
CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

FINANCIAL STATEMENTS

December 31, 2015

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

December 31, 2015

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CHARTERED PROFESSIONAL ACCOUNTANTS

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, 2015, 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, 2015, and its results of operations, its change in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

CKDM LLP

Cornwall, Ontario
August 16, 2016

Chartered Professional Accountants
Licensed Public Accountants

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

	2015	2014
NET FINANCIAL ASSETS		
Assets		
Cash	\$ 3,967,729	\$ 4,685,359
Taxes receivable	1,032,394	1,326,401
Accounts receivable	3,696,895	3,733,049
Long-term investments (Note 3)	2,375,672	2,421,237
Investment in Rideau St. Lawrence Holdings Inc. (Note 4)	1,874,972	1,784,713
	12,947,662	13,950,759
Liabilities		
Accounts payable	1,274,033	2,132,085
Accrued interest on municipal debt	66,404	71,309
Deferred revenue (Note 5)	1,297,334	1,435,973
Deferred revenue, obligatory reserve funds (Note 6)	321,846	377,445
Future employment benefits payable (Note 7)	6,318	6,374
Municipal debt (Note 8)	7,558,249	7,944,281
Accrued landfill closure and post closure costs (Note 9)	974,500	939,425
	11,498,684	12,906,892
Net Financial Assets	1,448,978	1,043,867
NON-FINANCIAL ASSETS		
Tangible capital assets	91,347,467	89,861,821
Inventory	217,480	144,247
	91,564,947	90,006,068
ACCUMULATED SURPLUS	\$ 93,013,925	\$ 91,049,935

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2015

	(Unaudited) BUDGET 2015	ACTUAL 2015	ACTUAL 2014
REVENUE			
Taxation (Note 1(a)(iii))	\$ 5,840,373	\$ 5,870,760	\$ 5,597,937
Fees and service charges	3,406,755	3,340,851	3,344,879
Grants	1,131,404	2,165,379	1,255,610
Investment income	235,000	437,267	463,926
Permits and licenses	94,800	117,400	72,536
Donations and other	-	24,510	57,937
Equity income from Rideau St. Lawrence Holdings Inc.	-	90,259	58,410
	10,708,332	12,046,426	10,851,235
EXPENSES			
General government	1,587,336	1,554,845	1,417,347
Protection to persons and property	1,186,339	1,097,628	1,227,897
Transportation services	2,708,744	2,721,938	2,689,777
Environmental services	3,524,458	3,761,159	3,523,578
Health services	37,788	37,468	32,637
Recreation and cultural services	1,630,698	1,558,768	1,655,664
Planning and development	414,271	527,685	510,633
	11,089,634	11,259,491	11,057,533
NET SURPLUS (DEFICIT) BEFORE OTHER ITEMS	(381,302)	786,935	(206,298)
OTHER REVENUE FOR CAPITAL PURPOSES			
Deferred revenue earned	323,161	436,202	1,336,522
Grants	302,929	568,947	1,778,229
Direct billings, donations and other	-	181,015	-
Loss on disposal of tangible capital assets	-	(9,109)	(134,943)
	626,090	1,177,055	2,979,808
ANNUAL SURPLUS	244,788	1,963,990	2,773,510
ACCUMULATED SURPLUS, beginning of year	91,049,935	91,049,935	88,276,425
ACCUMULATED SURPLUS, end of year	\$ 91,294,723	\$ 93,013,925	\$ 91,049,935

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2015

	(Unaudited) BUDGET 2015	ACTUAL 2015	ACTUAL 2014
Annual surplus	\$ 244,788	\$ 1,963,990	\$ 2,773,510
Amortization of tangible capital assets	2,182,908	2,170,313	2,097,636
Acquisition of tangible capital assets	(3,078,298)	(3,684,514)	(4,768,786)
Loss on disposal of tangible capital assets	-	9,109	134,943
Proceeds on disposal of tangible capital assets	-	19,446	-
Change in inventory	-	(73,233)	11,877
Increase in net financial assets	(650,602)	405,111	249,180
Net financial assets, beginning of year	1,043,867	1,043,867	794,687
Net financial assets, end of year	\$ 393,265	\$ 1,448,978	\$ 1,043,867

See Accompanying Notes

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

	2015	2014
CASH FROM OPERATING ACTIVITIES		
Annual surplus	\$ 1,963,990	\$ 2,773,510
Items not affecting cash or equivalent		
Amortization expense	2,170,313	2,097,636
Loss on disposal of tangible capital assets	9,109	134,943
Changes in non-cash working capital balances		
Taxes receivable	294,007	(67,547)
Accounts receivable	36,154	1,571,520
Accounts payable	(858,052)	(2,353,079)
Accrued interest on municipal debt	(4,905)	(707)
Deferred revenue	(138,639)	(1,067,410)
Deferred revenue - obligatory reserve funds	(55,599)	68,516
Future employment benefits payable	(56)	(20,537)
Landfill closure and post closure costs	35,075	35,075
Inventory	(73,233)	11,879
	3,378,164	3,183,799
CASH (USED IN) FROM FINANCING ACTIVITIES		
Proceeds from municipal debt	102,400	4,000,000
Repayment of municipal debt	(488,432)	(366,484)
	(386,032)	3,633,516
CASH USED IN INVESTING ACTIVITIES		
Decrease in long term investments	45,565	35,910
Increase in investment in Rideau St. Lawrence Holdings Inc.	(90,259)	(58,410)
	(44,694)	(22,500)
CASH USED IN CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,684,514)	(4,768,786)
Proceeds on sale of tangible capital assets	19,446	-
	(3,665,068)	(4,768,786)
(DECREASE) INCREASE IN CASH	(717,630)	2,026,029
CASH, beginning of year	4,685,359	2,659,330
CASH, end of year	\$ 3,967,729	\$ 4,685,359
REPRESENTED BY :		
Cash	\$ 3,967,729	\$ 4,685,359

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS
SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2015

	Land and land improvements	Buildings	Vehicles	Equipment	Plants and facilities	Roads	Water and sewer	Bridges	Assets under construction	2015	2014
Cost											
Balance, beginning of year	\$ 1,720,552	\$ 11,193,000	\$ 5,431,457	\$ 1,461,819	\$ 60,187,552	\$ 16,645,922	\$ 7,711,805	\$ 5,431,571	\$ 330,638	\$ 110,114,316	\$ 105,518,176
Additions during the year	138,395	194,486	771,944	158,462	910,424	1,142,468	31,831	-	336,504	3,684,514	4,768,786
Disposals during the year	-	-	31,689	-	-	63,962	-	-	-	95,651	172,646
Balance, end of year	1,858,947	11,387,486	6,171,712	1,620,281	61,097,976	17,724,428	7,743,636	5,431,571	667,142	113,703,179	110,114,316
Accumulated amortization											
Balance, beginning 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	18,192,562
Amortization during the year	7,278	300,794	299,874	106,966	552,544	456,182	368,035	78,640	-	2,170,313	2,097,636
Amortization on disposals	-	-	31,689	-	-	35,407	-	-	-	67,096	37,703
Balance, end of year	177,144	3,039,621	3,319,007	1,005,968	5,161,860	5,114,003	2,835,118	1,702,991	-	22,355,712	20,252,495
Net book value	\$ 1,681,803	\$ 8,347,865	\$ 2,852,705	\$ 614,313	\$ 55,936,116	\$ 12,610,425	\$ 4,908,518	\$ 3,728,580	\$ 667,142	\$ 91,347,467	\$ 89,861,821

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS
SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2015

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Recreation	Planning and Development	2015	2014
Cost								
Balance, beginning 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
Additions during the year	82,331	-	1,914,411	942,256	409,012	-	3,348,010	23,314,520
Disposals during the year	-	-	95,651	-	-	-	95,651	172,646
Assets in service, end of year	6,271,863	3,571,577	28,961,672	69,310,120	4,872,924	47,881	113,036,037	109,783,678
Assets under construction	-	-	-	31,831	-	635,311	667,142	330,638
Balance, end of year	6,271,863	3,571,577	28,961,672	69,341,951	4,872,924	683,192	113,703,179	110,114,316
Accumulated Amortization								
Balance, beginning of year	437,998	1,967,705	9,024,405	7,172,626	1,626,355	23,406	20,252,495	18,192,562
Amortization during the year	138,415	164,216	753,364	969,781	136,557	7,980	2,170,313	2,097,636
Amortization on disposals	-	-	67,096	-	-	-	67,096	37,703
Balance, end of year	576,413	2,131,921	9,710,673	8,142,407	1,762,912	31,386	22,355,712	20,252,495
Net book value	\$ 5,695,450	\$ 1,439,656	\$ 19,250,999	\$ 61,199,544	\$ 3,110,012	\$ 651,806	\$ 91,347,467	\$ 89,861,821

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

SCHEDULE OF ACCUMULATED SURPLUS

For the year ended December 31, 2015

	2015	2014
Operating (deficits) surpluses		
Operating surplus (Note 10)	\$ -	\$ -
Water and sewer surplus (Note 11)	-	-
Local board surplus, Morrisburg Business Improvement Area	11,378	19,689
Unfunded capital projects	(1,351,157)	(759,208)
Surplus for future capital asset acquisitions	-	435,798
Investment in Rideau St. Lawrence Holdings Inc.	1,874,972	1,784,713
Liabilities to be recovered from future revenues (Note 12)		
Accrued interest on municipal debt	(66,404)	(71,309)
Future employment benefits payable	(6,318)	(6,374)
Accrued landfill closure and post closure	(974,500)	(939,425)
Total operating (deficit) surplus	(512,029)	463,884
Reserves and reserve funds (Note 13)		
Reserves	6,178,753	4,954,507
Reserve funds	3,292,522	3,523,194
Total reserves and reserve funds	9,471,275	8,477,701
Invested in tangible capital assets		
Tangible capital assets	91,347,467	89,861,821
Less: related municipal debt	(7,292,788)	(7,753,471)
Total invested in tangible capital assets	84,054,679	82,108,350
ACCUMULATED SURPLUS	\$ 93,013,925	\$ 91,049,935

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS
SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS

For the year ended December 31, 2015

	Operating (Deficits) Surpluses	Reserves and Reserve Funds	Invested in Capital Assets	2015	2014
Balance, beginning of year	\$ 463,884	\$ 8,477,701	\$ 82,108,350	\$ 91,049,935	\$ 88,276,425
Annual surplus	1,831,567	132,423	-	1,963,990	2,773,510
Reserves and reserve funds transferred from operations	(2,157,731)	2,157,731	-	-	-
Reserves and reserve funds used for capital acquisitions	1,296,580	(1,296,580)	-	-	-
Acquisition of tangible capital assets	(3,684,514)	-	3,684,514	-	-
Disposal of tangible capital assets	28,555	-	(28,555)	-	-
Annual amortization expense	2,170,313	-	(2,170,313)	-	-
Proceeds from municipal debt	102,400	-	(102,400)	-	-
Repayment of municipal debt related to capital	(563,083)	-	563,083	-	-
Change in accumulated surplus	(975,913)	993,574	1,946,329	1,963,990	2,773,510
Balance, end of year	\$ (512,029)	\$ 9,471,275	\$ 84,054,679	\$ 93,013,925	\$ 91,049,935



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS
SCHEDULE OF SEGMENTED DISCLOSURE

For the year ended December 31, 2015

	General Government	Protection Services	Transportation Services	Environmental Services	Water and Sewer Services	Health Services	Recreation and Cultural Services	Planning and Development	2015	2014
REVENUE										
Taxation	\$ 1,214,723	\$ 795,629	\$ 2,097,296	\$ 654,542	\$ 42,600	\$ 12,319	\$ 733,998	\$ 319,653	\$ 5,870,760	\$ 5,597,937
Fees and service charges	239,827	81,517	28,444	140,427	2,203,758	68,633	481,384	96,861	3,340,851	3,344,879
Grants	968,532	2,371	921,572	86,205	78,842	-	19,712	88,145	2,165,379	1,255,610
Investment income	437,267	-	-	-	-	-	-	-	437,267	463,926
Permits and licenses	22,940	-	2,325	-	-	-	-	92,135	117,400	72,536
Donations and other	-	20,000	-	-	-	-	4,510	-	24,510	57,937
Equity income	90,259	-	-	-	-	-	-	-	90,259	58,410
	2,973,548	899,517	3,049,637	881,174	2,325,200	80,952	1,239,604	596,794	12,046,426	10,851,235
EXPENSES										
Wages and benefits	750,999	507,531	1,003,895	108,296	523,062	-	587,903	188,218	3,669,904	3,519,404
Interest on municipal debt	128,718	-	-	-	139,686	37,468	-	14,655	320,527	239,966
Materials and services	368,282	278,604	667,373	157,952	1,054,773	-	726,746	312,138	3,565,868	3,545,618
Contracted services	12,251	35,051	260,634	508,763	164,605	-	73,748	1,791	1,056,843	1,162,876
Insurance and financial costs	156,180	39,302	36,672	-	134,241	-	33,814	2,903	403,112	424,053
Third party transfers	-	72,924	-	-	-	-	-	-	72,924	67,980
Amortization	138,415	164,216	753,364	-	969,781	-	136,557	7,980	2,170,313	2,097,636
	1,554,845	1,097,628	2,721,938	775,011	2,986,148	37,468	1,558,768	527,685	11,259,491	11,057,533
SURPLUS (DEFICIT) BEFORE OTHER ITEMS	1,418,703	(198,111)	327,699	106,163	(660,948)	43,484	(319,164)	69,109	786,935	(206,298)
OTHER REVENUE FOR CAPITAL PURPOSES										
Deferred revenue earned	-	-	308,347	-	69,253	-	58,602	-	436,202	1,336,522
Grants	-	-	76,610	-	492,337	-	-	-	568,947	1,778,229
Donations and other	-	-	-	-	-	-	181,015	-	181,015	-
Loss on disposal of tangible capital assets	-	(9,109)	-	-	-	-	-	-	(9,109)	(134,943)
	-	(9,109)	384,957	-	561,590	-	239,617	-	1,177,055	2,979,808
ANNUAL SURPLUS (DEFICIT)	\$ 1,418,703	\$ (207,220)	\$ 712,656	\$ 106,163	\$ (99,358)	\$ 43,484	\$ (79,547)	\$ 69,109	\$ 1,963,990	\$ 2,773,510

See Accompanying Notes
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CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

DESCRIPTION OF ORGANIZATION

The Corporation of the Municipality of South Dundas is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The basis of accounting under PSAB states that revenue and expenditures are reported on the accrual basis of accounting, which recognizes revenue as they are earned and measurable; expenditures are recognized as they are incurred and measurable, as a result of receipt of goods or services.

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

(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' statement of financial position and statement of continuity.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Fund accounting

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

(c) Taxation and related revenues

Property tax billings are issued by the Municipality based on assessment rolls prepared by the Municipal Property Assessment Corporation ("MPAC") and collects property tax revenue for municipal purposes, provincial education taxes on behalf of the Province of Ontario, payment in lieu of taxation, local improvements and other charges. The authority to levy and collect property taxes is established under the *Municipal Act 2001*, the *Assessment Act*, the *Education Act* and other legalisation.

Taxation revenue consists of non-exchange transactions and is recognized in the period to which the assessment relates and a reasonable estimate of the amounts can be made. Annual taxation revenue also includes adjustments related to reassessments and appeals to prior years' assessments. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(d) Government grants

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

(e) Government transfer payments

Government transfer payments, which include legislative grants, are recognized in the financial statements in the period which the events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimated of the amount can be determined.

(f) Fees and services and other revenues

Fees and services and other revenues are recognized when the activity is performed or when the services are rendered. Examples include, but are not limited to, water and waste water charges, solid waste tipping fees, licensing fees, permits, and other fees from various recreation programs and facilities.

(g) Investment income

Investment income earned on surplus funds and dividends received are reported as revenue in the period earned. Investment income earned on obligatory funds such as parkland allowances and gas tax funds is added to the associated funds and forms part of the respective deferred revenue, obligatory reserve fund balances.

(h) Cash and cash equivalents

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

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Long-term investments

Long-term investments are recorded at cost. Temporary declines in the market value of these investments are not adjusted.

(j) 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 fiscal year the expenditure incurred.

(k) Deferred revenue, obligatory reserve funds

The Municipality receives restricted contributions under the authority of federal and provincial legislations. These funds by their nature are restricted in their use and are recorded as deferred revenue until applied to applicable costs. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(l) Future employee benefits payable

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.

(m) Accrued landfill closure and post closure costs

The Municipality accrues landfill closure costs which includes final covering and landscaping of the site, pumping of ground water and leachates from the site and ongoing environmental monitoring, site inspection and maintenance. The reported liabilities have been recognized based on the landfill site's capacity usage, management's best estimate of future expenditures, long-term inflation rates and discount rates. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liabilities, which would be recognized prospectively, as a change in estimates, when applicable.

(n) Reserves and reserve funds

Reserves and reserve funds are comprised of funds set aside for specific purposes by Council and funds set aside for specific purposes by legislation, regulation or agreement. For financial reporting purposes, reserve funds set aside by legislation, regulation or agreement are reported as deferred revenue, obligatory reserve funds on the statement of financial position. Other reserve funds and reserves are presented as part of the Municipality's accumulated surplus. Transfers to and from reserves and reserve funds are an adjustment to the respective fund when approved.

(o) 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.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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, the estimated future landfill closure and post closure costs, and the estimated liability for remediation of contaminated sites. Actual results could differ from these estimates.

(q) 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.

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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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.

(r) Liability for contaminated sites

A liability for contaminated sites arises when contamination is being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the municipality is directly responsible, or accepts responsibility to remediate the site;
- iv. the municipality expects that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made.

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites. The liability estimate includes costs that are directly attributable to the remediation activities and includes integral post-remediation operation, maintenance and monitoring costs that are a part of the remediation strategy for the contaminated site. The costs that would be included in a liability are:

- costs directly attributable to remediation activities (for example, payroll and benefits, equipment and facilities, materials, and legal and other professional services); and
- costs of tangible capital assets acquired as part of remediation activities to the extent they have no other alternative use.

The measurement of a liability is based on estimates and professional judgment. The liability is recorded net of any expected recoveries. The carrying amount of a liability is reviewed at each financial reporting date with any revisions to the amount previously recognized accounted for in the period in which revisions are made.

A contingency is disclosed if all of the above criteria are not met.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

2. CHANGE IN ACCOUNTING POLICY

Liability for Contaminated Sites, PS 3260 is effective for year-ends beginning on or after April 1, 2014. PS 3260 provides comprehensive guidance on the recognition, measurement and disclosure of liabilities relating to contaminations for non-productive sites. The standard requires the recognition of a liability for the remediation of contaminated sites in the financial statements when the recognition criteria outlined in the standard is met. No liability is presented in the financial statements since all of the recognition criteria were not met by the Municipality as at December 31, 2015.

3. LONG-TERM INVESTMENTS

	2015	2014
Promissory note, Rideau St. Lawrence Holdings Inc., 4.49% interest no specific terms of repayment, unsecured	\$ 938,352	\$ 938,352
South Dundas Water Plant debentures, 5.5% interest, repayable in annual payments of \$23,889, due 2026, secured by property	193,320	205,885
South Dundas Water Plant, long-term growth receivable, 5% interest no specific terms of repayment, unsecured	1,244,000	1,277,000
	\$ 2,375,672	\$ 2,421,237

4. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC.

	2015	2014
Investment, beginning of year	\$ 1,784,713	\$ 1,726,303
Equity change due to conversion to International Financial Reporting Standards ("IFRS")	58,673	-
Share of net income for the year	85,396	112,220
Dividends received	(53,810)	(53,810)
Investment, end of year	\$ 1,874,972	\$ 1,784,713

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

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

4. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC. (Continued)

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

Financial Position

	2015	2014
Current assets	\$ 4,404,155	\$ 4,450,307
Deferred taxes	172,923	-
Capital	6,875,202	6,242,739
Regulatory deferrals	575,960	551,685
Total Assets	12,028,240	11,244,731
Current liabilities	4,773,135	4,288,710
Long-term portion of customer deposits	262,561	150,215
Contributions in aid of construction	34,722	-
Long-term debt	1,090,169	1,295,800
Regulatory deferrals	292,358	203,080
Total Liabilities	6,452,945	5,937,805
Shareholders' Equity	\$ 5,575,295	\$ 5,306,926

Financial Activities

	2015	2014
Total revenue	\$ 16,630,827	\$ 15,401,904
Total expenses	16,376,899	15,068,213
Net Income	\$ 253,928	\$ 333,691
Municipality share of net income (33.63%)	\$ 85,396	\$ 112,220

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

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	2015	2014
Balance, beginning of year	\$ 279,177	\$ 1,156,796	\$ 1,435,973	\$ 2,503,383
Interest earned	6,096	3,360	9,456	23,722
Utilized for operating purposes	(78,842)	-	(78,842)	(70,024)
Utilized for capital acquisitions	-	(69,253)	(69,253)	(1,021,108)
Balance, end of year	\$ 206,431	\$ 1,090,903	\$ 1,297,334	\$ 1,435,973

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	2015	2014
Balance, beginning of year	\$ 175,311	\$ 202,134	\$ 377,445	\$ 308,928
Grants received	312,545	-	312,545	312,545
Prepaid special charges	-	14,100	14,100	60,615
Interest earned	947	752	1,699	10,771
Utilized for operating purposes	-	(16,994)	(16,994)	-
Utilized for capital acquisitions	(308,347)	(58,602)	(366,949)	(315,414)
Balance, end of year	\$ 180,456	\$ 141,390	\$ 321,846	\$ 377,445

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 \$6,374 (2014 - \$6,374).

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

8. MUNICIPAL DEBT

	2015	2014
Loan Payable, 3.35% interest, repayable in monthly payments of \$16,667 plus interest, due September 2034, South Dundas Municipal Centre	\$ 3,750,000	\$ 3,950,000
Loan payable, 3.9% interest, repayable in semi-annual payments of \$25,841 plus interest, due November 2033, Iroquois Medical Centre	930,288	981,971
Loan payable, 4.75% interest, repayable in semi-annual payments of \$104,500 plus interest, due 2028, South Dundas Municipal Water Plant	2,612,500	2,821,500
Tile drain loans, interest between 6% and 8%, repayable over a ten year period in blended annual payments between \$163 and \$6,793, due between one year and ten years	265,461	190,810
	\$ 7,558,249	\$ 7,944,281

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

	2016	\$ 497,866	
	2017	496,401	
	2018	488,572	
	2019	486,780	
	2020	486,621	
	Thereafter	5,102,009	
		\$ 7,558,249	

Principal payments are payable from the following sources as follows:

	2016 to 2020	2021 to 2035
General municipal revenues	\$ 775,000	\$ 2,165,000
User charges	1,528,414	2,824,374
Tile drain loans receivable	152,826	112,635
	\$ 2,456,240	\$ 5,102,009

9. ACCRUED LANDFILL CLOSURE AND POST CLOSURE COSTS

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 \$974,500 (2014 - \$939,425) 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, 2015

10. OPERATING SURPLUS

The unaudited budget figures presented in these financial statements are based upon the 2015 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 2015	ACTUAL 2015	ACTUAL 2014
Annual Surplus	\$ 244,788	\$ 1,963,990	\$ 2,773,510
Change in local board surpluses for the year	-	8,311	12,635
Proceeds from the issue of municipal debt	-	-	4,000,000
Net transfers to reserves and reserve funds	(817,814)	(2,071,985)	(233,041)
Transfers from reserves and reserve funds for capital purposes	1,306,027	1,449,014	-
Acquisition of tangible capital assets	(3,078,298)	(3,684,514)	(4,768,786)
Amortization of tangible capital assets	2,182,908	2,170,313	2,097,636
Municipal debt principal repayments	(460,683)	(460,683)	(310,683)
Change in surplus for future capital acquisitions	623,072	1,027,744	(3,177,204)
Revenue earned in reserves and reserve funds	-	(132,421)	(140,253)
Equity change of Rideau St. Lawrence Holdings Inc.	-	(70,813)	(58,410)
Accrued landfill closure and post closure costs	-	35,075	35,075
Retirement benefits and accrued interest	-	(4,961)	(21,244)
Loss on disposal of tangible capital assets	-	9,109	134,943
Surplus for the year before year-end transfers	-	238,179	344,178
Transfer from reserves and reserve funds to fund water and sewer operating deficits	-	4,852	44,424
Transfer of operating surplus to reserves	-	(243,031)	(388,602)
Operating fund surplus for the year	\$ -	\$ -	\$ -

The operating surplus for the fiscal year ending December 31, 2015 was \$243,031 (2014 - \$388,602) of which \$80,833 was transferred to the fire reserve, \$9,765 was transferred to the winter control reserve and \$152,433 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, 2015 are listed below. Any surpluses are transferred to and deficits are funded by the respective local area reserve or reserve fund.

	2015	2014
South Dundas municipal water	\$ 55,090	\$ (159,581)
Iroquois sewer	(58,850)	98,398
Morrisburg sewer	(19,421)	99,703
Williamsburg sewer	18,329	(82,944)
Total water and sewer deficit	\$ (4,852)	\$ (44,424)

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

11. WATER AND SEWER OPERATIONS

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

	(Unaudited) BUDGET 2015	ACTUAL 2015	ACTUAL 2014
Revenues			
Taxation and local improvement charges	\$ 43,575	\$ 42,600	\$ 28,469
Fees and service charges	2,437,412	2,203,758	2,199,761
Grants	58,354	78,842	99,782
	2,539,341	2,325,200	2,328,012
Expenditures, excluding amortization	1,828,672	2,016,367	1,822,875
Surplus for the year	710,669	308,833	505,137
Financing and transfers			
Transfers from reserve and reserve funds	31,831	249,001	182,150
Net funds used for capital asset acquisitions and expenditures	(533,500)	(348,834)	(478,287)
Net change in municipal debt	(209,000)	(209,000)	(209,000)
	(710,669)	(308,833)	(505,137)
Change in fund balance	\$ -	\$ -	\$ -

12. AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES

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

	2015	2014
Net municipal debt	\$ 7,558,249	\$ 7,944,281
Accrued interest on municipal debt	66,404	71,309
Future employment benefits payable	6,318	6,374
Accrued landfill closure and post-closure	974,500	939,425
	\$ 8,605,471	\$ 8,961,389

Amounts are to be recovered from the following sources:

Reserves and reserve funds	\$ 339,487	\$ 148,767
General municipal revenues	2,940,000	2,985,000
User charges	5,060,523	5,636,812
Tile drain loans receivable	265,461	190,810
	\$ 8,605,471	\$ 8,961,389

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

13. RESERVES AND RESERVE FUNDS

	2015	2014
Reserves set aside for specific purposes by Council are as follows:		
Working capital	\$ 2,895,622	\$ 2,859,811
Water and sewer	1,044,280	1,264,375
Doctor recruitment	-	40,000
Sick leave and employment benefits	8,508	7,541
Planning and development	53,037	203,665
Recreation and facilities	284,005	139,117
Cemeteries and funeral assistance program	4,433	1,186
Social housing	2,857	3,706
Roads	638,371	205,186
Landfill	333,169	142,393
Tax stabilization	77,373	87,527
Winter control	148,269	-
Elections	8,328	-
Treasury	52,380	-
Protection to persons and property	112,694	-
Future debenture payments	510,427	-
Accessibility	5,000	-
	6,178,753	4,954,507
Reserve funds set aside for specific purpose by legislation, regulation or agreement:		
Equipment replacement	269,094	665,473
Water and sewer	480,172	477,387
Infrastructure	2,089,782	1,982,667
Fire	220,828	224,635
Other	213,210	173,032
EDP community benefits	19,436	-
	3,292,522	3,523,194
Total reserves and reserve funds	\$ 9,471,275	\$ 8,477,701

14. 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 2015 in the amount of \$250,983 (2014 - \$243,755) for current service and is included as an expenditure on the statement of financial activities.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

15. EXPENDITURES BY OBJECT

	(Unaudited) BUDGET 2015	ACTUAL 2015	ACTUAL 2014
Wages and benefits	\$ 3,621,589	\$ 3,669,904	\$ 3,519,404
Interest on municipal debt	320,599	320,527	239,966
Materials and services	3,266,021	3,565,868	3,545,618
Contracted services	1,197,082	1,056,843	1,162,876
Insurance and other financial costs	432,073	403,112	424,053
Third party transfers	69,362	72,924	67,980
Amortization	2,182,908	2,170,313	2,097,636
	\$ 11,089,634	\$ 11,259,491	\$ 11,057,533

16. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$69,317 (2014 - \$65,677) 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. CONTINGENCIES

The Municipality identified one parcel of land that is non-productive or partially productive for PS 3260 purposes, liability for contaminated sites, that could be environmentally impacted. The estimated cost of undertaking various types of Environmental Site Assessments is unknown. A liability has not been recorded in these financial statements because the Municipality's expectation of future economic benefits being given up to remediate this site is unlikely and the liability cost of remediation cannot be determined.

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 is unknown. As at December 31, 2015 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.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

19. SEGMENTED INFORMATION (Continued)

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:

(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 include 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 include 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 include waste collection, disposal and recycling services, the operation of landfill sites and water and waste water facilities and the related 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) Recreation and cultural services

Recreation and cultural services provide services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure programs and facilities including parks, recreation programs, recreation facilities, libraries, museums and other cultural services and activities.

(g) 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, 2015

FINANCIAL ACTIVITIES (000's)

	2015	2014	2013	2012	2011
Revenues					
Taxation	\$ 5,871	\$ 5,598	\$ 5,407	\$ 5,645	\$ 5,393
Fees and service charges	3,341	3,345	2,979	2,700	3,041
Grants	2,165	1,256	1,421	1,538	1,369
Investment income	437	464	430	369	485
Permits and licenses	117	73	151	130	98
Donations and other revenue	25	58	7	65	20
Equity income	90	58	94	22	33
	12,046	10,852	10,489	10,469	10,439
Expenses					
General government	1,555	1,417	1,332	1,055	995
Protection to persons and property	1,098	1,228	1,104	1,091	1,105
Transportation services	2,722	2,690	2,173	2,408	2,222
Environmental	3,761	3,524	3,110	2,998	3,254
Health services	37	33	13	79	105
Recreation and cultural services	1,559	1,656	1,478	1,339	1,481
Planning and development	528	511	643	544	792
	11,260	11,059	9,853	9,514	9,954
Annual surplus (deficit)					
before other items	786	(207)	636	955	485
Other revenue for capital purposes					
Deferred revenue earned	436	1,337	4,518	2,707	463
Grants	569	1,778	6,838	4,498	912
Donations and other	181	-	-	-	-
Disposal of tangible capital assets	(9)	(135)	(258)	85	(74)
	1,177	2,980	11,098	7,290	1,301
Annual surplus	\$ 1,963	\$ 2,773	\$ 11,734	\$ 8,245	\$ 1,786

PROPERTY TAXES BILLED (000's)

	2015	2014	2013	2012	2011
Own purposes	\$ 5,871	\$ 5,598	\$ 5,407	\$ 5,645	\$ 5,393
Upper-Tier Municipality	7,258	7,072	6,932	6,761	6,390
School Boards	5,883	5,740	5,701	5,628	5,700
	\$ 19,012	\$ 18,410	\$ 18,040	\$ 18,034	\$ 17,483

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2015

TAXABLE ASSESSMENT (000's)

	2015	2014	2013	2012	2011
Residential and farm	\$ 1,118,171	\$ 1,042,949	\$ 973,115	\$ 893,829	\$ 833,650
Commercial and industrial	167,482	158,057	152,761	144,384	136,782
	1,285,653	1,201,006	1,125,876	1,038,213	970,432
Exempt	39,301	36,244	33,830	33,290	33,288
	\$ 1,324,954	\$ 1,237,250	\$ 1,159,706	\$ 1,071,503	\$ 1,003,720
Commercial and industrial	13.03%	13.16%	13.57%	13.91%	14.09%

FINANCIAL INDICATORS

	2015	2014	2013	2012	2011
Tax arrears					
Percentage of own levy	18 %	24 %	25 %	20 %	27 %
Percentage of total levy	5 %	7 %	7 %	6 %	8 %
Municipal debt	\$ 7,558,249	\$ 7,944,281	\$ 4,310,765	\$ 3,563,051	\$ 4,161,425
Long-term debt charges	\$ 781,210	\$ 550,649	\$ 481,155	\$ 721,655	\$ 748,352
Sustainability					
Financial assets to liabilities	1.13	1.08	0.61	0.42	0.39
Financial assets to liabilities excluding long-term debt	2.81	2.45	1.73	1.73	1.66
Long-term debt to tangible capital assets	8.27 %	8.84 %	4.94 %	5.04 %	6.60 %
Flexibility					
Debt charges to total operating revenue	6.49 %	5.07 %	4.59 %	6.89 %	7.17 %
Total operating revenue to taxable assessment	9.09 %	8.77 %	8.76 %	9.44 %	10.10 %
Vulnerability					
Operating grants to operating revenue	17.98 %	11.57 %	14.00 %	15.21 %	13.51 %
Total grants to total revenues	23.97 %	31.60 %	59.19 %	49.23 %	23.37 %
Reserve coverage					
Reserves	\$ 6,178,753	\$ 4,954,507	\$ 4,005,753	\$ 4,631,063	\$ 3,986,731
Reserves to operating expenses	55 %	45 %	41 %	49 %	40 %
Reserves to working capital	1.01	0.82	0.84	1.44	0.79