Revenues	---	---	---
Net Transfers From / (To) Other Funds			
Transfers from (to) operations	15,300	214,218	(387,659)
Transfers to capital acquisitions	43,600	163,650	1,143,088
Total Net Transfers	58,900	377,868	755,429
Reserves and Reserve Fund Balances, Change in Year	58,900	377,868	755,429
Reserves and Reserve Fund Balances, Beginning of Year	4,266,413	4,266,413	3,510,984
Reserves and Reserve Fund Balances, End of Year	4,325,313	4,644,281	4,266,413

Composition of Reserves and Reserve Funds

For the year ended December 31	2014	2013
	\$	\$
Reserves set aside for specific purposes by Council:		
▶ for working capital	450,000	450,000
▶ for acquisition of capital assets	2,952,138	2,938,227
▶ for contingencies	802,299	439,535
▶ for Pinehurst cemetery	7,253	6,753
▶ for library and fire joint boards	432,591	386,743
Total Reserves	4,644,281	4,221,258
Reserve Funds		
▶ for library	---	45,155
Total Reserves and Reserve Funds	4,644,281	4,266,413

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

Tay Valley Township
Schedule 2 ▶ 2014 Tangible Capital Assets

Asset Class	Cost 01/01/14	Additions	(Disposals)	Cost 31/12/14
	\$	\$	\$	\$
Land	136,257	---	---	136,257
Buildings	4,131,045	---	---	4,131,045
Bridges	4,449,165	22,563	---	4,471,728
Equipment	1,221,526	31,185	---	1,252,711
Roads	5,291,990	983,025	---	6,275,015
Vehicles	2,486,718	115,927	---	2,602,645
	17,716,701	1,152,700	---	18,869,401

Asset Class	Accumulated Amortization 01/01/14	Amortization	(Disposals)	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$
Land	---	---	---	---	136,257
Buildings	717,324	71,976	---	789,300	3,341,745
Bridges	1,814,551	64,760	---	1,879,311	2,592,417
Equipment	604,258	76,933	---	681,191	571,520
Roads	3,175,084	342,577	---	3,517,661	2,757,354
Vehicles	1,445,021	148,911	---	1,593,932	1,008,713
	7,756,238	705,157	---	8,461,395	10,408,006

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

Tay Valley Township
Schedule 2 ▶ 2013 Tangible Capital Assets

Asset Class	Cost 01/01/13	Additions	(Disposals)	Cost 31/12/13
	\$	\$	\$	\$
Land	136,257	---	---	136,257
Buildings	4,241,045	---	(110,000)	4,131,045
Bridges	4,449,165	---	---	4,449,165
Equipment	1,182,886	38,640	---	1,221,526
Roads	5,076,190	215,800	---	5,291,990
Vehicles	2,254,799	231,919	---	2,486,718
	17,340,342	486,359	(110,000)	17,716,701

Asset Class	Accumulated Amortization 01/01/13	Amortization	(Disposals)	Accumulated Amortization 31/12/13	Net Book Value 31/12/13
	\$	\$	\$	\$	\$
Land	---	---	---	---	136,257
Buildings	755,809	71,515	(110,000)	717,324	3,413,721
Bridges	1,750,244	64,307	---	1,814,551	2,634,614
Equipment	529,822	74,436	---	604,258	617,268
Roads	2,854,286	320,798	---	3,175,084	2,116,906
Vehicles	1,306,895	138,126	---	1,445,021	1,041,697
	7,197,056	669,182	(110,000)	7,756,238	9,960,463

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

Allan & Partners LLP

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Tay Valley Township:

We have audited the statement of financial position of the trust funds of the Corporation of the Tay Valley Township as at December 31, 2014 and the statement of financial activities of the trust funds for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Corporation of the Tay Valley Township's 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 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.

Auditor's 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 whether the financial statements are free of 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 auditor's judgment, including 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 control 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 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 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 Tay Valley Township as at December 31, 2014 and the financial activities for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Professional Accountants

Licensed Public Accountants

Authorized to practice public accounting by the Institute of Chartered Professional Accountants of Ontario

Perth, Ontario,
June 9, 2015.

**Tay Valley Township
Trust Funds
Statement of Financial Position**

December 31	Education	Pinehurst Cemetery	2014	2013
	\$	\$	\$	\$
ASSETS				
Cash	---	28,778	28,778	26,559
LIABILITIES				
Fund balance	---	28,778	28,778	26,559

Statement of Financial Activities

For the year ended December 31	Education	Pinehurst Cemetery	2014	2013
	\$	\$	\$	\$
REVENUES				
Bank interest	2	388	390	322
Sale of plots, donations	---	2,550	2,550	---
	2	2,938	2,940	322
EXPENDITURES				
Bursary	345	---	345	325
Pinehurst Cemetery	---	376	376	---
	345	376	721	325
NET REVENUES (EXPENDITURES) FOR THE YEAR				
	(343)	2,562	2,219	(3)
BALANCE AT THE BEGINNING OF THE YEAR				
	343	26,216	26,559	26,562
BALANCE AT THE END OF THE YEAR				
	---	28,778	28,778	26,559

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

**Tay Valley Township
Trust Funds
Notes to the Financial Statements**

December 31, 2014

1. Significant Accounting Policies

Reporting Entity

Perpetual care receipts are reported on the cash basis of accounting and interest income is reported on the accrual basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

**Tay Valley Township
Pinehurst Cemetery
Statement of Financial Position**

December 31	2014	2013
	\$	\$
ASSETS		
Cash	25,353	16,273
FUND BALANCES		
Current fund	24,308	15,228
Reserves	1,045	1,045
	25,353	16,273

Statement of Operations

For the year ended December 31	2014	2013
	\$	\$
REVENUES		
Other	557	362
Investment income	5,132	3,941
Sale of plots, donations	2,550	300
Perpetual Care	5,797	---
Return of investment	14,036	4,603
EXPENDITURES		
Honorariums, salaries and wages	1,625	1,949
Materials and services	781	499
Trustee	2,550	300
	4,956	2,748
NET REVENUES FOR THE YEAR	9,080	1,855

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

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Perth & District Union Public Library Board are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of significant accounting policies are described in note 2 to the 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 Board'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 financial statements. These systems are monitored and evaluated by management.

The Board meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to Council approval of the financial statements.

The financial statements have been audited by Allan Chartered Accountant Professional Corporation, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

Rachel Warren, Interim CEO

Allan & Partners LLP

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Inhabitants and Ratepayers of the Perth & District Union Public Library Board:

We have audited the statement of financial position of the Perth & District Union Public Library Board as at December 31, 2014 and the statements of operations, changes 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

The Perth & District Union Public Library Board's 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 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.

Auditor's 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 whether the financial statements are free of 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 auditor's judgment, including 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 control 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 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 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 Perth & District Union Public Library Board as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Professional Accountants

Licensed Public Accountants

Authorized to practice public accounting by the Institute of Chartered Professional Accountants of Ontario

Perth, Ontario,
March 16, 2015.

Perth & District Union Public Library Board
Statement of Financial Position

December 31	2014	2013
	\$	\$
ASSETS		
Financial Assets		
Cash	363,549	318,244
Accounts receivable	27,241	12,795
	390,790	331,039
LIABILITIES		
Financial Liabilities		
Accounts payable	34,701	16,076
NET FINANCIAL ASSETS	356,089	314,963
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4) (Schedule 2)	498,620	481,989
ACCUMULATED SURPLUS (note 3)	854,709	796,952

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

Perth & District Union Public Library Board

Statement of Operations

For the year ended December 31	(Note 6) Budget	2014	2013
	\$	\$	\$
REVENUES			
Government Grants			
Municipal Grants ▶ Perth	191,585	191,585	189,158
▶ Tay Valley	152,945	152,945	149,845
▶ Drummond/North Elmsley	145,670	145,670	140,397
Provincial Grants ▶ Operating	42,800	42,817	42,817
Other Grants	1,200	13,783	39,313
User Charges ▶ fees and service charges	5,800	6,689	7,967
Other Income			
Fines, other	8,600	10,513	9,596
Interest	1,000	5,386	4,742
Rentals	500	1,260	970
Book sales	2,000	2,180	1,949
Donations	32,500	67,948	52,111
TOTAL REVENUES	584,600	640,776	638,865
EXPENDITURES			
Salaries, wages and employee benefits	373,600	359,258	357,367
Amortization of books	53,500	56,877	56,880
Periodicals and newspapers	4,100	4,095	4,040
Utilities, telephone	20,200	18,428	20,589
Special programs, activities	34,500	37,228	62,718
Insurance, professional fees	16,000	19,564	19,758
Internet, videos, miscellaneous	8,100	4,589	2,844
Library, photocopy supplies	6,300	5,867	12,182
Technology	12,800	14,333	3,492
Building amortization	---	18,100	18,100
Maintenance and repairs	14,900	16,529	26,036
Equipment and shelving amortization	---	8,151	---
Grants to other libraries	---	---	6,542
Donation to Perth and District Community Foundation	---	20,000	24,000
TOTAL EXPENDITURES	544,000	583,019	614,548
ANNUAL SURPLUS	40,600	57,757	24,317
ACCUMULATED SURPLUS, BEGINNING OF YEAR	796,952	796,952	772,635
ACCUMULATED SURPLUS, END OF YEAR	837,552	854,709	796,952

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

**Perth & District Union Public Library Board
Statement of Changes in Net Financial Assets**

For the year ended December 31	2014	2013
	\$	\$
ANNUAL SURPLUS	57,757	24,317
Amortization of tangible capital assets	83,128	74,980
Acquisition of tangible capital assets	(99,759)	(53,502)
INCREASE IN NET FINANCIAL ASSETS	41,126	45,795
NET FINANCIAL ASSETS, BEGINNING OF YEAR	314,963	269,168
NET FINANCIAL ASSETS, END OF YEAR	356,089	314,963

Statement of Cash Flows

For the year ended December 31	2014	2013
	\$	\$
OPERATING		
Annual surplus	57,757	24,317
Amortization	83,128	74,980
	140,885	99,297
Net Change in Non-Cash Working Capital Items		
Accounts receivable	(14,446)	40,847
Accounts payable	11,762	(21,824)
Due to Town of Perth	6,863	1,252
	4,179	20,275
Working Capital from Operations	145,064	119,572
CAPITAL		
Acquisition of tangible capital assets	(99,759)	(53,502)
NET INCREASE IN CASH	45,305	66,070
CASH, BEGINNING OF YEAR	318,244	252,174
CASH, END OF YEAR	363,549	318,244

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

Perth & District Union Public Library Board

Notes to the Financial Statements

December 31, 2014

1. Status of the Board

The Perth & District Union Public Library Board (the 'Board') was formed November 14, 1983 pursuant to the Public Libraries Act and an agreement between the Town of Perth and the Township of Bathurst, Drummond, North Burgess, North Elmsley and South Sherbrooke. Subsequently, the Township of Drummond and North Elmsley amalgamated as the Township of Drummond/North Elmsley and the remaining three townships amalgamated as Tay Valley Township.

2. Significant Accounting Policies

The financial statements of the Perth & District Union Public Library Board are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards for local governments as recommended by the Public Sector Accounting Board ('PSAB') of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies by the Board are as follows:

Reporting Entity

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

Basis of Accounting

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

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.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which include 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:

Assets	Estimated Useful Life
Land	
Building	40 years
Books	7 years
Shelving	10 years
Machinery and Equipment	5 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Perth & District Union Public Library Board

Notes to the Financial Statements

December 31, 2014

2. Significant Accounting Policies / continued

Tangible Capital Assets / continued

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

Cash and Cash Equivalents

The Board considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

Government Transfers

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

Deferred Revenues

The Board defers recognition of 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.

Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Board has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Board classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards 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. Actual results could differ from these estimates.

Perth & District Union Public Library Board
Notes to the Financial Statements

December 31, 2014

3. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2014	2013
	\$	\$
Surplus		
Invested in tangible capital assets	498,620	481,989
	498,620	481,989
Reserves		
Insurance	3,000	3,000
Capital	89,727	104,360
Contingency	34,330	34,330
Building	149,354	94,528
Pay equity	3,366	3,366
Literacy	14,306	5,403
Books	50,525	25,000
Donations and bequest	11,481	---
Total Reserves	356,089	269,987
Reserve Funds		
B & M	---	11,373
Books	---	27,278
Hooper	---	6,325
	---	44,976
Total Reserves and Reserve Funds	356,089	314,963
Accumulated Surplus	854,709	796,952

4. Tangible Capital Assets

Net Book Value of Assets	2014	2013
	\$	\$
Land	125,000	125,000
Buildings	175,121	193,221
Books	165,894	163,768
Machinery and equipment	32,605	---
	498,620	481,989

For additional information, see Schedule 2 ▸ Tangible Capital Assets.

Perth & District Union Public Library Board

Notes to the Financial Statements

December 31, 2014

5. Risk Management

In the normal course of operations, the Board is exposed to a variety of financial risks which are actively managed by the Board.

The Board's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair values of cash, investments, accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Board's exposure to and management of risk has not changed materially from December 31, 2013.

Credit Risk

Credit risk arises from the possibility that the entities to which the Board provides services to may experience difficulty and be unable to fulfill their obligations. The Board is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Board does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Board is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Board's operating results.

Liquidity Risk

Liquidity risk is the risk that the Board will not be able to meet its obligations as they fall due. The Board requires working capital to meet day-to-day operating activities. Management expects that the Board's cash flows from operating activities will be sufficient to meet these requirements.

6. Budget Figures

Perth & District Union Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2014 is included in the budget figures presented in the Statement of Operations.

Perth & District Union Public Library Board
Schedule 1 ► Continuity of Reserves

For the year ended December 31	(Note 6) Budget	2014	2013
	\$	\$	\$
Revenues			
Interest	---	164	216
Total Net Transfers Approved By Board	40,600	40,962	44,996
Reserves, Change in Year	40,600	41,126	45,212
Reserves, Beginning of Year	314,963	314,963	269,168
Reserves, End of Year	355,563	356,089	314,963

Composition of Reserves

For the year ended December 31	2014	2013
	\$	\$
Reserves		
Insurance	3,000	3,000
Capital	89,727	104,360
Contingency	34,330	34,330
Building	149,354	94,528
Pay equity	3,366	3,366
Literacy	14,306	5,403
Books	50,525	25,000
Donations and bequest	11,481	---
Total Reserves	356,089	269,987
Reserve Funds		
B & M	---	11,373
Books	---	27,278
Hooper	---	6,325
Total Reserve Funds	---	44,976
Total Reserves and Reserve Funds	356,089	314,963

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

Perth & District Union Public Library Board

Schedule 2 ▶ Tangible Capital Assets

December 31, 2014

Assets	Cost 01/01/14	Additions (Disposals)	Cost 31/12/14	Accumulated Amortization 01/01/14	Amortization 2014	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$	\$	\$
Land	125,000	---	125,000	---	---	---	125,000
Building	724,006	---	724,006	530,785	18,100	548,885	175,121
Books	578,376	(25)	578,351	414,608	(2,151)	412,457	165,894
Shelving	84,627	---	84,627	84,627	---	84,627	---
Machinery & Equipment	13,798	40,756	54,554	13,798	8,151	21,949	32,605
	1,525,807	40,731	1,566,538	1,043,818	24,100	1,067,918	498,620

December 31, 2013

Assets	Cost 01/01/13	Additions (Disposals)	Cost 31/12/13	Accumulated Amortization 01/01/13	Amortization 2013	Accumulated Amortization 31/12/13	Net Book Value 31/12/13
	\$	\$	\$	\$	\$	\$	\$
Land	125,000	---	125,000	---	---	---	125,000
Building	724,006	---	724,006	512,685	18,100	530,785	193,221
Books	575,589	2,787	578,376	408,443	6,165	414,608	163,768
Shelving	84,627	---	84,627	84,627	---	84,627	---
Machinery & Equipment	13,798	---	13,798	13,798	---	13,798	---
	1,523,020	2,787	1,525,807	1,019,553	24,265	1,043,818	481,989

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

BBD&E Station
14 Sherbrooke St. E.
Perth, Ontario



South Sherbrooke Station
22110 Hwy. 7
Tay Valley Township

Fire Department Administration
14 Sherbrooke St. E. Perth, ON K7H 1A2
Office: 613-267-2596 Fax: 613-264-8561

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Drummond/North Elmsley Tay Valley Fire Rescue's are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involved 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 Board'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 financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters. The Board of Directors meets with management subsequently to review these same matters prior to the Board's approval of the financial statements.

The financial statements have been audited by Allan Chartered Accountant Professional Corporation, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

Greg Saunders,
Fire Chief

Megan Moore,
Administrative Assistant/Treasurer

Allan & Partners LLP

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Inhabitants and Ratepayers of the Drummond/North Elmsley Tay Valley Fire Rescue:

We have audited the statement of financial position of the Drummond/North Elmsley Tay Valley Fire Rescue as at December 31, 2014 and the statement of operations, changes 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

Drummond/North Elmsley Tay Valley Fire Rescue's 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 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.

Auditor's 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 whether the financial statements are free of 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 auditor's judgment, including 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 control 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 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 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 Drummond/North Elmsley Tay Valley Fire Rescue as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Professional Accountants

Licensed Public Accountants

Authorized to practice public accounting by the Institute of Chartered Professional Accountants of Ontario

Perth, Ontario,
March 23, 2015.

**Drummond/North Elmsley Tay Valley Fire Rescue
Statement of Financial Position**

December 31	2014	2013
	\$	\$
ASSETS		
Financial Assets		
Cash	589,210	576,421
Government receivable	55,922	100,722
Accounts receivable	5,986	23,648
	651,118	700,791
LIABILITIES		
Financial Liabilities		
Accounts payable	24,837	36,218
NET FINANCIAL ASSETS	626,281	664,573
NON-FINANCIAL ASSETS		
Tangible capital assets (note 5) (Schedule 2)	1,028,304	838,272
ACCUMULATED SURPLUS (note 4)	1,654,585	1,502,845

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

Drummond/North Elmsley Tay Valley Fire Rescue Statement of Operations

For the year ended December 31	(Note 6) Budget	2014	2013
	\$	\$	\$
REVENUES			
Municipal contributions			
▸ Township of Drummond/North Elmsley	361,339	361,339	374,709
▸ Tay Valley Township	483,533	483,534	473,724
Other			
▸ provincial highway rescue fees	---	7,730	4,715
▸ fire fees, inspections	---	5,162	8,810
▸ investment income	---	10,872	7,109
TOTAL REVENUES	844,872	868,637	869,067
EXPENDITURES			
Administration (Schedule 3)	211,322	208,366	210,800
BBDE Fire Station (Schedule 4)	294,000	329,037	319,024
South Sherbrooke Fire Station (Schedule 5)	176,550	171,052	172,004
Smiths Falls Fire Agreement (Schedule 6)	11,500	8,442	11,576
TOTAL EXPENDITURES	693,372	716,897	713,404
NET REVENUES FROM OPERATIONS	151,500	151,740	155,663
ANNUAL SURPLUS	151,500	151,740	155,663
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,502,845	1,502,845	1,347,182
ACCUMULATED SURPLUS, END OF YEAR	1,654,345	1,654,585	1,502,845

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

Drummond/North Elmsley Tay Valley Fire Rescue

Statement of Changes in Net Financial Assets

For the year ended December 31	2014	2013
	\$	\$
ANNUAL SURPLUS	151,740	155,663
Amortization of tangible capital assets	61,437	48,868
Acquisition of tangible capital assets	(251,469)	---
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(38,292)	204,531
NET FINANCIAL ASSETS, BEGINNING OF YEAR	664,573	460,042
NET FINANCIAL ASSETS, END OF YEAR	626,281	664,573

Statement of Cash Flows

For the year ended December 31	2014	2013
	\$	\$
OPERATING		
Annual surplus	151,740	155,663
Net Change in Non-Cash Working Capital Items		
Government receivable	44,800	(4,502)
Accounts receivable	17,662	(13,856)
Accounts payable	(11,381)	(22,281)
	51,081	(40,639)
Non-cash charges to operations		
Amortization	61,437	48,868
Working Capital from Operations	264,258	163,892
CAPITAL		
Acquisition of tangible capital assets	(251,469)	---
FINANCING		
Debt principal repayments	---	(23,000)
Net decrease in cash from financing activities	---	(23,000)
NET INCREASE IN CASH	12,789	140,892
CASH, BEGINNING OF YEAR	576,421	435,529
CASH, END OF YEAR	589,210	576,421

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

Drummond/North Elmsley Tay Valley Fire Rescue

Notes to the Financial Statements

December 31, 2014

1. Status of the Board

Drummond/North Elmsley Tay Valley Fire Rescue (the 'Board') was formed January 1, 2006 pursuant to an agreement between the Township of Drummond/North Elmsley and Tay Valley Township.

2. Significant Accounting Policies

The financial statements of Drummond/North Elmsley Tay Valley Fire Rescue are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards for organizations operating in the local government sector as recommended by the Public Sector Accounting Board ('PSAB') of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies by the Board are as follows:

Reporting Entity

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

Basis of Accounting

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

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.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which include 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:

Assets	Estimated Useful Life
Land	
Building	40 years
Vehicles	20 years
Equipment	30 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Drummond/North Elmsley Tay Valley Fire Rescue Notes to the Financial Statements

December 31, 2014

2. Significant Accounting Policies / continued

Tangible Capital Assets / continued

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

Cash and Cash Equivalents

The Board considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

Government Transfers

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

Deferred Revenues

The Board defers recognition of 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.

Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Board has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Board classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions on such areas as employee benefits, assessment appeals and environmental provisions. These estimates and assumptions are based on the Board's best information and judgment and may differ significantly based on actual results.

Drummond/North Elmsley Tay Valley Fire Rescue Notes to the Financial Statements

December 31, 2014

3. Risk Management

In the normal course of operations, the Board is exposed to a variety of financial risks which are actively managed by the Board.

The Board's financial instruments consist of cash, investments, accounts receivable and accounts payable. The fair values of cash, investments and accounts payable approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Board's exposure to and management of risk has not changed materially from December 31, 2013.

Credit Risk

Credit risk arises from the possibility that the entities to which the Board provides services to may experience difficulty and be unable to fulfill their obligations. The Board is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Board does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Board is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Board's operating results.

Liquidity Risk

Liquidity risk is the risk that the Board will not be able to meet its obligations as they fall due. The Board requires working capital to meet day-to-day operating activities. Management expects that the Board's cash flows from operating activities will be sufficient to meet these requirements.

Drummond/North Elmsley Tay Valley Fire Rescue

Notes to the Financial Statements

December 31, 2014

4. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2014	2013
	\$	\$
Surplus		
BBDE Fire Station		
▸ invested in tangible capital assets	1,017,106	826,376
South Sherbrooke Fire Station		
▸ invested in tangible capital assets	11,198	11,896
	1,028,304	838,272
Reserves ▸ Administration		
Contingency	32,946	17,120
Reserves ▸ BBDE Fire Station		
Working funds	50,000	50,000
Contingency	130,257	125,257
Equipment	183,482	133,454
Apparatus	66,585	224,085
Bunker gear	36,000	30,000
Buildings	28,000	---
	494,324	562,796
Reserves ▸ South Sherbrooke		
Contingency	52,976	46,680
Bunker gear	25,000	20,000
	77,976	66,680
Reserves ▸ Smiths Falls Fire Agreement		
Fire calls	21,035	17,977
	626,281	664,573
Total Reserves		
	1,654,585	1,502,845

For additional information, see Schedule 1 ▸ Continuity of Reserves.

Drummond/North Elmsley Tay Valley Fire Rescue

Notes to the Financial Statements

December 31, 2014

5. Tangible Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	30,000	---	30,000	30,000
Building	388,989	132,675	256,314	266,039
Vehicles	1,152,702	461,051	691,651	489,842
Equipment	61,539	11,200	50,339	52,391
	1,633,230	604,926	1,028,304	838,272

For additional information, see Schedule 2 ▶ Tangible Capital Assets.

6. Budget Figures

Drummond/North Elmsley Tay Valley Fire Rescue reviews its operating and capital budgets each year. The approved operating budget for 2014 is included in the budget figures presented in the Statement of Operations.

**Drummond/North Elmsley Tay Valley Fire Rescue
Schedule 1 ► Continuity of Reserves**

For the year ended December 31	(Note 6) Budget	2014	2013
	\$	\$	\$
Net Transfer From / (To) Other Funds			
Transfers from operations	141,500	201,708	181,529
Transfers to capital acquisitions	(240,000)	(240,000)	---
Total Net Transfers Approved By Board	(98,500)	(38,292)	181,529
Reserves, Change in Year	(98,500)	(38,292)	181,529
Reserves, Beginning of Year	664,573	664,573	483,044
Reserves, End of Year	566,073	626,281	664,573

Composition of Reserves

For the year ended December 31	2014	2013
	\$	\$
Reserves ► Administration		
Contingency	32,946	17,120
Reserves ► BBDE Fire Station		
Working funds	50,000	50,000
Contingency	130,257	125,257
Equipment	183,482	133,454
Apparatus	66,585	224,085
Bunker gear	36,000	30,000
Building	28,000	---
	494,324	562,796
Reserves ► South Sherbrooke		
Contingency	52,976	46,680
Bunker gear	25,000	20,000
	77,976	66,680
Reserves ► Smiths Falls Fire Agreement		
Fire calls	21,035	17,977
Total Reserves	626,281	664,573

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

Drummond/North Elmsley Tay Valley Fire Rescue
Schedule 2 ► Tangible Capital Assets

BBDE Fire Station

December 31, 2014

Assets	Cost 01/01/14	Additions (Disposals)	Cost 31/12/14	Accumulated Amortization 01/01/14	Amortization 2014	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$	\$	\$
Land	30,000	---	30,000	---	---	---	30,000
Building	388,989	---	388,989	122,950	9,725	132,675	256,314
Vehicles	889,865	251,469	1,141,334	408,551	49,094	457,645	683,689
Equipment	57,653	---	57,653	8,628	1,922	10,550	47,103
	1,366,507	251,469	1,617,976	540,129	60,741	600,870	1,017,106

December 31, 2013

Assets	Cost 01/01/13	Additions (Disposals)	Cost 31/12/13	Accumulated Amortization 01/01/13	Amortization 2013	Accumulated Amortization 31/12/13	Net Book Value 31/12/13
	\$	\$	\$	\$	\$	\$	\$
Land	30,000	---	30,000	---	---	---	30,000
Building	388,989	---	388,989	113,225	9,725	122,950	266,039
Vehicles	1,019,187	(129,322)	889,865	501,354	(92,801)	408,553	481,312
Equipment	57,653	---	57,653	6,704	1,922	8,626	49,027
	1,495,829	(129,322)	1,366,507	621,283	(81,154)	540,129	826,378

South Sherbrooke Fire Station

December 31, 2014

Assets	Cost 01/01/14	Additions (Disposals)	Cost 31/12/14	Accumulated Amortization 01/01/14	Amortization 2014	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$	\$	\$
Equipment	3,886	---	3,886	520	130	650	3,236
Vehicles	11,368	---	11,368	2,838	568	3,406	7,962
	15,254	---	15,254	3,358	698	4,056	11,198

December 31, 2013

Assets	Cost 01/01/13	Additions (Disposals)	Cost 31/12/13	Accumulated Amortization 01/01/13	Amortization 2013	Accumulated Amortization 31/12/13	Net Book Value 31/12/13
	\$	\$	\$	\$	\$	\$	\$
Equipment	3,886	---	3,886	390	130	520	3,366
Vehicles	11,368	---	11,368	2,270	568	2,838	8,530
	15,254	---	15,254	2,660	698	3,358	11,896

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

Drummond/North Elmsley Tay Valley Fire Rescue
Schedule 3 ► Administration Operations

For the year ended December 31	(Note 6) Budget	2014	2013
	\$	\$	\$
Revenues			
Municipal contributions			
► Township of Drummond/North Elmsley	113,487	113,487	114,222
► Tay Valley Township	99,835	99,835	100,078
Other			
► investment income	---	10,872	7,109
Total Revenues	213,322	224,194	221,409
Expenditures			
Fire chief salary and benefits	94,579	92,758	90,554
Secretary treasurer	50,843	49,309	49,379
Employer health tax	3,500	3,533	3,124
Bad debt	---	2,128	---
Bank charges, interest and penalties	200	184	361
Telephone	7,200	7,284	7,221
Training and seminars	3,000	2,285	3,033
Office supplies	3,500	3,760	3,970
Inspection and prevention	2,000	1,119	1,817
Professional fees	5,500	5,699	7,653
Fire service agreements	10,000	10,000	11,450
Insurance	19,500	19,500	20,618
Advertising, subscription and memberships	2,500	2,302	1,915
Fuel	3,000	2,965	3,230
Administration, other	6,000	5,540	6,475
Total Expenditures	211,322	208,366	210,800
Annual Surplus	2,000	15,828	10,609
Accumulated Surplus, Beginning of Year	13,817	13,817	3,208
Accumulated Surplus, End of Year	15,817	29,645	13,817

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

Drummond/North Elmsley Tay Valley Fire Rescue
Schedule 4 ► BBDE Fire Station Operations

For the year ended December 31	(Note 6) Budget	2014	2013
	\$	\$	\$
Revenues			
Municipal contributions			
► Township of Drummond/North Elmsley	236,352	236,352	230,934
► Tay Valley Township	202,148	202,149	195,931
Other			
► provincial highway rescue fees	---	7,730	4,715
► fire fees, inspections, donations	---	5,062	8,810
Total Revenues	438,500	451,293	440,390
Expenditures			
Amortization			
Building	---	9,725	9,725
Vehicles	---	49,094	36,521
Equipment	---	1,922	1,922
Operations			
Firefighter honourariums	174,200	147,593	149,551
Communications maintenance	4,000	4,343	3,816
Training and seminars	18,500	14,456	14,984
Clothing	4,000	4,741	2,586
Bunker gear cleaning	2,500	1,684	1,330
Bunker gear	4,000	2,500	3,028
Loan repayment	---	---	671
Other	1,300	1,300	1,025
BBDE Fire Hall			
Power and water	8,200	7,454	7,076
Heating fuel	4,600	3,606	3,855
Building maintenance and other	12,100	17,145	12,018
Insurance	2,100	2,100	2,100
Vehicle and Equipment			
Minor equipment purchases	15,000	13,060	12,843
Vehicle and equipment maintenance	18,500	23,385	22,666
Fuel, oil, lubricants, etc.	7,700	8,025	7,752
Insurance	7,300	7,300	7,222
Minor capital	10,000	9,604	18,333
Total Expenditures	294,000	329,037	319,024
Annual Surplus	144,500	122,256	121,366
Accumulated Surplus, Beginning of Year	1,397,477	1,397,477	1,276,111
Accumulated Surplus, End of Year	1,541,977	1,519,733	1,397,477

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

Drummond/North Elmsley Tay Valley Fire Rescue
Schedule 5 ► South Sherbrooke Fire Station Operations

For the year ended December 31	(Note 7) Budget	2014	2013
	\$	\$	\$
Revenues			
Net taxation municipal contributions ► Tay Valley Township	181,550	181,650	177,715
Total Revenues	181,550	181,650	177,715
Expenditures			
Amortization	---	698	698
Operations			
Firefighter honourariums	74,850	70,906	68,412
Communications maintenance	4,500	3,518	4,008
Telephone	2,100	2,033	1,962
Training and seminars	10,000	10,072	10,178
Clothing	3,000	4,800	3,159
Bunker gear cleaning	2,000	2,222	2,118
Other	2,500	1,814	923
Fire Prevention			
Advertising, subscriptions and memberships	500	470	500
Emergency First Response			
Medical supplies	2,000	2,020	2,000
South Sherbrooke Fire Hall			
Power and water	4,500	6,320	5,109
Heating fuel	5,500	6,688	6,197
Building maintenance and other	6,500	5,184	5,512
Insurance	2,500	2,500	2,508
Vehicle and Equipment			
Minor equipment purchases	15,000	12,437	14,719
Vehicle and equipment maintenance	13,500	15,539	16,869
Fuel, oil, lubricants, etc.	3,500	3,067	2,732
Insurance	7,600	7,600	7,900
Minor capital	16,500	13,164	16,500
Total Expenditures	176,550	171,052	172,004
Annual Surplus	5,000	10,598	5,711
Accumulated Surplus, Beginning of Year	73,574	73,574	67,863
Accumulated Surplus, End of Year	78,574	84,172	73,574

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

**Drummond/North Elmsley Tay Valley Fire Rescue
Schedule 6 ▶ Smiths Falls Fire Agreement**

For the year ended December 31	(Note 7) Budget	2014	2013
	\$	\$	\$
Revenues			
Municipal contribution	---	---	18,133
▶ Transfer of Townships/Smiths Falls Area Reserve	11,500	11,500	11,420
▶ Taxation raised in year			
	11,500	11,500	29,553
Expenditures			
Fire Services Agreement	11,500	8,442	11,576
Annual Surplus	---	3,058	17,977
Accumulated Surplus, Beginning of Year	17,977	17,977	---
Accumulated Surplus, End of Year	17,977	21,035	17,977

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