

---

**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**

---

**FINANCIAL STATEMENTS**

**December 31, 2014**

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

December 31, 2014

## CONTENTS

	Page
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Financial Activities	3
Statement of Change in Net Financial Assets	4
Statement of Cash Flows	5
Schedule of Tangible Capital Assets	6 - 7
Schedule of Accumulated Surplus	8
Schedule of Change in Accumulated Surplus	9
Schedule of Segmented Disclosure	10
Notes to the Financial Statements	11 - 22
Five Year Financial Review	23 - 24



## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of  
the Corporation of the Municipality of South Dundas

We have audited the accompanying financial statements of the Corporation of the Municipality of South Dundas, which comprise the statement of financial position as at December 31, 2014, and the statements of financial activities, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Administration's Responsibility for the Financial Statements*

Administration 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 administration determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by administration, 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 Municipality of South Dundas as at December 31, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Cornwall, Ontario  
June 16, 2015

Craig Keen Despatie Markell LLP  
  
Chartered Professional Accountants  
Licensed Public Accountants

**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**  
**STATEMENT OF FINANCIAL POSITION**

As at December 31, 2014

	2014	2013
<b>NET FINANCIAL ASSETS</b>		
<b>Assets</b>		
Cash	\$ 4,685,359	\$ 5,268,569
Taxes receivable	1,247,926	1,258,854
Accounts receivable	3,733,049	5,304,569
Long-term investments (Note 2)	2,421,237	2,457,147
Investment in Rideau St. Lawrence Holdings Inc. (Note 3)	1,784,713	1,726,303
	13,872,284	16,015,442
<b>Liabilities</b>		
Temporary borrowings (Note 4)	-	2,609,239
Accounts payable	2,053,610	4,485,162
Accrued interest on municipal debt	71,309	72,016
Deferred revenue (Note 5)	1,435,973	2,503,383
Deferred revenue, obligatory reserve funds (Note 6)	377,445	308,929
Future employment benefits payable (Note 7)	6,374	26,911
Municipal debt (Note 8)	7,944,281	4,310,765
Accrued landfill closure and post closure costs (Note 9)	939,425	904,350
	12,828,417	15,220,755
<b>Net Financial Assets</b>	<b>1,043,867</b>	<b>794,687</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	89,861,821	87,325,612
Inventory	144,247	156,126
	90,006,068	87,481,738
<b>ACCUMULATED SURPLUS</b>	<b>\$ 91,049,935</b>	<b>\$ 88,276,425</b>

See Accompanying Notes



**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**  
**STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended December 31, 2014

	(Unaudited) BUDGET 2014	ACTUAL 2014	ACTUAL 2013
<b>REVENUE</b>			
Taxation (Note 1(a)(iii))	\$ 5,426,267	\$ 5,597,937	\$ 5,407,078
Fees and service charges	2,853,394	3,344,879	2,979,408
Grants	1,154,174	1,255,610	1,421,055
Investment income	225,000	463,926	430,201
Permits and licenses	98,000	72,536	151,218
Donations and other	7,500	57,937	7,213
Equity income from Rideau St. Lawrence Holdings Inc.	-	58,410	94,178
	<b>9,764,335</b>	<b>10,851,235</b>	<b>10,490,351</b>
<b>EXPENSES</b>			
General government	1,342,652	1,417,347	1,332,241
Protection to persons and property	1,190,755	1,227,897	1,103,988
Transportation services	2,496,578	2,689,777	2,172,581
Environmental services	3,171,406	3,523,578	3,110,425
Health services	40,000	32,637	13,254
Recreation and cultural services	1,490,704	1,655,664	1,477,933
Planning and development	432,993	510,633	643,260
	<b>10,165,088</b>	<b>11,057,533</b>	<b>9,853,682</b>
<b>NET (DEFICIT) SURPLUS BEFORE OTHER ITEMS</b>	<b>(400,753)</b>	<b>(206,298)</b>	<b>636,669</b>
<b>OTHER REVENUE FOR CAPITAL PURPOSES</b>			
Deferred revenue earned	323,161	1,336,522	4,517,863
Grants	52,979	1,778,229	6,837,727
(Loss) gain on disposal of tangible capital assets	-	(134,943)	(257,972)
	<b>376,140</b>	<b>2,979,808</b>	<b>11,097,618</b>
<b>SURPLUS FOR THE YEAR</b>	<b>(24,613)</b>	<b>2,773,510</b>	<b>11,734,287</b>
<b>ACCUMULATED SURPLUS, beginning of year</b>	<b>88,276,425</b>	<b>88,276,425</b>	<b>76,542,138</b>
<b>ACCUMULATED SURPLUS, end of year</b>	<b>\$ 88,251,812</b>	<b>\$ 91,049,935</b>	<b>\$ 88,276,425</b>

See Accompanying Notes



**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

For the year ended December 31, 2014

	(Unaudited) BUDGET 2014	ACTUAL 2014	ACTUAL 2013
Surplus for the year	\$ (24,613)	\$ 2,773,510	\$ 11,734,287
Amortization of tangible capital assets	1,777,975	2,097,636	1,707,706
Acquisition of tangible capital assets	(2,240,765)	(4,768,786)	(18,604,789)
Loss (gain) on disposal of tangible capital assets	-	134,943	257,972
Proceeds on disposal of tangible capital assets	-	-	30,511
Change in inventory	-	11,877	7,591
<b>(Decrease) increase in net financial assets</b>	<b>(487,403)</b>	<b>249,180</b>	<b>(4,866,722)</b>
Net financial assets, beginning of year	794,687	794,687	5,661,409
<b>Net financial assets, end of year</b>	<b>\$ 307,284</b>	<b>\$ 1,043,867</b>	<b>\$ 794,687</b>

See Accompanying Notes



# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2014

	2014	2013
<b>CASH FROM OPERATING ACTIVITIES</b>		
Surplus for the year	\$ 2,773,510	\$ 11,734,287
Items not affecting cash or equivalent		
Amortization expense	2,097,636	1,707,706
Loss (gain) on disposal of tangible capital assets	134,943	257,972
Changes in non-cash working capital balances		
Taxes receivable	10,928	(171,081)
Accounts receivable	1,571,520	(1,288,850)
Accounts payable	(2,431,554)	1,944,359
Accrued interest on municipal debt	(707)	8,970
Deferred revenue	(1,067,410)	(4,243,803)
Deferred revenue - obligatory reserve funds	68,516	123,928
Future employment benefits payable	(20,537)	(4,083)
Landfill closure and post closure costs	35,075	35,075
Inventory	11,879	7,591
	3,183,799	10,112,071
<b>CASH FROM FINANCING ACTIVITIES</b>		
Proceeds from municipal debt	4,000,000	1,033,654
Repayment of municipal debt	(366,484)	(285,941)
	3,633,516	747,713
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Decrease in long term investments	35,910	48,289
Increase in investment in Rideau St. Lawrence Holdings Inc.	(58,410)	(94,178)
	(22,500)	(45,889)
<b>CASH USED IN CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(4,768,786)	(18,604,789)
Proceeds on sale of tangible capital assets	-	30,511
	(4,768,786)	(18,574,278)
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENT</b>	<b>2,026,029</b>	<b>(7,760,383)</b>
<b>CASH AND EQUIVALENT, beginning of year</b>	<b>2,659,330</b>	<b>10,419,713</b>
<b>CASH AND EQUIVALENT, end of year</b>	<b>\$ 4,685,359</b>	<b>\$ 2,659,330</b>
<b>REPRESENTED BY :</b>		
Cash	\$ 4,685,359	\$ 5,268,569
Temporary borrowings	-	(2,609,239)
	<b>\$ 4,685,359</b>	<b>\$ 2,659,330</b>

See Accompanying Notes



**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**

**SCHEDULE OF TANGIBLE CAPITAL ASSETS**

For the year ended December 31, 2014

	Land and land improvements	Buildings	Vehicles	Equipment	Plants and facilities	Roads	Water and sewer	Bridges	Assets under construction	2014	2013
<b>Cost</b>											
Balance, beginning of year	\$ 1,730,094	\$ 10,960,456	\$ 5,235,265	\$ 1,393,449	\$ 38,724,126	\$ 15,874,876	\$ 7,307,636	\$ 5,415,903	\$ 18,876,371	\$ 105,518,176	\$ 87,519,307
Additions during the year	-	232,544	196,192	68,370	21,463,427	934,149	404,169	15,668	(18,545,733)	4,768,786	18,604,789
Disposals during the year	9,542	-	-	-	-	163,104	-	-	-	172,646	605,921
Balance, end of year	1,720,552	11,193,000	5,431,457	1,461,819	60,187,553	16,645,921	7,711,805	5,431,571	330,638	110,114,316	105,518,175
<b>Accumulated Amortization</b>											
Balance, beginning of year	168,124	2,318,087	2,780,370	839,376	4,086,762	4,293,701	2,161,811	1,544,331	-	18,192,562	16,802,293
Amortization during the year	1,742	420,740	270,452	59,626	522,554	437,230	305,272	80,020	-	2,097,636	1,707,707
Amortization on disposals	-	-	-	-	-	37,703	-	-	-	37,703	317,437
Balance, end of year	169,866	2,738,827	3,050,822	899,002	4,609,316	4,693,228	2,467,083	1,624,351	-	20,252,495	18,192,563
<b>Net book value</b>	<b>\$ 1,550,686</b>	<b>\$ 8,454,173</b>	<b>\$ 2,380,635</b>	<b>\$ 562,817</b>	<b>\$ 55,578,237</b>	<b>\$ 11,952,693</b>	<b>\$ 5,244,722</b>	<b>\$ 3,807,220</b>	<b>\$ 330,638</b>	<b>\$ 89,861,821</b>	<b>\$ 87,325,612</b>

See Accompanying Notes





**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**

**SCHEDULE OF TANGIBLE CAPITAL ASSETS**

For the year ended December 31, 2014

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Recreation	Planning and Development	2014	2013
<b>Cost</b>								
Balance, beginning of year	\$ 6,003,241	\$ 3,533,474	\$ 26,198,109	\$ 46,500,268	\$ 4,358,831	\$ 47,881	\$ 86,641,804	\$ 79,137,403
Additions during the year	195,833	38,103	1,107,907	21,867,596	105,081	-	23,314,520	8,110,322
Disposals during the year	9,542	-	163,104	-	-	-	172,646	605,921
Assets in service, end of year	6,189,532	3,571,577	27,142,912	68,367,864	4,463,912	47,881	109,783,678	86,641,804
Assets under construction	-	-	268,307	31,831	30,500	-	330,638	18,876,371
Balance, end of year	6,189,532	3,571,577	26,874,605	68,399,695	4,494,412	47,881	110,114,316	105,518,175
<b>Accumulated Amortization</b>								
Balance, beginning of year	299,897	1,835,557	8,351,222	6,330,396	1,360,065	15,425	18,192,562	16,802,293
Amortization during the year	138,281	124,046	720,730	842,050	264,548	7,981	2,097,636	1,707,707
Amortization on disposals	-	-	37,703	-	-	-	37,703	317,437
Balance, end of year	438,178	1,959,603	9,034,249	7,172,446	1,624,613	23,406	20,252,495	18,192,563
<b>Net book value</b>	<b>\$ 5,751,354</b>	<b>\$ 1,611,974</b>	<b>\$ 18,108,663</b>	<b>\$ 61,227,249</b>	<b>\$ 2,869,799</b>	<b>\$ 24,475</b>	<b>\$ 89,861,821</b>	<b>\$ 87,325,612</b>

See Accompanying Notes



**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**

**SCHEDULE OF ACCUMULATED SURPLUS**

For the year ended December 31, 2014

	2014	2013
<b>Operating surpluses (deficits)</b>		
Operating surplus (Note 10)	\$ -	\$ -
Water and sewer surplus (Note 11)	-	-
Local board surplus, Morrisburg Business Improvement Area	19,689	32,324
Unfunded capital projects	(759,208)	(4,088,935)
Surplus for future capital asset acquisitions	435,798	588,323
Investment in Rideau St. Lawrence Holdings Inc.	1,784,713	1,726,303
Liabilities to be recovered from future revenues (Note 12)		
Accrued interest on municipal debt	(71,309)	(72,016)
Future employment benefits payable	(6,374)	(26,911)
Accrued landfill closure and post closure	(939,425)	(904,350)
<b>Total operating surplus (deficit)</b>	<b>463,884</b>	<b>(2,745,262)</b>
<b>Reserves and reserve funds (Note 13)</b>		
Reserves	4,954,507	4,005,753
Reserve funds	3,523,194	3,754,476
<b>Total reserves and reserve funds</b>	<b>8,477,701</b>	<b>7,760,229</b>
<b>Invested in tangible capital assets</b>		
Tangible capital assets	89,861,821	87,325,612
Less: related municipal debt	(7,753,471)	(4,064,154)
<b>Total invested in tangible capital assets</b>	<b>82,108,350</b>	<b>83,261,458</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 91,049,935</b>	<b>\$ 88,276,425</b>

See Accompanying Notes



**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**

**SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS**

For the year ended December 31, 2014

	Operating (Deficits) and Surpluses	Reserves and Reserve Funds	Invested in Tangible Capital Assets	2014	2013
<b>Balance, beginning of year</b>	\$ (2,745,262)	\$ 7,760,229	\$ 83,261,458	\$ 88,276,425	\$ 76,542,138
Surplus for the year	2,690,860	82,650	-	2,773,510	11,734,287
Reserve funds used for operations	984,054	(984,054)	-	-	-
Funds transferred to reserves and reserve funds	(1,618,876)	1,618,876	-	-	-
Acquisition of tangible capital assets	(4,768,786)	-	4,768,786	-	-
Disposal of tangible capital assets	134,943	-	(134,943)	-	-
Annual amortization expense	2,097,636	-	(2,097,636)	-	-
Proceeds from municipal debt	4,000,000	-	(4,000,000)	-	-
Repayment of municipal debt related to capital	(310,685)	-	310,685	-	-
<b>Change in accumulated surplus</b>	<b>3,209,146</b>	<b>717,472</b>	<b>(1,153,108)</b>	<b>2,773,510</b>	<b>11,734,287</b>
<b>Balance, end of year</b>	<b>\$ 463,884</b>	<b>\$ 8,477,701</b>	<b>\$ 82,108,350</b>	<b>\$ 91,049,935</b>	<b>\$ 88,276,425</b>

See Accompanying Notes



**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**

**SCHEDULE OF SEGMENTED DISCLOSURE**

For the year ended December 31, 2014

	General Government	Protection Services	Transportation Services	Environmental Services	Water and Sewer Services	Health Services	Recreation and Cultural Services	Planning and Development	2014	2013
<b>REVENUE</b>										
Taxation	\$ 956,031	\$ 795,629	\$ 2,097,296	\$ 654,542	\$ 28,469	\$ 12,319	\$ 733,998	\$ 319,653	\$ 5,597,937	\$ 5,407,078
Fees and service charges	209,449	74,418	63,372	168,933	2,199,761	76,874	457,885	94,187	3,344,879	2,979,408
Grants	1,014,205	-	-	88,605	99,782	-	19,482	33,536	1,255,610	1,421,055
Investment income	463,926	-	-	-	-	-	-	-	463,926	430,201
Permits and licenses	22,310	-	2,800	-	-	-	-	47,426	72,536	151,218
Donations and other	-	10,000	-	-	-	-	47,937	-	57,937	7,213
Equity income	58,410	-	-	-	-	-	-	-	58,410	94,178
	2,724,331	880,047	2,163,468	912,080	2,328,012	89,193	1,259,302	494,802	10,851,235	10,490,351
<b>EXPENSES</b>										
Wages and benefits	679,568	552,833	909,694	123,752	446,866	-	578,938	227,753	3,519,404	3,168,814
Interest on municipal debt	43,783	-	-	-	149,441	32,637	-	14,105	239,966	195,211
Materials and services	371,605	387,799	704,324	192,226	943,360	-	704,398	241,906	3,545,618	2,931,748
Contracted services	31,386	38,421	318,663	542,675	150,097	-	73,422	8,212	1,162,876	1,390,796
Insurance and financial costs	152,724	56,817	36,366	-	133,111	-	34,358	10,677	424,053	391,784
Third party transfers	-	67,981	-	-	-	-	-	-	67,981	67,623
Amortization	138,281	124,046	720,730	-	842,050	-	264,548	7,980	2,097,635	1,707,706
	1,417,347	1,227,897	2,689,777	858,653	2,664,925	32,637	1,655,664	510,633	11,057,533	9,853,682
<b>SURPLUS (DEFICIT)</b>										
<b>BEFORE OTHER ITEMS</b>	1,306,984	(347,850)	(526,309)	53,427	(336,913)	56,556	(396,362)	(15,831)	(206,298)	636,669
<b>OTHER REVENUE FOR CAPITAL PURPOSES</b>										
Deferred revenue earned	-	-	246,428	-	1,021,108	-	68,986	-	1,336,522	4,517,863
Grants	-	-	-	-	1,778,229	-	-	-	1,778,229	6,837,727
(Loss) gain on disposal of tangible capital assets	-	-	(134,943)	-	-	-	-	-	(134,943)	(257,972)
	-	-	111,485	-	2,799,337	-	68,986	-	2,979,808	11,097,618
<b>SURPLUS (DEFICIT)</b>	\$ 1,306,984	\$ (347,850)	\$ (414,824)	\$ 53,427	\$ 2,462,424	\$ 56,556	\$ (327,376)	\$ (15,831)	\$ 2,773,510	\$ 11,734,287

See Accompanying Notes



# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

#### (a) Basis of consolidation

##### (i) Consolidated entities

These financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund and reserves and include the activities of all committees of Council and the following local boards:

Iroquois Golf Course Municipal Service Board

Morrisburg Business Improvement Area

Galop Canal Iroquois Landing Marina

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

These financial statements reflect the investment in any government business enterprises and are consolidated using the modified equity method. Under the modified equity basis, the enterprises accounting principles are not adjusted to conform with those of the Municipality and intergovernmental transactions and balances are not eliminated. The following government business enterprise is consolidated based on the Municipality's share of ownership.

Rideau St. Lawrence Holdings Inc.

##### (ii) Non-consolidated entities

There are no non-consolidated entities.

##### (iii) Accounting for United Counties and school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the United Counties of Stormont, Dundas and Glengarry are not reflected in the municipal fund balances of these financial statements.

##### (iv) Trust funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the trust funds balance sheet and statement of continuity.

#### (b) Basis of accounting

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

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

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

#### (c) Fund accounting

Funds within the consolidated financial statements consists of the operating fund, capital fund and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

#### (d) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand, cash on deposit and temporary borrowings.

#### (e) Reserve funds

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

#### (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 of the amounts can be made.

#### (g) Deferred revenue

Deferred revenue represents government transfers that have been received for specific purposes, but the respective expenditure has not been incurred to date. These amounts will be recognized as revenues in the year the expenditures are incurred.

#### (h) Landfill closure costs

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

#### (i) Employee benefits

Employee benefits include vacation entitlement and sick leave benefits. Vacation and sick leave benefits are accrued in accordance with the Municipality's policy. The Municipality accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), as a defined benefit plan.

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

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

#### (j) Amounts to be recovered from future revenues

Amounts to be recovered from future revenues represents the outstanding principal portion of unmatured long-term liabilities for expenditures, accrued interest on long-term liabilities and future employment benefits payable that will be financed through future revenues of the Municipality and is reported on the statement of financial position.

#### (k) Non-financial assets

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

#### (i) Tangible capital assets

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

Land improvements	25 to 40 years
Buildings	20 to 40 years
Machinery and equipment	15 years
Vehicles	5 to 20 years
Water and waste plants and networks	
underground networks	75 to 100 years
sewage treatment plants	75 years
water pumping stations and reservoirs	75 years
flood stations and other infrastructure	75 years
Transportation	
roads	10 to 40 years
bridges and structures	25 to 75 years

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

Active landfills are amortized annually based on the remaining estimated useful life. The estimated costs to close and maintain currently active landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to expense as the landfill sites capacity is used.

The Municipality has a capitalization threshold of \$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 desktop computer systems, vehicles, utility poles and defibrillators.

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

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

#### (k) Non-financial assets (Continued)

##### (ii) Contributions 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 the transfer.

##### (iii) Leases

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

##### (iv) Inventory

Inventory held for consumption are recorded at the lower of cost or replacement cost.

#### (l) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires administration 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 current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant items subject to such estimates and assumptions include the estimated useful life of tangible capital assets, the valuation of allowances for doubtful taxes and accounts receivable, the valuation of inventories, and the estimated landfill closure and post closure costs. Actual results could differ from these estimates.

### 2. LONG-TERM INVESTMENTS

	2014	2013
Promissory note, Rideau St. Lawrence Holdings Inc., 4.49% interest no specific terms of repayment	\$ 938,352	\$ 938,352
South Dundas Water Plant debentures, 5.5% interest, repayable in annual payments of \$23,889, due 2026, secured by property	205,885	217,795
South Dundas Water Plant, long-term growth receivable, 5% interest no specific terms of repayment, unsecured	1,277,000	1,301,000
	<b>\$ 2,421,237</b>	<b>\$ 2,457,147</b>



# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 3. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC.

	2014	2013
Investment, beginning of year	\$ 1,726,303	\$ 1,632,125
Share of net income for the year	112,220	137,898
Dividends received	(53,810)	(43,720)
<b>Investment, end of year</b>	<b>\$ 1,784,713</b>	<b>\$ 1,726,303</b>

The Municipality of South Dundas owns 33.63% of the outstanding share capital of Rideau St. Lawrence Holdings Inc.

The following table provides condensed supplementary financial information for Rideau St. Lawrence Holdings Inc.:

#### Financial Position

	2014	2013
<b>Current assets</b>	<b>\$ 4,450,307</b>	<b>\$ 4,281,411</b>
Regulatory assets	551,685	819,572
Capital	6,242,739	5,783,113
<b>Total Assets</b>	<b>11,244,731</b>	<b>10,884,096</b>
<b>Current liabilities</b>	<b>4,288,710</b>	<b>3,845,811</b>
Long-term portion of customer deposits	150,215	114,177
Regulatory liabilities	203,080	459,754
Long-term debt	1,295,800	1,331,120
<b>Total Liabilities</b>	<b>5,937,805</b>	<b>5,750,862</b>
<b>Shareholders' Equity</b>	<b>\$ 5,306,926</b>	<b>\$ 5,133,234</b>

#### Financial Activities

	2014	2013
<b>Total revenue</b>	<b>\$ 15,401,904</b>	<b>\$ 14,425,433</b>
<b>Total expenses</b>	<b>15,068,213</b>	<b>14,015,388</b>
<b>Net Income</b>	<b>\$ 333,691</b>	<b>\$ 410,045</b>
<b>Municipality share of net income (33.63%)</b>	<b>\$ 112,220</b>	<b>\$ 137,898</b>

### 4. TEMPORARY BORROWINGS

Temporary borrowings bear interest at 1.61% based on a finance agreement dated July 29, 2013. Temporary borrowings are being used to finance capital expenditures of the South Dundas Municipal Centre until the capital project is completed and long-term financing is obtained.

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 5. DEFERRED REVENUE

Deferred revenue represents funds received from the Province of Ontario that were allocated to its separate bank accounts as directed by Council. Deferred revenue consists of the Ontario Small Town and Rural Development Infrastructure Initiative ("OSTAR") that were deferred to finance the future long-term debt payments resulting from the financing of the South Dundas Water Treatment Plant in 2008. Deferred revenue also consists of the Green Infrastructure Fund ("GIF") to finance the provincial portion of construction costs of the Iroquois Waste Water Treatment Plant. The balances and transactions are summarized as follows:

	OSTAR	GIF	2014	2013
Balance, beginning of year	\$ 341,079	\$ 2,162,304	\$ 2,503,383	\$ 6,747,187
Interest earned	8,122	15,600	23,722	42,442
Transfer to operations	(70,024)	-	(70,024)	(177,012)
Transfer to capital acquisitions	-	(1,021,108)	(1,021,108)	(4,109,234)
Balance, end of year	\$ 279,177	\$ 1,156,796	\$ 1,435,973	\$ 2,503,383

### 6. DEFERRED REVENUE, OBLIGATORY RESERVE FUNDS

A requirement of Canadian public sector accounting standards 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 obligatory reserve funds consist of the gas tax and parkland reserve fund. The balance and transactions are summarized as follows:

	Gas Tax	Parkland	2014	2013
Balance, beginning of year	\$ 100,560	\$ 208,368	\$ 308,928	\$ 185,000
Grants received	312,545	-	312,545	323,161
Prepaid special charges	-	60,615	60,615	28,993
Interest earned	8,634	2,137	10,771	3,392
Transfer to capital acquisitions	(246,428)	(68,986)	(315,414)	(231,617)
Balance, end of year	\$ 175,311	\$ 202,134	\$ 377,445	\$ 308,929

### 7. FUTURE EMPLOYMENT BENEFITS PAYABLE

The Municipality provides employee benefits that will require funding in future periods. Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment. With respect to responsibilities under the Workplace Safety and Insurance Board ("WSIB") Act the Municipality has elected to be a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. There is no liability recorded in these financial statements with respects to any WSIB liability. The Municipality has established a Reserve for Sick Leave to mitigate the future impact of these obligations in the amount of \$7,541 (2013 - \$27,916).

**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2014

**8. MUNICIPAL DEBT**

	2014	2013
Loan Payable, 3.35% interest, repayable in monthly payments of \$16,667 plus interest, due September 2034, South Dundas Municipal Centre	\$ 3,950,000	\$ -
Loan payable, 3.9% interest, repayable in semi-annual payments of \$25,841 plus interest, due November 2033, Iroquois Medical Centre	981,971	1,033,654
Loan payable, 4.75% interest, repayable in semi-annual payments of \$104,500 plus interest, due 2028, South Dundas Municipal Water Plant	2,821,500	3,030,500
Tile drain loans, interest between 6% and 8%, repayable over a ten year period in blended annual payments between \$190 and \$5,380, due between one year and ten years	190,810	246,611
	\$ 7,944,281	\$ 4,310,765

Repayment of municipal debt, assuming the loans are renewed under the same terms and conditions, is as follows:

2015	\$ 488,432
2016	490,097
2017	488,166
2018	479,843
2019	477,528
Thereafter	5,520,215
	\$ 7,944,281

Principal payments are payable from the following sources as follows:

	2015 to 2019	2020 to 2034
General municipal revenues	\$ 775,000	\$ 2,320,000
User charges	1,528,414	3,130,057
Tile drain loans receivable	120,652	70,158
	\$ 2,424,066	\$ 5,520,215

**9. ACCRUED LANDFILL CLOSURE AND POST CLOSURE LIABILITY**

The Municipality operates two solid waste landfill sites. The estimated remaining useful lives range between one and three years. The estimate associated with closure and post-closure include costs such as clay, topsoil, hydro seed, site preparation, equipment, ditching, drainage, fencing and post closure monitoring estimated for five years. The total estimated closure and post closure costs for both sites is \$974,500 with \$939,425 (2013 - \$904,350) being accrued at the end of the current fiscal year. These costs are to be recovered from future taxation revenue and reserves.

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 10. OPERATING SURPLUS

The unaudited budget figures presented in these financial statements are based upon the 2014 operating and capital budgets that have been approved by Council of the Corporation of the Municipality of South Dundas. Adjustments to the budgeted amounts were required to provide comparative budget amounts based on the full accrual basis of accounting under PSAB. The following schedule reconciles the budget and actual results presented in these financial statements to the approved operating budget for the year.

	(Unaudited) BUDGET 2014	ACTUAL 2014	ACTUAL 2013
<b>Annual Surplus</b>	\$ (24,613)	\$ 2,773,510	\$ 11,734,287
Change in local board surpluses for the year	(5,500)	12,635	(9,758)
Proceeds from the issue of municipal debt	-	4,000,000	1,033,654
Net transfers from reserves and reserve funds	492,903	(373,294)	999,448
Acquisition of tangible capital assets	(1,971,765)	(4,768,786)	(18,604,789)
Amortization of tangible capital assets	1,777,975	2,097,635	1,707,706
Municipal debt principal repayments	(269,000)	(310,683)	(264,924)
Change in surplus for future capital acquisitions	-	(3,177,203)	3,165,943
Less equity change of Rideau St. Lawrence Holdings Inc.	-	(58,410)	(94,178)
Accrued landfill closure and post closure costs	-	35,075	35,075
Retirement benefits and accrued interest	-	(21,244)	4,887
Disposal of tangible capital assets	-	134,943	288,487
Surplus for the year before year-end transfers	-	344,178	(4,162)
Transfer of water/sewer (deficit) surplus to reserves and reserve funds	-	44,424	(59,115)
Transfer of operating (surplus) deficit to reserves	-	(388,602)	63,277
<b>Operating fund surplus for the year</b>	\$ -	\$ -	\$ -

The operating surplus for the fiscal year ending December 31, 2014 was \$388,602 (2013 - deficit of \$63,277) of which \$12,651 surplus was recovered from the fire reserve and \$401,253 was transferred to the working capital reserve.

The water and sewer operations are made up of four local areas, the respective (deficits) surpluses for the fiscal year ended December 31, 2014 are listed below. Any surpluses are transferred to and deficits are funded by the respective local area reserve or reserve fund.

	2014	2013
South Dundas municipal water	\$ (159,581)	\$ (5,016)
Iroquois sewer	98,398	50,919
Morrisburg sewer	99,703	1,927
Williamsburg sewer	(82,944)	11,285
<b>Total water and sewer (deficit) surplus</b>	\$ (44,424)	\$ 59,115

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 11. WATER AND SEWER OPERATIONS

Water and sewer operations included in the schedule of the operating fund is summarized as follows:

	(Unaudited) BUDGET 2014	ACTUAL 2014	ACTUAL 2013
<b>Revenues</b>			
Taxation and local improvement charges	\$ 28,469	\$ 28,469	\$ 28,469
Fees and service charges	1,932,084	2,199,761	1,804,084
Grants	63,993	99,782	177,012
	2,024,546	2,328,012	2,009,565
<b>Expenditures, excluding amortization</b>	1,586,120	1,822,875	1,543,137
<b>Surplus for the year</b>	438,426	505,137	466,428
<b>Financing and transfers</b>			
Transfers to reserve and reserve funds	(149,426)	182,150	263,208
Net funds used for capital asset acquisitions and expenditures	(80,000)	(478,287)	(569,849)
Net change in municipal debt	(209,000)	(209,000)	(264,924)
Transfers from capital surplus	-	-	105,137
	(438,426)	(505,137)	(466,428)
<b>Change in fund balance</b>	\$ -	\$ -	\$ -

### 12. AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES

Amounts to be recovered from future taxation, local improvement charges and reserves are as follows:

	2014	2013
Net municipal debt	\$ 7,944,281	\$ 4,310,765
Accrued interest on municipal debt	71,309	72,016
Future employment benefits payable	6,374	26,911
Accrued landfill closure and post-closure	939,425	904,350
	\$ 8,961,389	\$ 5,314,042

Amounts are to be recovered from the following sources:

Reserves and reserve funds	\$ 6,374	\$ 26,911
General municipal revenues	939,425	904,350
User charges	7,824,780	4,136,170
Tile drain loans receivable	190,810	246,611
	\$ 8,961,389	\$ 5,314,042

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 13. RESERVES AND RESERVE FUNDS

	2014	2013
<b>Reserves set aside for specific purposes by Council are as follows:</b>		
Working capital	\$ 2,859,811	\$ 2,229,071
Water and sewer	1,264,375	1,204,000
Doctor recruitment	40,000	60,000
Elections	-	23,987
Sick leave and employment benefits	7,541	27,916
Planning and development	203,665	62,558
Recreation and facilities	139,117	193,841
Cemeteries and funeral assistance program	1,186	8,859
Social housing	3,706	6,521
Winter control	-	36,513
Landfill	142,393	100,000
Tax stabilization	87,527	39,987
Roads	205,186	12,500
	4,954,507	4,005,753
<b>Reserve funds set aside for specific purpose by legislation, regulation or agreement:</b>		
Equipment replacement	665,473	543,539
Water and sewer	477,387	699,275
Infrastructure	1,982,667	1,841,632
Fire	224,635	346,151
Other	173,032	323,879
	3,523,194	3,754,476
<b>Total reserves and reserve funds</b>	\$ 8,477,701	\$ 7,760,229

### 14. EXPENDITURES BY OBJECT

	(Unaudited) BUDGET 2014	ACTUAL 2014	ACTUAL 2013
Wages and benefits	\$ 3,254,567	\$ 3,519,404	\$ 3,168,814
Interest on municipal debt	144,014	239,966	195,211
Materials and services	3,212,210	3,545,618	2,931,748
Contracted services	1,270,218	1,162,876	1,390,796
Insurance and other financial costs	428,123	424,053	391,784
Third party transfers	77,981	67,981	67,623
Amortization	1,777,975	2,097,635	1,707,706
	\$ 10,165,088	\$ 11,057,533	\$ 9,853,682

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 15. PENSION AGREEMENTS

The Municipality is a member of the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer retirement plan. The plan is a contributory defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates pay. Employers and employee contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Municipality does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The employer amount contributed to OMERS for 2014 in the amount of \$243,755 (2013 - \$218,604) for current service and is included as an expenditure on the statement of financial activities

### 16. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$63,227 (2013 - \$63,075) have not been included in the Statement of Financial Activities.

### 17. BUDGET FIGURES

Budgets established for capital funds, reserves and reserve funds are based on a project-oriented basis, the costs of which may be carried out over one or more years.

### 18. CONTINGENCY

As a result of recent changes to the Workplace Safety and Insurance Act, the Municipality would be responsible to reimburse WSIB for disability payments under the revised regulations for work-related disabilities for firefighters. The estimated future benefit and administrative costs if claims are made are estimated at \$307,032. As at December 31, 2014 no claims have been filed.

### 19. SEGMENTED INFORMATION

The Municipality is responsible for providing a range of services to its citizens. For management reporting purposes the Municipality's operations and activities are organized and reported by department. These departments are reported by functional area in the body of the financial statements similar to reporting reflected in the Ontario Financial Information Return. These functional areas represent segments for the Municipality and expended disclosure by object has been reflected in the schedule of segmented disclosure.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

A brief description of each segment follows:

# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

### 19. SEGMENTED INFORMATION (Continued)

#### (a) General government

General government includes corporate services and governance of the Municipality. Administration as a segment includes operating and maintaining municipal owned buildings, human resource management, legal, communications, information systems and technology, support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status as well as frontline reception and customer service.

#### (b) Protection services

Protection services includes fire protection, conservation authority, protective inspection and control, and emergency measures. Fire protection includes inspection, extinguishing and suppression services, emergency medical first response, and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and dog control services.

#### (c) Transportation services

Transportation services includes administration and operation of traffic and parking services for the Municipality. In addition, services are provided for the winter and summer road maintenance along with the repair and construction of the municipal roads system including bridges and culverts, as well as operation and maintenance of a fleet of vehicles and equipment for use in providing services to the Municipality.

#### (d) Environmental services

Environmental services includes waste collection, disposal and recycling services, the operation of water and waste water facilities and infrastructure for the collection and distribution of both water and sewer services within the Municipality.

#### (e) Health and recreation

Health and recreation provides services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure programs and facilities including community halls, libraries, parks, recreation fields, and arenas.

#### (f) Planning and development

Planning and development manages development for business interests, environmental concerns, heritage matters, local neighbourhoods and community development. It also facilitates economic development by providing services for the approval of all land development plans and the application and enforcement of the zoning by-law and official plan.



# CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

## FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2014

### FINANCIAL ACTIVITIES (000's)

	2014	2013	2012	2011	2010
<b>Revenues</b>					
Taxation	\$ 5,598	\$ 5,407	\$ 5,645	\$ 5,393	\$ 5,145
Fees and service charges	3,345	2,979	2,700	3,041	2,886
Grants	1,256	1,421	1,538	1,369	1,216
Investment income	464	430	369	485	388
Permits and licenses	73	151	130	98	117
Donations and other revenue	58	7	65	20	12
Equity income	58	94	22	33	45
	10,852	10,489	10,469	10,439	9,809
<b>Expenses</b>					
General government	1,417	1,332	1,055	995	987
Protection to persons and property	1,228	1,104	1,091	1,105	696
Transportation services	2,690	2,173	2,408	2,222	2,161
Environmental	3,524	3,110	2,998	3,254	2,637
Health services	33	13	79	105	122
Recreation and cultural services	1,656	1,478	1,339	1,481	1,510
Planning and development	511	643	544	792	391
	11,059	9,853	9,514	9,954	8,504
<b>Net surplus (deficit)</b>					
before other items	(207)	636	955	485	1,305
<b>Other revenue for capital purposes</b>					
Deferred revenue earned	1,337	4,518	2,707	463	324
Grants	1,778	6,838	4,498	912	1,356
Disposal of tangible capital assets	(135)	(258)	85	(74)	(317)
	2,980	11,098	7,290	1,301	1,363
<b>Surplus for the year</b>	\$ 2,773	\$ 11,734	\$ 8,245	\$ 1,786	\$ 2,668

### PROPERTY TAXES BILLED (000's)

	2014	2013	2012	2011	2010
Own purposes	\$ 5,598	\$ 5,407	\$ 5,645	\$ 5,393	\$ 5,145
Upper-Tier Municipality	7,072	6,932	6,761	6,390	5,767
School Boards	5,740	5,701	5,628	5,700	5,714
	\$ 18,410	\$ 18,040	\$ 18,034	\$ 17,483	\$ 16,626

**CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS**  
**FIVE YEAR FINANCIAL REVIEW**

For the year ended December 31, 2014

**TAXABLE ASSESSMENT (000's)**

	2014	2013	2012	2011	2010
<b>Residential and farm</b>	\$ 1,042,949	\$ 973,115	\$ 893,829	\$ 833,650	\$ 781,065
<b>Commercial and industrial</b>	158,057	152,761	144,384	136,782	132,719
	1,201,006	1,125,876	1,038,213	970,432	913,784
<b>Exempt</b>	36,244	33,830	33,290	33,288	32,297
	\$ 1,237,250	\$ 1,159,706	\$ 1,071,503	\$ 1,003,720	\$ 946,081
<b>Commercial and industrial</b>	13.16%	13.57%	13.91%	14.09%	14.52%

**FINANCIAL INDICATORS**

	2014	2013	2012	2011	2010
<b>Tax arrears</b>					
Percentage of own levy	22 %	23 %	20 %	27 %	29 %
Percentage of total levy	7 %	7 %	6 %	8 %	8 %
<b>Municipal debt</b>	\$ 7,944,281	\$ 4,310,765	\$ 3,563,051	\$ 4,161,425	\$ 4,724,496
<b>Long-term debt charges</b>	\$ 402,223	\$ 425,115	\$ 703,402	\$ 712,917	\$ 722,864
<b>Sustainability</b>					
Financial assets to liabilities	1.08	1.05	0.81	0.98	0.72
Financial assets to liabilities excluding long-term debt to tangible capital assets	3.54 8.84 %	2.49 4.94 %	4.95 5.04 %	9.14 6.60 %	9.80 7.59 %
<b>Flexibility</b>					
Debt charges to total operating revenue	3.71 %	4.05 %	6.72 %	6.83 %	7.37 %
Total operating revenue to taxable assessment	8.77 %	9.05 %	16.16 %	11.47 %	11.84 %
<b>Vulnerability</b>					
Operating grants to operating revenue	11.57 %	13.55 %	15.21 %	13.51 %	12.77 %
Total grants to total revenues	21.93 %	27.42 %	33.99 %	19.43 %	23.02 %
<b>Reserve coverage</b>					
Reserves	\$ 4,954,507	\$ 4,005,753	\$ 4,631,063	\$ 3,986,731	\$ 4,103,632
Reserves to operating expenses	45 %	41 %	49 %	40 %	48 %
Reserves to working capital	0.82	0.84	1.44	0.79	1.04