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**THE CORPORATION OF  
THE TOWNSHIP OF JOLY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

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**THE CORPORATION OF THE TOWNSHIP OF JOLY**  
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# Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Joly

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Joly which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Joly as at December 31, 2015, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

North Bay, Canada  
April 12, 2016

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF JULY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash	\$ 249,551	\$ 211,809
Investments <i>(Note 5)</i>	125,532	124,641
Taxes receivable	112,928	138,007
Accounts receivable	121,860	192,512
Inventories held for resale	5,311	2,610
	<b>615,182</b>	<b>669,579</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	200,280	379,313
Deferred revenue-general <i>(Note 6)</i>	1,262	1,753
Deferred revenue-obligatory reserve funds <i>(Note 7)</i>	29,351	25,072
Municipal debt <i>(Note 8)</i>	64,332	74,391
Employee benefits payable <i>(Note 10)</i>	22,262	29,417
	<b>317,487</b>	<b>509,946</b>
<b>NET FINANCIAL ASSETS</b>	<b>297,695</b>	<b>159,633</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>(Note 13)</i>	2,749,716	2,795,780
Inventories of supplies	36,087	15,025
Prepaid expenses	17,004	14,948
	<b>2,802,807</b>	<b>2,825,753</b>
<b>ACCUMULATED SURPLUS</b> <i>(Note 14)</i>	<b>\$ 3,100,502</b>	<b>\$ 2,985,386</b>

Contingencies *(Notes 3 and 12)*  
Contractual Obligations *(Note 11)*

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

**THE CORPORATION OF THE TOWNSHIP OF JULY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget 2015 <i>(see Note 16)</i>	Actual 2015	Actual 2014
<b>REVENUE</b>			
Property taxes	\$ 575,786	\$ 595,795	\$ 544,794
User charges	13,893	13,670	13,576
Government transfers	507,097	254,456	1,242,547
Other	71,566	121,243	86,661
<b>TOTAL REVENUE</b>	<b>1,168,342</b>	<b>985,164</b>	<b>1,887,578</b>
<b>EXPENSES</b>			
General government	265,826	283,816	290,550
Protection to persons and property	81,486	62,693	75,541
Transportation services	427,045	349,395	423,400
Environmental services	20,910	20,918	20,511
Health services	64,451	64,641	64,273
Social and family services	38,243	38,359	34,269
Recreation and cultural services	44,334	40,203	40,938
Planning and development	21,892	10,023	6,512
<b>TOTAL EXPENSES</b>	<b>964,187</b>	<b>870,048</b>	<b>955,994</b>
<b>ANNUAL SURPLUS</b> <i>(Note 14)</i>	<b>204,155</b>	<b>115,116</b>	<b>931,584</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>2,985,386</b>	<b>2,985,386</b>	<b>2,053,802</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 3,189,541</b>	<b>\$ 3,100,502</b>	<b>\$ 2,985,386</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF JOLY**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget 2015 <i>(see Note 16)</i>	Actual 2015	Actual 2014
Annual surplus	\$ 204,155	\$ 115,116	\$ 931,584
Acquisition of tangible capital assets	(343,006)	(79,759)	(1,169,469)
Contributed tangible capital assets	-	(97,160)	(35,315)
Amortization of tangible capital assets	166,001	166,276	167,321
Accumulated amortization- contributed tangible capital assets	-	31,429	14,683
Loss on disposal of tangible capital assets	-	24,878	41,419
Proceeds from disposal of tangible capital assets	-	400	-
Change in supplies inventories	-	(21,062)	(15,025)
Change in prepaid expenses	-	(2,056)	(14,139)
<b>Increase (decrease) in net financial assets</b>	<b>27,150</b>	<b>138,062</b>	<b>(78,941)</b>
<b>Net financial assets, beginning of year</b>	<b>159,633</b>	<b>159,633</b>	<b>238,574</b>
<b>Net financial assets, end of year</b>	<b>\$ 186,783</b>	<b>\$ 297,695</b>	<b>\$ 159,633</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF JOLY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
<b>Operating transactions</b>		
Annual surplus	\$ 115,116	\$ 931,584
Non-cash charges to operations:		
Amortization	166,276	167,321
Loss on disposal of tangible capital assets	24,878	41,419
Change in employee benefits payable	(7,155)	897
	299,115	1,141,221
Changes in non-cash items:		
Taxes receivable	25,079	(32,462)
Accounts receivable	70,652	(173,976)
Inventories held for resale	(2,701)	(2,301)
Accounts payable and accrued liabilities	(179,033)	281,328
Deferred revenue-general	(491)	(640,566)
Deferred revenue-obligatory reserve funds	4,279	25,072
Inventories of supplies	(21,062)	(15,025)
Prepaid expenses	(2,056)	(14,139)
	(105,333)	(572,069)
Cash provided by operating transactions	193,782	569,152
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(79,759)	(1,169,469)
Contributed tangible capital assets	(97,160)	(35,315)
Accumulated amortization – contributed tangible capital assets	31,429	14,683
Proceeds from disposal of tangible capital assets	400	-
Cash applied to capital transactions	(145,090)	(1,190,101)
<b>Investing transactions</b>		
Change in investments	(891)	(21,438)
Cash applied to investing transactions	(891)	(21,438)
<b>Financing transactions</b>		
Debt principal repayments	(10,059)	(9,750)
Cash applied to financing transactions	(10,059)	(9,750)
<b>Net change in cash</b>	<b>37,742</b>	<b>(652,137)</b>
<b>Cash, beginning of year</b>	<b>211,809</b>	<b>863,946</b>
<b>Cash, end of year</b>	<b>\$ 249,551</b>	<b>\$ 211,809</b>
<b>Cash flow supplementary information:</b>		
Cash paid for interest	\$ 2,179	\$ 2,487

The accompanying notes are an integral part of these financial statements



# THE CORPORATION OF THE TOWNSHIP OF JOLY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

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The consolidated financial statements of the Corporation of the Township of Joly (the "Municipality") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenue, expenses and accumulated surplus balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

#### (i) Proportionally consolidated entities

The following joint boards and committees are proportionally consolidated:

- Sundridge and District Medical Centre
- Sundridge-Strong-Joly Arena and Hall
- Joint Building Committee
- Almaguin Highlands Air Park
- Central Almaguin Economic Development Association

Inter-organizational transactions and balances between these organizations are eliminated.

#### (ii) Non-consolidated entities

The following joint boards are not consolidated:

- North Bay Parry Sound District Health Unit
- Parry Sound District Social Services Administration Board
- District of Parry Sound (East) Home for the Aged

#### (iii) Accounting for school board transactions

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

# THE CORPORATION OF THE TOWNSHIP OF JULY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

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(b) Basis of Accounting

(i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Investments

Investments are recorded at cost plus accrued interest.

(iii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(a) 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. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. 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 - 20 years  
 Buildings - 20 to 50 years  
 Machinery, equipment and furniture - 5 to 20 years  
 Vehicles - 8 to 23 years  
 Roads - 8 to 75 years  
 Bridges - 60 years

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

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

(b) Inventories of supplies

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

(iv) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

(v) Government transfers

Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

# THE CORPORATION OF THE TOWNSHIP OF JOLY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

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- (vi) Deferred revenue  
Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.
- (vii) Taxation and related revenues  
Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and are subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.
- (viii) Pensions and employee benefits  
The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.
- (ix) Use of estimates  
The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable, and supplementary taxes. Actual results could differ from these estimates.

## 2. CHANGE IN ACCOUNTING POLICY

On January 1, 2015 the Municipality adopted Public Sector Accounting Standards section 3260 "Liability for contaminated sites". This new standard establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with remediation of contaminated sites. The Municipality's adoption of this new standard has not resulted in any significant changes in liability recognition.

**THE CORPORATION OF THE TOWNSHIP OF JOLY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	2015	2014
District of Parry Sound Social Services Administration Board	\$ 24,050	\$ 23,625
North Bay Parry Sound District Health Unit	8,256	8,248
District of Parry Sound (East) Home for the Aged	14,193	10,644
	<b>\$ 46,499</b>	<b>\$ 42,517</b>

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

4. TRANSACTIONS ON BEHALF OF OTHERS

During the year, \$101,551 of taxation was collected on behalf of school boards (2014 \$97,842).

5. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at .65% and maturing between February 18, 2016 and June 16, 2016.

## THE CORPORATION OF THE TOWNSHIP OF JOLY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

#### 6. DEFERRED REVENUE-GENERAL

In 2013 the Municipality entered into an agreement with the Ministry of Rural Affairs to obtain funding for the reconstruction of the Brennan's Road bridge. The terms of the agreement contain certain transfer stipulations, based on eligible costs and milestones. The maximum funding eligible under this agreement is \$1,385,724 and expires in December 2016. The construction project was completed in 2015.

Details of the deferred revenue reported on the Consolidated Statement of Financial Position are as follows:

	2015	2014
Balance, beginning of year:		
Brennan's Road Bridge	\$ -	\$ 638,906
Other	1,753	3,413
	<u>1,753</u>	<u>642,319</u>
Received during the year:		
Brennan's Road Bridge	-	284,889
Other funding	31,262	31,970
Interest earned	-	7,208
	<u>31,262</u>	<u>324,067</u>
Recognized in revenue during the year	<u>(31,753)</u>	<u>(964,633)</u>
<b>Balance, end of year</b>	<b>\$ 1,262</b>	<b>\$ 1,753</b>
Other deferred revenue - balance, end of year	\$ 1,262	\$ 1,753

# THE CORPORATION OF THE TOWNSHIP OF JOLY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

### 7. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The Municipality receives payments in lieu of parkland under the Planning Act, building permit revenue under the Building Code Act and federal gas tax funding under an agreement with the Association of Municipalities of Ontario. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

In the case of payments in lieu of parkland, revenue recognition occurs when the Municipality has approved eligible expenditures for park and other public recreation purposes. Building permit revenue is recognized when applicable building expenditures are incurred. Gas tax revenue recognition occurs when the Municipality has approved the expenditures for eligible capital works. Historically, the Municipality has applied its gas tax funding to local road and bridge improvements.

Details of the deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position are as follows:

	2015	2014
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 2,200	\$ -
Building Code Act	2,782	-
Federal Gas Tax	20,090	-
<b>Balance, beginning of year</b>	<b>\$ 25,072</b>	<b>\$ -</b>
Received during the year:		
Recreational land (the Planning Act)	500	2,800
Building Code Act	-	2,782
Federal Gas Tax	16,447	19,907
Interest earned	143	183
	17,090	25,672
Recognized in revenue during the year	(12,811)	(600)
<b>Balance, end of year</b>	<b>\$ 29,351</b>	<b>\$ 25,072</b>
Recreational land (the Planning Act)	\$ 2,100	\$ 2,200
Building Code Act	1,795	2,782
Federal Gas Tax	25,456	20,090
<b>Balance, end of year</b>	<b>\$ 29,351</b>	<b>\$ 25,072</b>

## THE CORPORATION OF THE TOWNSHIP OF JOLY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

#### 8. MUNICIPAL DEBT

(a) The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2015	2014
Loan payable, due September 2018, repayable in monthly payments of \$1,020, including interest calculated at 3.12%. As security, the Municipality has pledged the equipment to which the loan relates.	<b>\$ 64,332</b>	<b>\$ 74,391</b>

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal		Interest	
2016	\$	10,377	\$	1,860
2017		10,705		1,532
2018		43,250		927
	<b>\$</b>	<b>64,332</b>	<b>\$</b>	<b>4,319</b>

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2015		2014	
Principal payments	\$	10,059	\$	9,750
Interest		2,179		2,487
	<b>\$</b>	<b>12,238</b>	<b>\$</b>	<b>12,237</b>

#### 9. CREDIT FACILITY AGREEMENT

The Municipality has credit facility agreement with the Royal Bank of Canada of \$100,000 (2014 \$100,000) which was unused at the end of the year. As security, the Municipality has pledged its revenue.

#### 10. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and employees may become entitled to a cash payment when they leave the Municipality's employment. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, as well as any lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$22,262 (2014 \$29,417) at the end of the year.

#### 11. CONTRACTUAL OBLIGATIONS

The Municipality has agreements with the Sundridge-Strong Fire Department and the South River-Machar Fire Department for fire protection services for the period 2014 to 2016. Outstanding contractual obligations are \$15,650 for 2016.

**THE CORPORATION OF THE TOWNSHIP OF JOLY**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

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12. CONTINGENCIES

The Municipality is involved from time to time in litigation, which arises in the normal course of business. With respect to outstanding claims, the likelihood and extent of loss, if any, is not yet determinable. Any settlement not covered by insurance and in excess of amounts provided for in the accompanying financial statements will be recognized in the year the claims are settled.



# THE CORPORATION OF THE TOWNSHIP OF JOLY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

### 13. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

<b>2015</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 68,622	\$ 308,599	\$ 217,863	\$ 493,943	\$ 3,894,952	\$ 4,402	\$ 4,988,381
Additions and betterments	-	-	22,114	5,500	52,145	-	79,759
Contributed assets	21,858	29,400	21,214	242	24,446	-	97,160
Disposals and writedowns	-	-	(21,916)	-	(109,575)	(4,402)	(135,893)
<b>BALANCE, END OF YEAR</b>	<b>90,480</b>	<b>337,999</b>	<b>239,275</b>	<b>499,685</b>	<b>3,861,968</b>	<b>-</b>	<b>5,029,407</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	199	189,334	101,769	270,566	1,630,733	-	2,192,601
Annual amortization	58	7,219	18,774	36,799	103,426	-	166,276
Accumulated amortization - contributed assets	-	19,110	12,289	30	-	-	31,429
Amortization disposals	-	-	(15,937)	-	(94,678)	-	(110,615)
<b>BALANCE, END OF YEAR</b>	<b>257</b>	<b>215,663</b>	<b>116,895</b>	<b>307,395</b>	<b>1,639,481</b>	<b>-</b>	<b>2,279,691</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 90,223</b>	<b>\$ 122,336</b>	<b>\$ 122,380</b>	<b>\$ 192,290</b>	<b>\$ 2,222,487</b>	<b>\$ -</b>	<b>\$ 2,749,716</b>

<b>2014</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 57,693	\$ 289,350	\$ 207,211	\$ 448,996	\$ 2,837,857	\$ 138,492	\$ 3,979,599
Additions and betterments	-	7,380	966	44,947	1,113,284	2,892	1,169,469
Contributed assets	10,929	14,700	9,686	-	-	-	35,315
Disposals and writedowns	-	(2,831)	-	-	(193,171)	-	(196,002)
Transfer between classes	-	-	-	-	136,982	(136,982)	-
<b>BALANCE, END OF YEAR</b>	<b>68,622</b>	<b>308,599</b>	<b>217,863</b>	<b>493,943</b>	<b>3,894,952</b>	<b>4,402</b>	<b>4,988,381</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	143	175,515	77,566	236,774	1,675,182	-	2,165,180
Annual amortization	56	7,145	18,487	33,792	107,841	-	167,321
Accumulated Amortization - contributed assets	-	8,967	5,716	-	-	-	14,683
Amortization disposals	-	(2,293)	-	-	(152,290)	-	(154,583)
<b>BALANCE, END OF YEAR</b>	<b>199</b>	<b>189,334</b>	<b>101,769</b>	<b>270,566</b>	<b>1,630,733</b>	<b>-</b>	<b>2,192,601</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 68,423</b>	<b>\$ 119,265</b>	<b>\$ 116,094</b>	<b>\$ 223,377</b>	<b>\$ 2,264,219</b>	<b>\$ 4,402</b>	<b>\$ 2,795,780</b>

# THE CORPORATION OF THE TOWNSHIP OF JOLY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

### 14. ACCUMULATED SURPLUS

The 2015 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
<b>RESERVES AND RESERVE FUNDS</b>			
Working funds	\$ 130,000	\$ 45,518	\$ 175,518
Capital	138,293	-	138,293
Medical Centre	500	(500)	-
Arena	1,439	200	1,639
	<b>270,232</b>	<b>45,218</b>	<b>315,450</b>
<b>OTHER</b>			
Consolidated tangible capital assets	2,795,780	(46,064)	2,749,716
General operating surplus (deficit) -			
Municipality	28,921	90,826	119,747
Air Park	(554)	554	-
Medical Centre	(346)	1,020	674
Arena	2,091	1,919	4,010
Central Almaguin Economic Development Association	-	2,629	2,629
Unfunded amounts -			
Municipal debt	(74,391)	10,059	(64,332)
Employee benefits payable	(29,417)	7,155	(22,262)
Medical Centre capital	(6,930)	1,800	(5,130)
	<b>\$ 2,985,386</b>	<b>\$ 115,116</b>	<b>\$ 3,100,502</b>

# THE CORPORATION OF THE TOWNSHIP OF JOLY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

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### 15. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

#### General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

#### Protection to Persons and Property

This segment includes fire, police, building inspection, and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

#### Transportation Services

Transportation services include roadway systems, airport services and winter control.

#### Environmental Services

This segment includes solid waste management.

#### Health Services

This segment includes cemeteries, ambulance services as well as payments to the district health unit.

#### Social and Family Services

This segment consists primarily of payments made to the district social services administration board and home for the aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

#### Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and library services.

#### Planning and Development

This segment includes activities related to planning, zoning and economic development.

#### Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and the municipality's annual Ontario Municipal Partnership Fund unconditional grant.

In the preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of administrative time to specific segments.

# THE CORPORATION OF THE TOWNSHIP OF JOLY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

### 15. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595,795	\$ 595,795
User charges	4,360	525	4,500	-	-	-	4,285	-	-	13,670
Government transfers -										
Canada	-	-	11,224	-	-	-	-	2,393	-	13,617
Ontario	-	-	11,366	-	30,820	-	851	2,401	184,000	229,438
Other municipalities	-	4,207	228	-	-	-	-	6,966	-	11,401
Loss on disposal of capital assets	(5,579)	-	(14,897)	-	(4,402)	-	-	-	-	(24,878)
Other	11,539	10,577	74,621	-	11,920	-	10,092	59	27,313	146,121
<b>TOTAL REVENUE</b>	<b>10,320</b>	<b>15,309</b>	<b>87,042</b>	<b>-</b>	<b>38,338</b>	<b>-</b>	<b>15,228</b>	<b>11,819</b>	<b>807,108</b>	<b>985,164</b>
<b>EXPENSES</b>										
Salaries, wages and benefits	184,012	4,204	97,295	-	11,479	-	17,241	3,074	-	317,305
Long-term debt charges (interest)	2,179	-	-	-	-	-	-	-	-	2,179
Materials	44,966	498	104,950	-	4,576	-	14,766	3,591	-	173,347
Contracted services	36,699	57,557	1,242	20,918	38,091	-	3,052	2,177	-	159,736
Rents and financial expenses	1,737	134	200	-	1,299	-	39	246	-	3,655
External transfers	-	-	-	-	8,256	38,359	-	935	-	47,550
Interfunctional adjustments	(1,520)	-	1,520	-	-	-	-	-	-	-
Amortization	15,743	300	144,188	-	940	-	5,105	-	-	166,276
<b>TOTAL EXPENSES</b>	<b>283,816</b>	<b>62,693</b>	<b>349,395</b>	<b>20,918</b>	<b>64,641</b>	<b>38,359</b>	<b>40,203</b>	<b>10,023</b>	<b>-</b>	<b>870,048</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (273,496)</b>	<b>\$ (47,384)</b>	<b>\$ (262,353)</b>	<b>\$ (20,918)</b>	<b>\$ (26,303)</b>	<b>\$ (38,359)</b>	<b>\$ (24,975)</b>	<b>\$ 1,796</b>	<b>\$ 807,108</b>	<b>\$ 115,116</b>

# THE CORPORATION OF THE TOWNSHIP OF JOLY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

### 15. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

#### FOR THE YEAR ENDED DECEMBER 31, 2014

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 544,794	\$ 544,794
User charges	3,333	525	5,781	-	-	-	3,937	-	-	13,576
Government transfers -										
Canada	-	-	(3,001)	-	-	-	11	-	-	(2,990)
Ontario	-	293	1,022,971	-	32,097	-	851	-	181,700	1,237,912
Other municipalities	-	6,125	1,500	-	-	-	-	-	-	7,625
Loss on disposal of capital assets	-	-	(41,206)	-	-	-	(213)	-	-	(41,419)
Other	9,817	23,600	45,268	-	10,366	-	10,808	-	28,221	128,080
<b>TOTAL REVENUE</b>	<b>13,150</b>	<b>30,543</b>	<b>1,031,313</b>	<b>-</b>	<b>42,463</b>	<b>-</b>	<b>15,394</b>	<b>-</b>	<b>754,715</b>	<b>1,887,578</b>
<b>EXPENSES</b>										
Salaries, wages and benefits	140,453	18,455	113,204	-	11,698	-	17,544	-	-	301,354
Long-term debt charges (interest)	2,487	-	-	-	-	-	-	-	-	2,487
Materials	33,242	2,566	129,077	-	5,429	-	14,738	-	-	185,052
Contracted services	95,168	53,894	34,927	20,511	36,694	-	3,374	6,512	-	251,080
Rents and financial expenses	3,799	483	218	-	1,239	-	194	-	-	5,933
External transfers	-	-	-	-	8,498	34,269	-	-	-	42,767
Interfunctional adjustments	(1,520)	-	1,520	-	-	-	-	-	-	-
Amortization	16,921	143	144,454	-	715	-	5,088	-	-	167,321
<b>TOTAL EXPENSES</b>	<b>290,550</b>	<b>75,541</b>	<b>423,400</b>	<b>20,511</b>	<b>64,273</b>	<b>34,269</b>	<b>40,938</b>	<b>6,512</b>	<b>-</b>	<b>955,994</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (277,400)</b>	<b>\$ (44,998)</b>	<b>\$ 607,913</b>	<b>\$ (20,511)</b>	<b>\$ (21,810)</b>	<b>\$ (34,269)</b>	<b>\$ (25,544)</b>	<b>\$ (6,512)</b>	<b>\$ 754,715</b>	<b>\$ 931,584</b>

## THE CORPORATION OF THE TOWNSHIP OF JOLY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

#### 16. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
<b>ADOPTED BUDGET:</b>	
Decrease in general municipal operating surplus	\$ (29,854)
Increase in municipal reserves and reserve funds	45,518
Decrease in joint board general operating surplus and reserves	(973)
<b>ADJUSTMENTS:</b>	
Acquisition of tangible capital assets	343,006
Amortization of tangible capital assets	(166,001)
Change in long-term debt	10,059
Change in Medical Centre unfinanced capital	2,400
<b>ANNUAL SURPLUS</b>	<b>\$ 204,155</b>

#### 17. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2015. The results of this valuation disclosed total actuarial liabilities of \$81,924 million with respect to benefits accrued for service with actuarial assets at that date of \$74,947 million indicating an actuarial deficit of \$6,977 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2015 was \$8,270 (2014 \$5,104) for current service and is included as an expense on the Consolidated Statement of Operations.

#### 18. RELATED PARTY TRANSACTIONS

During the normal course of operations, the Municipality purchased goods in the amount of \$52,110 from a company owned by a Councillor. All related party transactions are recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties.