

**TOWNSHIP OF PERTH SOUTH  
FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**VODDEN, BENDER & SEEBACH LLP  
Chartered Accountants**

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Perth South

We have audited the accompanying financial statements of the Corporation of the Township of Perth South, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements 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 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 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*

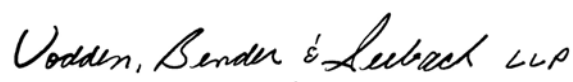
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's 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 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, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Perth South 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

Clinton, Ontario  
September 30, 2015

**CORPORATION OF THE TOWNSHIP OF PERTH SOUTH  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash	7,059,174	5,785,969
Taxes receivable	463,331	385,708
Accounts receivable	1,306,635	1,671,881
Long-term receivables (note 3)	125,112	139,906
	<b>8,954,252</b>	<b>7,983,464</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,093,103	727,654
Landfill closure and post-closure liability (note 5)	402,154	411,692
Deferred revenue - obligatory reserve funds (note 6)	121,415	-
Municipal debt (note 7)	125,112	139,906
	<b>1,741,784</b>	<b>1,279,252</b>
<b>NET FINANCIAL ASSETS</b>	<b>\$ 7,212,468</b>	<b>\$ 6,704,212</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets, net (note 9)	25,743,326	25,404,614
Other current assets	26,736	18,830
<b>ACCUMULATED SURPLUS (note 11)</b>	<b>\$ 32,982,530</b>	<b>\$ 32,127,656</b>

The accompanying notes are an integral part of this financial statement

**CORPORATION OF THE TOWNSHIP OF PERTH SOUTH  
CONSOLIDATED STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
<b>Revenue</b>			
Taxation for municipal purposes	2,778,389	<b>2,771,304</b>	2,784,748
User fees, licences, permits, and donations	302,211	<b>369,493</b>	369,394
Government transfers - Canada	119,119	<b>1,000</b>	129,323
Government transfers - Ontario	2,109,788	<b>2,118,720</b>	2,428,878
Government transfers - other municipalities	914,258	<b>640,117</b>	790,792
Investment income	88,000	<b>133,107</b>	107,919
Penalties and interest on taxes	51,500	<b>56,251</b>	58,397
Other	90,000	<b>73,581</b>	576,391
	<u>6,453,265</u>	<u><b>6,163,573</b></u>	<u>7,245,842</u>
<b>Expenditure</b>			
General government	804,722	<b>839,618</b>	738,825
Protection to persons and property	1,143,230	<b>1,182,347</b>	1,054,527
Transportation services	2,811,071	<b>2,571,699</b>	2,517,936
Environmental services	380,816	<b>328,372</b>	390,714
Health services	18,658	<b>13,689</b>	11,406
Recreation and cultural services	206,257	<b>277,190</b>	260,310
Planning and development	105,693	<b>95,784</b>	91,803
	<u>5,470,447</u>	<u><b>5,308,699</b></u>	<u>5,065,521</u>
<b>Annual surplus (deficit)</b>	982,818	<b>854,874</b>	2,180,321
<b>Accumulated surplus, beginning of year</b>	<u>32,127,656</u>	<u><b>32,127,656</b></u>	<u>29,947,335</u>
<b>Accumulated surplus, end of year</b>	<u><u>\$ 33,110,474</u></u>	<u><u><b>\$ 32,982,530</b></u></u>	<u><u>\$ 32,127,656</u></u>

The accompanying notes are an integral part of this financial statement

**CORPORATION OF THE TOWNSHIP OF PERTH SOUTH**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

<b>For the year ended December 31</b>	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
Annual surplus (deficit)	982,818	<b>854,874</b>	2,180,321
Amortization of tangible capital assets	1,258,355	<b>1,266,770</b>	1,249,940
Net acquisition of tangible capital assets	(2,426,303)	<b>(1,609,346)</b>	(977,123)
Loss (gain) on disposal of tangible capital assets	-	<b>3,864</b>	(485,533)
Decrease (increase) in other current assets	-	<b>(7,906)</b>	(5,023)
	<u>(185,130)</u>	<u><b>508,256</b></u>	<u>1,962,582</u>
<b>Net financial assets, beginning of year</b>	<u>6,704,212</u>	<u><b>6,704,212</b></u>	<u>4,741,630</u>
<b>Net financial assets, end of year</b>	<u><u>\$ 6,519,082</u></u>	<u><u><b>\$ 7,212,468</b></u></u>	<u><u>\$ 6,704,212</u></u>

The accompanying notes are an integral part of this financial statement

**CORPORATION OF THE TOWNSHIP OF PERTH SOUTH  
CONSOLIDATED STATEMENT OF CASH FLOW**

For the year ended December 31	2014	2013
<b>Operating activities</b>		
Annual surplus (deficit)	854,874	2,180,321
Amortization expense not requiring cash outlay	1,266,770	1,249,940
Loss (gain) on disposal of tangible capital assets	3,864	(485,533)
Decrease (increase) in taxes receivable	(77,623)	9,387
Decrease (increase) in accounts receivable	365,246	(577,833)
Decrease (increase) in other current assets	(7,906)	(5,023)
Increase (decrease) in accounts payable and accrued liabilities	365,449	289,790
Increase (decrease) in landfill closure & post-closure liability	(9,538)	41,692
Increase (decrease) in deferred revenue	121,415	-
Cash provided by (used for) operating activities	<u>2,882,551</u>	<u>2,702,741</u>
<b>Capital activities</b>		
Net disposals (purchases) of tangible capital assets	(1,609,346)	(977,123)
Cash provided by (used for) capital activities	<u>(1,609,346)</u>	<u>(977,123)</u>
<b>Investing activities</b>		
Decrease (increase) in long-term receivables	14,794	2,029
Cash provided by (used for) investing activities	<u>14,794</u>	<u>2,029</u>
<b>Financing activities</b>		
Net principal proceeds (repayments) on long-term debt	(14,794)	(2,029)
Cash provided by (used for) financing activities	<u>(14,794)</u>	<u>(2,029)</u>
<b>Increase (decrease) in cash position</b>	<b>1,273,205</b>	<b>1,725,618</b>
<b>Cash (overdraft) beginning of year</b>	<b><u>5,785,969</u></b>	<b><u>4,060,351</u></b>
<b>Cash (overdraft) end of year</b>	<b><u>\$ 7,059,174</u></b>	<b><u>\$ 5,785,969</u></b>

The accompanying notes are an integral part of this financial statement

**THE CORPORATION OF THE TOWNSHIP OF PERTH SOUTH**  
**NOTES TO FINANCIAL STATEMENTS**

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**For the year ended December 31, 2014**

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**1. Accounting policies**

The Corporation of the Township of Perth South 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.

The consolidated financial statements of the Corporation of the Township of Perth South are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing for municipalities and their related entities.

Significant aspects of accounting policies adopted by the township are as follows:

a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the township and which are owned or controlled by the township. In addition to general government tax-supported operations, they include any water and sewer systems operated by the township and the township's proportionate share of joint local boards.

The following boards and municipal enterprises owned or controlled by Council have been proportionately consolidated:

Biddulph-Blanshard Fire Board  
Kirkton-Woodham Swimming Pool  
Kirkton-Woodham Community Centre

Inter-departmental and inter-organizational transactions and balances are eliminated.

The statements exclude trust funds that are administered for the benefit of external parties.

The following joint local board has not been consolidated:

Perth East Fire Area

b) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable, and recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

c) Long-term investments

Investments are recorded at cost plus accrued interest less amounts written off to reflect a permanent decline in value.

1. Accounting policies (continued)

d) Non-financial assets

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

- Tangible capital assets

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

Category	Amortization Period	Capitalization Threshold
Land	not applicable	capitalize all
Land improvements	20 - 100 years	\$10,000
Buildings and building improvements	100 years	25,000
Transportation infrastructure	40 - 100 years	10,000
Water and sewer infrastructure	10 - 50 years	10,000
Vehicles	5 - 15 years	5,000
Equipment	4 - 40 years	5,000

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 \$5,000 - \$25,000, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

- Contribution of tangible capital assets

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 the 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

Inventories held for consumption are recorded at the lower of cost or net realizable value.

e) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditure. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.



**1. Accounting policies (continued)**

- f) 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 can be made.
- g) Deferred revenue  
 Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the statement of financial position as deferred revenue until the obligation is discharged.
- h) Landfill site closure and post-closure care  
 Landfill site closure and post-closure care costs are recognized over the operating life of the landfill site, based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the township.
- i) Amounts to be recovered in future years  
 Future years recoveries represent the requirement of the township to raise funds in subsequent periods to finance unfunded liabilities. A portion of the amounts to be recovered in future years will be recovered from deferred revenues earned.
- j) 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.
- k) Pensions  
 The township is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The township has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The township records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.
- l) Use of estimates  
 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, the reported amounts of revenues and expenditures during the period, and the accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

**2. Operations of county and school boards**

Taxation levied for county and school board purposes are not reflected in the financial statements. The amounts transferred were:

	<b>2014</b>	<b>2013</b>
County of Perth	\$ 1,539,420	\$ 1,382,962
School Boards	1,377,787	1,350,588

**3. Long-term receivables**

	2014	2013
Tile drain loans, 6% to 8%, principal and interest payable annually, due 2015 through 2024	\$ 125,112	\$ 139,906
Amounts due in the next five years are as follows:		
2015: \$19,500.    2016: \$19,500.    2017: \$20,600.    2018: \$16,600.    2019: \$11,800.		

**4. Pension agreements**

The township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer pension plan, on behalf of 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. Employees and employers contribute jointly to the plan. The amount contributed for 2014 was \$77,409 (2013 : \$74,296) for current services and is included as an expenditure on the consolidated statement of operations. The contribution rate for 2014 was 9.0% to 14.6% (2013 : 9.0% to 14.6%) depending on age and income level.

OMERS is a multi-employer plan, therefore any pension surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the township does not recognize any share of the OMERS pension surplus or deficit.

**5. Landfill closure and post-closure liability**

PSAB Handbook Section 3270: Solid Waste Landfill Closure and Post-Closure Liability, sets out the standard for anticipated closure and post-closure costs for existing and closed landfill sites. This liability is the estimated cost to date, based on a volumetric basis, of the expenses relating to those activities required when the site or phase stops accepting waste.

The landfill closure costs include final cover and vegetation, completing facilities for drainage control features, leachate monitoring, water quality monitoring, and monitoring and recovery of gas. Post-closure care activities include all activities related to monitoring the site once it can no longer accept waste, including acquisition of any additional land for buffer zones, treatment and monitoring of leachate, monitoring ground water and surface water, gas monitoring and recovery, and ongoing maintenance of various control systems, drainage systems, and final cover.

The estimated liability for the care of landfill sites is the present value of future cash flows associated with closure and post-closure costs.

Key assumptions in determining the liability at December 31, 2014 for the landfills are as follows:

Remaining site life	0 - 80 years
Discount rate	6%
Estimated time required for post-closure care	26 - 198 years

The township operates one landfill site, Blanshard and has closed the Downie landfill effective 2014, for which the total reported liability is \$402,154 (2013: \$411,692). A reserve has been established to partially provide for this landfill site closure and post-closure liability. The balance of the future liability is expected to be funded through budget allocations to the landfill reserve.

**6. Deferred revenue**

Deferred revenue funds include obligatory and non-obligatory funds. The use of obligatory funds, together with earnings thereon, is restricted by legislation. The use of non-obligatory funds is at the discretion of Council. These funds are recognized as revenue in the period they are used for the purpose specified.

**7. Municipal debt**

The balance of the municipal debt reported on the consolidated statement of financial position is made up of the following:

	<b>2014</b>	<b>2013</b>
Tile drain loans payable to Ministry of Finance, responsibility for payment of principal and interest charges have been assumed by individuals, 6% - 8%, due 2015 through 2024	<u>\$ 125,112</u>	<u>\$ 139,906</u>

Principal payments for the next five years are as follows:

2015: \$19,500. 2016: \$19,500. 2017: \$20,600. 2018: \$16,600. 2019: \$11,800.

**8. Contingency for long-term liabilities**

The township is contingently liable for long-term liabilities with respect to tile drain loans, and for those for which the responsibility for payment of principal and interest has been assumed by other municipalities, school boards, and unconsolidated entities. At December 31 the principal amounts outstanding are as follows:

	<b>2014</b>	<b>2013</b>
Tile drain loans assumed by individuals	\$ 125,112	\$ 139,906

**9. Tangible capital assets**

The township's policy on accounting for tangible capital assets follows:

- i) Contributed tangible capital assets  
The township records all tangible capital assets contributed by external parties at fair value.
- ii) Tangible capital assets recognized at nominal value  
Certain assets have been assigned a nominal value because of the difficulty of determining a tenable valuation.

For additional information, see the Consolidated Schedule of Tangible Capital Assets information on the tangible capital assets of the township by major class and by business segment, as well as for accumulated amortization of the assets controlled.

**10. Segmented information**

The Township of Perth South is a diversified municipal government institution that provides a wide range of services to its citizens such as recreational and cultural service, planning and development, fire and transportation services. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

**General Government**

This segment relates to the general operations of the township itself and cannot be directly attributed to a specific segment.

**Protection to Persons and Property**

Protection is comprised of fire protection, policing, court services, conservation authorities, protective inspection and control, building permit and inspection services, emergency measures and other protection services.

**Transportation Services**

Transportation services include road maintenance, winter control services, street light maintenance, parking lots, equipment maintenance and other transportation services.

**Environmental Services**

Environmental services include the sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling.

**Health Services**

This service area includes cemeteries and other health services.

**10. Segmented information** (continued)

Recreation and Cultural Services

This service area provides public services that contribute to the provision of recreation and leisure facilities and programs, the maintenance of parks and open spaces, library services, museums and other cultural services.

Planning and Development

This segment includes matters relating to zoning and site plan controls, land acquisition, development initiatives, agriculture and reforestation, municipal drainage and tile drainage.

For additional information, see the Consolidated Schedule of Segmented Information.

**11. Accumulated surplus**

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

	<b>2014</b>	<b>2013</b>
General revenue accumulated surplus and invested in tangible capital assets	\$ 29,976,595	\$ 29,268,985
Reserves and reserve funds	<u>3,005,935</u>	<u>2,858,671</u>
	<u>\$ 32,982,530</u>	<u>\$ 32,127,656</u>

For additional information, see the Consolidated Schedule of Continuity of Reserves, Reserve Funds, and Deferred Revenue.

**12. Financial instrument risk management**

**Credit risk**

The township is exposed to credit risk through its cash, trade and other receivables, loans receivable, and long-term investments. There is the possibility of non-collection of its trade and other receivables. The majority of the township's receivables are from ratepayers and government entities. For trade and other receivables, the township measures impairment based on how long the amounts have been outstanding. For amounts outstanding considered doubtful or uncollectible, an impairment allowance is setup.

**Liquidity risk**

Liquidity risk is the risk that the township will not be able to meet its financial obligations as they fall due. The township has a planning and a budgeting process in place to help determine the funds required to support the township's normal operating requirements on an ongoing basis. The township ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain an available line of credit balance as approved by the appropriate borrowing bylaw to meet, at a minimum, required expectations.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the township's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The township is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings and long-term liabilities and the value of fixed rate long-term liabilities.

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

**13. Budget amounts**

Under Canadian public sector accounting standards, budget amounts are to be reported on the Consolidated Statement of Operations for comparative purposes. The 2014 budget amounts for the Corporation of the Township of Perth South approved by Council are unaudited and have been restated to conform to the basis of presentation of the revenues and expenditures on the Consolidated Statement of Operations. Budget amounts were not available for certain boards consolidated by the township.

Approved budget annual surplus (deficit)	\$ -
Acquisition of tangible capital assets	2,426,303
Amortization of tangible capital assets	(1,266,770)
Net reserve, reserve fund, and surplus transfers	<u>(176,715)</u>
Budgeted surplus (deficit) reported on consolidated statement of operations	<u>\$ 982,818</u>

**14. Subsequent events**

In September 2015, a bankruptcy report was approved by the Ontario Superior Court of Justice regarding a company that owned property within the Township of Perth South. Significant property taxes were owing to the township on the property by the bankrupt company. As a result of the court decision, the Township of Perth South was able to collect only a small portion of the taxes outstanding, and no further amounts will be received. As a result, the township will recognize a write off of uncollectible taxes receivable in 2015 related to this property.

**TOWNSHIP OF PERTH SOUTH**  
**Consolidated Schedule of Tangible Capital Assets**  
For the Year Ended December 31, 2014

	Land	Land Improvements	Buildings	Vehicles and Equipment	Roads and Transportation Improvements	Environmental Networks	Assets Under Construction	<b>TOTAL Net Book Value 2014</b>	TOTAL Net Book Value 2013
<b>Cost</b>									
Balance, beginning of year	565,693	325,551	2,092,261	2,952,505	33,597,761	893,713	96,222	<b>40,523,706</b>	39,415,359
Add: Additions during the year		505,784		85,932	675,007	6,607	338,784	<b>1,612,114</b>	1,579,623
Less: Disposals during the year				(14,958)	(171,284)	(8,500)		<b>(194,742)</b>	(471,276)
Balance, end of year	<u>565,693</u>	<u>831,335</u>	<u>2,092,261</u>	<u>3,023,479</u>	<u>34,101,484</u>	<u>891,820</u>	<u>435,006</u>	<b><u>41,941,078</u></b>	<u>40,523,706</u>
<b>Accumulated Amortization</b>									
Balance, beginning of year		124,217	441,274	1,577,177	12,439,804	536,620		<b>15,119,092</b>	14,223,461
Add: Amortization during the year		14,266	30,776	181,985	1,018,331	21,412		<b>1,266,770</b>	1,249,940
Less: Accumulated amortization on disposals				(10,293)	(169,317)	(8,500)		<b>(188,110)</b>	(354,309)
Balance, end of year	<u>-</u>	<u>138,483</u>	<u>472,050</u>	<u>1,748,869</u>	<u>13,288,818</u>	<u>549,532</u>	<u>-</u>	<b><u>16,197,752</u></b>	<u>15,119,092</u>
<b>Net Book Value of Tangible Capital Assets</b>	<u>565,693</u>	<u>692,852</u>	<u>1,620,211</u>	<u>1,274,610</u>	<u>20,812,666</u>	<u>342,288</u>	<u>435,006</u>	<b><u>\$ 25,743,326</u></b>	<u>\$ 25,404,614</u>

**TOWNSHIP OF PERTH SOUTH**  
**Consolidated Schedule of Tangible Capital Assets**  
For the Year Ended December 31, 2014

	General Government	Protection	Transportation	Environmental	Recreation and Cultural	Work in Process	<b>TOTAL Net Book Value 2014</b>	TOTAL Net Book Value 2013
<b>Cost</b>								
Balance, beginning of year	940,919	1,391,522	35,805,680	1,307,143	982,220	96,222	<b>40,523,706</b>	39,415,359
Add: Additions during the year		69,939	690,998	512,393		338,784	<b>1,612,114</b>	1,579,623
Less: Disposals during the year			(186,242)	(8,500)			<b>(194,742)</b>	(471,276)
Balance, end of year	<u>940,919</u>	<u>1,461,461</u>	<u>36,310,436</u>	<u>1,811,036</u>	<u>982,220</u>	<u>435,006</u>	<b>41,941,078</b>	<u>40,523,706</u>
<b>Accumulated Amortization</b>								
Balance, beginning of year	202,730	535,805	13,510,529	541,250	328,778		<b>15,119,092</b>	14,223,461
Add: Amortization during the year	33,100	39,955	1,151,752	23,362	18,601		<b>1,266,770</b>	1,249,940
Less: Accumulated amortization on disposals			(179,610)	(8,500)			<b>(188,110)</b>	(354,309)
Balance, end of year	<u>235,830</u>	<u>575,760</u>	<u>14,482,671</u>	<u>556,112</u>	<u>347,379</u>	<u>-</u>	<b>16,197,752</b>	<u>15,119,092</u>
<b>Net Book Value of</b>								
<b>Tangible Capital Assets</b>	<u>705,089</u>	<u>885,701</u>	<u>21,827,765</u>	<u>1,254,924</u>	<u>634,841</u>	<u>435,006</u>	<b>\$ 25,743,326</b>	<u>\$ 25,404,614</u>

**TOWNSHIP OF PERTH SOUTH****Consolidated Schedule of Continuity of Reserves, Reserve Funds and Deferred Revenue**

For the Year Ended December 31, 2014

	Balance, beginning of year	Revenues and contributions			Transfers out Utilized During Year	Balance, end of year
		Interest	From Operations	Other		
<b>Reserves and reserve funds</b>						
Reserves						
for general government	727,241		113,930		(19,546)	<b>821,625</b>
for protection services	145,006		438		(39,660)	<b>105,784</b>
for transportation services	1,438,524		509,571		(15,993)	<b>1,932,102</b>
for environmental services	134,346		22,194		(423,670)	<b>(267,130)</b>
for recreation and cultural services	14,000					<b>14,000</b>
for planning and development	399,554					<b>399,554</b>
	<u>2,858,671</u>	<u>-</u>	<u>646,133</u>	<u>-</u>	<u>(498,869)</u>	<u><b>3,005,935</b></u>
<b>Deferred revenue</b>						
Federal Gas Tax Funds	-	2,410		119,005		<b>121,415</b>
	-	2,410	-	119,005	-	<b>121,415</b>
<b>Total</b>	<b>\$ 2,858,671</b>	<b>2,410</b>	<b>646,133</b>	<b>119,005</b>	<b>(498,869)</b>	<b>\$ 3,127,350</b>



**TOWNSHIP OF PERTH SOUTH**  
**Segmented Information**  
For the Year Ended December 31, 2014

	General Government	Protective Services	Transportation Services	Environmental Services	Health Services	Recreation and Culture	Planning and Development	<b>Total 2014</b>	Total 2013
<b>Revenue</b>									
Taxation	2,771,304							<b>2,771,304</b>	2,784,748
User charges, licences, permits	212,938	131		133,479		19,180	3,765	<b>369,493</b>	369,394
Government transfers	2,576,399	85,090	50,983			7,761	39,604	<b>2,759,837</b>	3,348,993
Interest and penalties	189,358							<b>189,358</b>	166,316
Other	<u>73,581</u>							<b>73,581</b>	<u>576,391</u>
	<u>5,823,580</u>	<u>85,221</u>	<u>50,983</u>	<u>133,479</u>	<u>-</u>	<u>26,941</u>	<u>43,369</u>	<b><u>6,163,573</u></b>	<u>7,245,842</u>
<b>Operating expenditure</b>									
Wages, salaries and benefits	478,964	86,618	546,957	17,522	10,199	6,843	7,194	<b>1,154,297</b>	964,106
Contract services	38,445	954,837	555,246	280,903	2,650	124,907	82,957	<b>2,039,945</b>	2,193,539
Supplies, materials and equipment	289,109	100,937	317,744	6,585	840	126,839	5,633	<b>847,687</b>	657,936
Amortization	<u>33,100</u>	<u>39,955</u>	<u>1,151,752</u>	<u>23,362</u>		<u>18,601</u>		<b><u>1,266,770</u></b>	<u>1,249,940</u>
	<u>839,618</u>	<u>1,182,347</u>	<u>2,571,699</u>	<u>328,372</u>	<u>13,689</u>	<u>277,190</u>	<u>95,784</u>	<b><u>5,308,699</u></b>	<u>5,065,521</u>
<b>Net revenue (expense)</b>	<u>4,983,962</u>	<u>(1,097,126)</u>	<u>(2,520,716)</u>	<u>(194,893)</u>	<u>(13,689)</u>	<u>(250,249)</u>	<u>(52,415)</u>	<b><u>854,874</u></b>	<u>2,180,321</u>