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STAFF REPORT: Finance & IT Services



REPORT TO: Committee of the Whole
MEETING DATE: April 7, 2014
REPORT NO.: FIT.14.24
SUBJECT: 2013 Unaudited Financial Statements
PREPARED BY: Renee Ouellette, CMA
 Financial Accountant

A. Recommendations

THAT Council receive Staff Report FIT.14.24 “2013 Unaudited Financial Statements” for information purposes.

B. Background

The 2013 Unaudited Financial Statements were prepared by the staff and management of the Town of The Blue Mountains and provided to KPMG for audit review on March 31, 2014. The financial statements, prepared in accordance with the Canadian Public Sector Accounting Standards published by the Canadian Institute of Chartered Accountants, include the following:

- Consolidated Statement of Financial Position;
- Consolidated Statement of Operations and Accumulated Surplus;
- Consolidated Statement of Changes in Net Financial Assets; and
- Consolidated Statement of Cash Flows.

The financial statements are unaudited and all estimates are subject to change subsequent to auditor review.

Based on the current audit scope and schedule, KPMG has indicated that 2013 Draft Audited Financial Statements will be presented on May 21, 2014 to the Committee of the Whole. KPMG will communicate any matters arising from the financial statement audit as required under the Canadian Generally Accepted Auditing Standards. At the same time staff will also present any changes or adjustments to the 2013 Unaudited Financial Statements as an outcome of the audit review.

A detailed 2013 financial review will be presented by Staff to the Committee of the Whole on May 21, 2014.

C. The Blue Mountains’ Strategic Plan

Providing a strong, well managed municipal government.

D. Environmental Impacts

None.

E. Financial Impact

The following is a summary of some financial highlights from the 2013 Unaudited Financial Statements:

Accumulated Surplus

The unaudited accumulated surplus at December 31, 2013 as shown on the Consolidated Statement of Financial Position was \$177.9M, an increase of \$1.1M over an audited \$176.8M accumulated surplus in 2012. Below is a summarized breakdown of the accumulated surplus:

| | <u>2013</u> | <u>2012</u> |
|---|------------------------------|------------------------------|
| Tangible capital assets at cost less amortization | \$ 160,192,636 | \$ 162,084,960 |
| Unfinanced capital assets | (3,967,931) | (3,592,071) |
| Capital assets financed by long-term liabilities | (5,578,428) | (6,392,460) |
| Unfunded post-employment benefits | (154,408) | (156,147) |
| Unfunded operating projects | (278,260) | (51,132) |
| Unfunded solid waste closure and post closure costs | (1,803,285) | (2,061,155) |
| General surplus | 519,363 | 252,801 |
| Cemeteries | (0) | (76,745) |
| Recreation (Georgian Trail) | 81,369 | 70,739 |
| Reserves and reserve funds | 28,907,011 | 26,738,568 |
| Accumulated surplus | <u>\$ 177,918,067</u> | <u>\$ 176,817,358</u> |

Significant changes in the accumulated surplus as shown above include:

- Continued decrease in tangible capital assets as amortization exceeded capital additions in 2013.
- Increase in unfinanced capital assets, mainly related to the Harbour Dock project and Wastewater Servicing projects. Servicing projects will be financed through local servicing By-laws in 2014/2015 including Wensley Drive, Hoover Lane and Arlberg Crescent.
- Decrease in capital assets financed by long term liabilities through annual principal repayments.
- Increase in unfunded operating projects, mainly related to the Harbour Dredging project.
- Increase in the General surplus due to operational savings in salaries, increases in taxation fines and penalties related to a higher taxes receivable balance in 2013 and an increase in development related revenue.
- The Cemetery deficit has been reduced to \$0, as Cemetery operations are consolidated within the Town's General Surplus beginning in 2013.
- Increase in Reserve and Reserve Funds, mainly related to annual contributions to the Water and Wastewater Reserve Funds, and the Working Capital Reserve.

Condensed Consolidated Statement of Financial Position

The condensed consolidated statement of financial position highlights key figures such as cash, investments, long term debt, capital assets and accumulated surplus.

| | 2013 | 2012 | % Change |
|--|-----------------------|----------------|----------|
| A. Financial Assets | \$ 34,423,884 | \$ 33,600,691 | 2% |
| B. Financial Liabilities | 16,842,063 | 18,977,209 | (11%) |
| C. Net Financial Assets (A minus B) | 17,581,820 | 14,623,482 | 20% |
| D. Non-Financial Assets | 160,336,247 | 162,193,876 | (1%) |
| E. Accumulated Surplus (C plus D) | \$ 177,918,067 | \$ 176,817,358 | 1% |

Overall, the Town's accumulated surplus remains strong, with an increase of \$1.1M over 2012.

Financial Assets increased primarily due to an increase in Taxes Receivable of \$800,000 and the 2013 Sewer Servicing Loan to Grey Condo Corporation 28. Taxes Receivable increased due to an increase in historical tax arrears balances. Continued collection efforts in 2014 have significantly reduced the Taxes Receivable balance in 2014.

Financial Liabilities decreased as a result of a reduction in the Accounts Payable balances, repayments to developers for Local Servicing projects and a decrease in the Landfill Post Closure Liability. The Landfill Post Closure Liability decreased as a result of the Landfill expansion project and the estimated increase in capacity.

Non-financial assets decreased as the \$5.7M amortization of capital assets exceeded the \$3.8M acquisition of capital assets. The 2013 budget included \$8.6M of capital asset additions, however actuals totalled only \$3.8M due to continued work in progress for projects such as the Grey Road 21 Sanitary Trunk Extension budgeted at \$2.8M.

Major Capital Asset Additions in 2013 included:

- Wensley Drive Sanitary Sewer Servicing Project
- Harbour Dock Reconstruction
- BVCC Hall Entrance and Roof Repair
- Backhoe purchased for Public Works
- Design for the Landfill Mining & Expansion project
- 2013 Surface Treatment Program
- Fire Pumper/Tanker Apparatus

Please note these are unaudited statements and all estimates are subject to change subsequent to auditor review.

F. In Consultation With

Robert Cummings, Director of Finance

G. Attached

Attachment 1 – Unaudited Financial Statements

Respectfully submitted,

Renee Ouellette

Renee Ouellette, CMA
Financial Accountant

Robert Cummings

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Director of Finance and IT Services

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Unaudited Consolidated Financial Information of

**THE CORPORATION OF THE
TOWN OF THE BLUE MOUNTAINS**

Year ended December 31, 2013

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Unaudited Consolidated Financial Information

Year ended December 31, 2013

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THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Statement of Financial Position

December 31, 2013, with comparative information for 2012

| | 2013 | 2012 |
|---|-----------------------|-----------------------|
| Financial assets: | | |
| Cash (note 2) | \$ 12,801,435 | \$ 12,735,102 |
| Temporary investments (note 3) | 7,653,774 | 7,741,303 |
| Taxes recoverable | 5,412,066 | 4,604,719 |
| Trade and other receivables | 3,443,949 | 3,269,888 |
| Long-term receivables (note 4) | 5,112,660 | 5,249,679 |
| | <u>34,423,884</u> | <u>33,600,691</u> |
| Financial liabilities: | | |
| Accounts payable and accrued liabilities (note 5) | 6,806,159 | 8,208,313 |
| Solid waste closure and post-closure liabilities (note 7) | 1,803,285 | 2,061,155 |
| Post-employment benefits liabilities (note 14) | 34,408 | 38,890 |
| Deferred revenue (page 24) | 2,603,440 | 2,253,127 |
| Long-term liabilities (note 6) | 5,594,771 | 6,415,724 |
| | <u>16,842,063</u> | <u>18,977,209</u> |
| Net financial assets | 17,581,820 | 14,623,482 |
| Non-financial assets: | | |
| Inventory of supplies | 37,113 | 35,878 |
| Prepaid expenses | 106,498 | 73,038 |
| Tangible capital assets (note 8) | 160,192,636 | 162,084,960 |
| | <u>160,336,247</u> | <u>162,193,876</u> |
| Accumulated surplus (note 9) | <u>\$ 177,918,067</u> | <u>\$ 176,817,358</u> |

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

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2013, with comparative information for 2012

| | 2013 | 2013 | 2012 |
|--|------------------------------------|-----------------------|-----------------------|
| | Budget (unaudited - note 10) | Actual | Actual |
| Revenue: | | | |
| Taxation | \$ 12,438,790 | \$ 12,328,527 | \$ 11,488,862 |
| Fees and user charges | 7,703,815 | 7,826,562 | 7,279,335 |
| Grants (note 13) | 1,984,500 | 2,289,514 | 1,945,713 |
| Other income (note 11) | 5,614,665 | 2,010,489 | 1,516,253 |
| Obligatory reserve fund revenue recognized | 1,830,295 | 1,024,532 | 1,485,687 |
| Total revenue | 29,572,065 | 25,479,625 | 23,715,850 |
| Expenses: | | | |
| General government | 3,334,175 | 3,425,534 | 3,453,070 |
| Protection services | 5,408,700 | 5,165,597 | 4,941,163 |
| Transportation services | 6,275,230 | 5,534,007 | 5,079,599 |
| Waste Management | 1,205,966 | 963,718 | 1,482,445 |
| Water and Wastewater | 5,428,346 | 5,403,601 | 5,223,264 |
| Health services | 64,155 | 53,910 | 54,093 |
| Recreation and culture services | 3,124,380 | 3,106,458 | 2,947,477 |
| Planning and development | 1,111,183 | 726,089 | 857,999 |
| Total expenses | 25,952,135 | 24,378,916 | 24,039,110 |
| Annual surplus (note 10) | 3,619,930 | 1,100,709 | (323,260) |
| Accumulated surplus, beginning of year | 176,817,358 | 176,817,358 | 177,140,618 |
| Accumulated surplus, end of year | \$180,437,288 | \$ 177,918,067 | \$ 176,817,358 |

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

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2013, with comparative information for 2012

| | 2013 | 2013 | 2012 |
|---|------------------------------------|---------------|---------------|
| | Budget (unaudited - note 10) | Actual | Actual |
| Annual surplus | \$ 3,619,930 | \$ 1,100,709 | \$ (323,260) |
| Acquisition of tangible capital assets | (8,260,100) | (3,866,085) | (2,998,673) |
| Amortization of tangible capital assets | 6,280,448 | 5,714,288 | 5,730,097 |
| Loss on disposal of tangible capital assets | 0 | (26,001) | 376,394 |
| Proceeds on disposal of capital assets | 0 | 70,122 | 6,801 |
| | (1,979,652) | 1,892,324 | 3,114,619 |
| Change in inventory of supplies | 0 | (1,235) | (7,561) |
| Change in prepaid expenses | 0 | (33,460) | 198 |
| | 0 | (34,695) | (7,363) |
| Increase (decrease) in net financial assets | 1,640,278 | 2,958,339 | 2,783,996 |
| Net financial assets, beginning of year | 14,623,482 | 14,623,482 | 11,839,486 |
| Net financial assets, end of year | \$ 16,263,760 | \$ 17,581,820 | \$ 14,623,482 |

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

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

| | 2013 | 2012 |
|--|----------------------|----------------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | \$ 1,100,709 | \$ (323,260) |
| Items not involving cash: | | |
| Change in post-employment benefit liability | (257,870) | (92,358) |
| Change in solid waste closure and post-closure liabilities | (4,482) | 255,092 |
| Amortization | 5,714,288 | 5,730,097 |
| Loss on disposal of tangible capital assets | (26,001) | 376,394 |
| | <u>6,526,644</u> | <u>5,945,965</u> |
| Change in non-cash working capital balances: | | |
| Taxes receivable | (807,347) | (689,763) |
| Trade and other recoverable | (174,061) | (61,835) |
| Prepaid expenses | (33,460) | 198 |
| Inventory of supplies | (1,235) | (7,561) |
| Accounts payable and accrued liabilities | (1,402,154) | (146,315) |
| Deferred revenue | 350,314 | 81,211 |
| Net change in cash from operating activities | <u>4,458,702</u> | <u>5,121,900</u> |
| Capital transactions: | | |
| Cash used to acquire tangible capital assets | (3,866,085) | (2,998,673) |
| Proceeds on disposal of capital assets | 70,122 | 6,801 |
| Net change in cash from capital transactions | <u>(3,795,963)</u> | <u>(2,991,872)</u> |
| Investing activities: | | |
| Decrease (Increase) in Investments | 87,529 | (204,377) |
| Decrease (Increase) in long-term receivables | 137,018 | 1,132,189 |
| Net change from investing activities | <u>224,547</u> | <u>927,812</u> |
| Financing activities: | | |
| Proceeds from debt issuance | 0 | 3,914,000 |
| Repayment of long-term liabilities | (820,953) | (818,822) |
| Net Change from financing activities | <u>(820,953)</u> | <u>3,095,178</u> |
| Net change in cash and cash equivalents | 66,333 | 6,153,018 |
| Cash and cash equivalents, beginning of year | 12,735,102 | 6,582,084 |
| Cash and cash equivalents, end of year | <u>\$ 12,801,435</u> | <u>\$ 12,735,102</u> |

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

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Summary of Significant Accounting Policies

Year ended December 31, 2013

1. Significant accounting policies:

(a) Basis of accounting:

The consolidated financial statements of The Corporation of the Town of The Blue Mountains are the representations of management. They have been prepared in accordance with Canadian Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ontario Ministry of Municipal Affairs and Housing.

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

(b) Use of estimates:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued grant receivables, accrued liabilities, post-employment benefits and solid waste landfill closure and post-closure costs. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

(c) Basis of consolidation:

The consolidated statements reflects the assets, liabilities, revenues and expenses of all municipal organizations, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

The following board controlled by Council has been consolidated:

The Blue Mountains Public Library Board

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnership is reflected in the consolidated financial statements:

Georgian Trail Board of Management

41%

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Summary of Significant Accounting Policies (continued)

Year ended December 31, 2013

1. Significant accounting policies (continued):

(d) Cash and cash equivalents:

Cash and cash equivalents include all cash balances and short-term highly liquid investments that are readily convertible into cash.

(e) Temporary investments:

Temporary investments are recorded at the lower of cost or market.

(f) Long-term receivables:

Long-term receivables are recorded at cost.

(g) Inventory of supplies:

Inventory held for consumption is recorded at the lower of cost and replacement cost.

(h) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by Council. The following rates are used:

| Asset | Useful Life - Years |
|-----------------------------------|---------------------|
| Land improvements | 10 to 50 years |
| Buildings | 15 to 50 years |
| Machinery, equipment and vehicles | 5 to 50 years |
| Water systems | 20 to 100 years |
| Sewer systems | 20 to 100 years |
| Roads | 10 to 75 years |

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(i) Post-employment benefits:

The municipality provides post-employment health and life insurance benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and are expensed as services are rendered.

The contributions to the Ontario Municipal Employee's Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Summary of Significant Accounting Policies (continued)

Year ended December 31, 2013

1. Significant accounting policies (continued):

(j) County and school board:

The municipality collects taxation revenue on behalf of the school boards and the County of Grey. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Country of Grey are not reflected in these financial statements.

(k) Trust funds:

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

(l) Revenue recognition:

Revenues are recognized as follows:

- a) Tax levies are recognized as revenue when the amounts are levied on the municipality's ratepayers.
- b) Fines and donations are recognized when collected.
- c) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance.
- e) 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, and eligibility criteria have been met and reasonable estimates of the amounts can be made.
- f) 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.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2013

2. Cash:

| | 2013 | 2012 |
|--------------|----------------------|----------------------|
| Unrestricted | \$ 12,548,465 | \$ 12,485,273 |
| Restricted | 252,970 | 249,829 |
| | <u>\$ 12,801,435</u> | <u>\$ 12,735,102</u> |

The Town has established segregated interest-bearing bank accounts pursuant to agreements with developers and these funds are for the sole purpose of paying capital costs relating to specific developments.

Cash balances are earning interest at a rate of prime less 1.75%.

The municipality has an available operating facility of \$1,000,000 which was not drawn upon at December 31, 2013. The operating facility is due on demand and bears interest at the bank's prime rate less 0.75%.

3. Temporary investments:

| | 2013 | 2012 |
|--|---------------------|---------------------|
| Business Advantage Plus savings account, 1.45% | \$ 2,263,239 | \$ 2,232,442 |
| Guaranteed Investment Certificates, 1.50% to 2.10%, due 2014 | 5,390,535 | 5,508,861 |
| | <u>\$ 7,653,774</u> | <u>\$ 7,741,303</u> |

Investments have a market value of \$7,653,774 (2012 - \$7,741,303) at the end of the year.

On December 31, 2013, the municipality had investment deposits of \$5,323,238 (2012 - \$5,232,442) in one Canadian Financial Institution. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

4. Long-term receivables:

| | 2013 | 2012 |
|--|--------------|--------------|
| Water and sewer loans, 3.1% to 18%, due 2013 to 2029 | \$ 4,311,048 | \$ 5,006,450 |
| Tile drainage loans, 6% to 8%, due 2013 to 2016 | 16,343 | 23,264 |
| Loan receivable, North East Grey Health Clinics Inc., interest free, due in full on or before December 31, 2015 | 165,000 | 200,000 |
| Loan receivable, Marsh Street Community Centre interest free, due in full on or before August 31, 2022 | 17,965 | 19,965 |
| Loan receivable Grey Condo 28 Internal Servicing, repayments to be established upon by-law passage in 2014 | 602,304 | 0 |
| | \$ 5,112,660 | \$ 5,249,679 |

5. Accounts payable and accrued liabilities:

| | 2013 | 2012 |
|------------------------------|--------------|--------------|
| Trade accounts payable | \$ 1,556,779 | \$ 2,139,891 |
| Accrued liabilities | 518,359 | 512,330 |
| Developer and other deposits | 4,731,020 | 5,556,092 |
| | \$ 6,806,159 | \$ 8,208,313 |

6. Long-term liabilities:

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

| | 2013 | 2012 |
|--|--------------|--------------|
| Loan payable, 4.85%, repayable in annual principal instalments of \$450,000 plus interest, due 2014 | 450,000 | 900,000 |
| Loan payable, 4.85%, repayable in blended annual payments of \$83,608, due 2014 | 77,433 | 153,327 |
| Loan payable, 5.11%, repayable in semi-annual principal instalments of \$40,000 plus interest, due 2031 | 1,440,000 | 1,520,000 |
| Loan payable, 2%, repayable in blended semi-annual payments of \$128,000, due 2027 | 3,012,525 | 3,205,133 |
| Loan payable, 3.58%, repayable in blended semi-annual principal instalments of \$18,687, due 2037 | 598,470 | 614,000 |
| Tile drainage loans payable, 6% to 8%, due from 2014 to 2016 | 16,343 | 23,264 |
| | \$ 5,594,771 | \$ 6,415,724 |

The interest expense included on the consolidated statements of operations and accumulated surplus totals \$205,847 (2012 - \$196,869).

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

6. Long-term liabilities (continued):

Principal payments estimated for the next 5 fiscal years, and thereafter, if not demanded, are as follows:

| | | |
|------------|----|-----------|
| 2014 | \$ | 825,386 |
| 2015 | | 302,209 |
| 2016 | | 307,147 |
| 2017 | | 306,445 |
| 2018 | | 311,284 |
| Thereafter | | 3,542,298 |
| | \$ | 5,594,771 |

7. Solid waste closure and post-closure liabilities:

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The liability for the landfill site is recorded at \$1,803,285 (2012 - \$2,061,155) and represents the present value of closure and post-closure costs for 61% of the site's capacity, using the municipality's average long-term borrowing rate of 4.23%. The liability is recorded based on the estimated expanded capacity of the landfill as a result of the landfill expansion and reclamation project to begin in 2014. The post expansion estimated remaining capacity of the site's opened cells are estimated at 222,200 cubic meters, which will be filled in 30 years (2033). Post-closure care is estimated to continue for a period of 50 years.

The Town has a landfill reserve to help fund a portion of the liability. During 2013, there were no transfers to or from this reserve. The balance of this reserve at December 31, 2013 is \$194,474.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

8. Tangible capital assets

| 2013 | Land | Land Improvements | Buildings | Machinery, equipment and vehicles | Water system | Sewer system | Roads | Work in progress | Total |
|--|---------------------|---------------------|----------------------|-----------------------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|
| Cost, beginning of year | \$ 5,974,779 | \$ 6,140,077 | \$ 26,458,926 | \$ 24,732,255 | \$ 43,214,926 | \$ 56,799,466 | \$ 78,924,300 | \$ 1,034,878 | \$ 243,279,607 |
| Additions | 0 | 18,884 | 388,143 | 1,161,145 | 193,372 | 156,584 | 783,779 | 1,164,178 | 3,866,085 |
| Disposals | 0 | 0 | (17,170) | (926,679) | 0 | 0 | (138,352) | 0 | (1,082,200) |
| Transfers | 0 | 0 | 225,883 | 77,637 | 76,740 | 397,348 | 52,961 | (830,569) | 0 |
| Cost, end of year | 5,974,779 | 6,158,961 | 27,055,782 | 25,044,358 | 43,485,038 | 57,353,398 | 79,622,688 | 1,368,487 | 246,063,492 |
| Accumulated amortization, beginning of year | 0 | 2,439,105 | 8,174,949 | 10,708,201 | 12,206,411 | 10,606,360 | 37,059,621 | 0 | 81,194,647 |
| Amortization | 0 | 229,087 | 694,660 | 1,285,033 | 585,448 | 700,000 | 2,220,060 | 0 | 5,714,288 |
| Disposals | 0 | 0 | (17,170) | (882,558) | 0 | 0 | (138,352) | 0 | (1,038,080) |
| Accumulated amortization, end of year | 0 | 2,668,192 | 8,852,439 | 11,110,676 | 12,791,859 | 11,306,360 | 39,141,329 | 0 | 85,870,855 |
| Net carrying amount, end of year | \$ 5,974,779 | \$ 3,490,769 | \$ 18,203,343 | \$ 13,933,682 | \$ 30,693,179 | \$ 46,047,038 | \$ 40,481,359 | \$ 1,368,487 | \$ 160,192,636 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

8. Tangible capital assets (continued):

| 2012 | Land | Land Improvements | Buildings | Machinery, equipment and vehicles | Water system | Sewer system | Roads | Work in progress | Total |
|---|--------------|-------------------|---------------|-----------------------------------|---------------|---------------|---------------|------------------|----------------|
| Cost, beginning of year | \$ 5,974,779 | \$ 6,064,404 | \$ 27,375,210 | \$ 24,027,700 | \$ 43,214,926 | \$ 56,799,530 | \$ 77,905,942 | \$ 937,701 | \$ 242,300,192 |
| Additions | 0 | 107,463 | 163,088 | 864,672 | 0 | 0 | 1,651,609 | 211,841 | 2,998,673 |
| Disposals | 0 | (31,790) | (1,080,638) | (188,230) | 0 | 0 | (718,600) | 0 | (2,019,258) |
| Transfers | 0 | 0 | 1,266 | 28,113 | 0 | (64) | 85,349 | (114,664) | 0 |
| Cost, end of year | 5,974,779 | 6,140,077 | 26,458,926 | 24,732,255 | 43,214,926 | 56,799,466 | 78,924,300 | 1,034,878 | 243,279,607 |
| Accumulated amortization, beginning of year | 0 | 2,244,203 | 8,539,475 | 9,594,696 | 11,624,422 | 9,910,498 | 35,187,319 | 0 | 77,100,613 |
| Amortization | 0 | 226,692 | 716,112 | 1,289,209 | 581,989 | 695,862 | 2,220,233 | 0 | 5,730,097 |
| Disposals | 0 | (31,790) | (1,080,638) | (175,704) | 0 | 0 | (347,931) | 0 | (1,636,063) |
| Accumulated amortization, end of year | 0 | 2,439,105 | 8,174,949 | 10,708,201 | 12,206,411 | 10,606,360 | 37,059,621 | 0 | 81,194,647 |
| Net carrying amount, end of year | \$ 5,974,779 | \$ 3,700,972 | \$ 18,283,977 | \$ 14,024,054 | \$ 31,008,515 | \$ 46,193,106 | \$ 41,864,679 | \$ 1,034,878 | \$ 162,084,960 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

8. Tangible capital assets (continued):

The net book value of tangible capital assets, not being amortized because they are under construction, is \$ 1,368,457 (2012 - \$1,034,878).

The municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

\$2,985 (2012- \$25,089) in interest was capitalized to tangible capital assets during the year.

9. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

| | 2013 | 2012 |
|---|----------------|----------------|
| Invested in tangible capital assets: | | |
| Tangible capital assets at cost less amortization | \$ 160,192,636 | \$ 162,084,960 |
| Unfinanced capital assets | (3,967,931) | (3,592,071) |
| Capital assets financed by long-term liabilities and to be funded in future years (note 6) | (5,578,428) | (6,392,460) |
| Total invested in capital assets | 150,646,277 | 152,100,429 |
| Unfunded vacation and post-employment benefits | (154,408) | (156,147) |
| Unfunded projects | (278,260) | (51,132) |
| Unfunded solid waste closure and post-closure costs | (1,803,285) | (2,061,155) |
| General surplus | 519,363 | 252,801 |
| Building inspection deficit | 0 | 0 |
| Cemeteries | 0 | (76,745) |
| Recreation, community centres and arenas | 81,369 | 70,739 |
| | 149,011,056 | 150,078,790 |
| Reserves and reserve funds | 28,907,011 | 26,738,568 |
| Accumulated surplus | \$ 177,918,067 | \$ 176,817,358 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

9. Accumulated surplus (continued):

| | 2013 | 2012 |
|---------------------------------|---------------------|---------------------|
| Reserves: | | |
| Working funds | \$ 2,260,171 | \$ 1,884,573 |
| Insurance, sick leaves and WSIB | 225,095 | 275,095 |
| Current purposes | 1,164,299 | 1,067,666 |
| Capital purposes | 4,598,382 | 4,544,329 |
| | <hr/> 8,247,948 | <hr/> 7,771,663 |
| Reserve funds: | | |
| Capital purposes | 20,659,063 | 18,966,905 |
| | <hr/> \$ 28,907,011 | <hr/> \$ 26,738,568 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

10. Budgets:

Under Canadian public sector accounting principles, budget amounts are to be reported on the consolidated statement of operations and changes in net debt for comparative purposes. The 2013 budget amounts for The Corporation of the Town of The Blue Mountains approved by Council have been reclassified to conform to the presentation of the consolidated statements of operations and changes in net debt. The following is a reconciliation of the budget approved by Council. The budget figures have not been audited.

| | 2013 Budget | 2013 Actual | 2012 Actual |
|---|--------------------|---------------------|---------------------|
| Annual surplus | \$3,619,930 | \$ 1,100,709 | \$ (323,260) |
| Amortization | 6,280,448 | 5,714,288 | 5,730,097 |
| Change in unfunded liabilities | 78,000 | (259,608) | 156,173 |
| Change in unfunded operating expenses | (16,200) | 227,128 | (53,264) |
| Change in other surpluses | 0 | (87,374) | 44,739 |
| | 9,962,178 | 6,695,143 | 5,554,485 |
| Net transfers from (to) reserves | (1,159,701) | (2,168,443) | (1,393,450) |
| Capital acquisitions, disposals and write-down | (8,260,100) | (3,821,964) | (2,615,476) |
| Capital projects not funded | 27,374 | 375,859 | (4,416,319) |
| Proceeds from long-term debt | 213,144 | 0 | 3,914,000 |
| Debt principal repayments | (782,895) | (814,033) | (812,175) |
| | 0 | 266,562 | 231,065 |
| Prior year general surplus | 0 | 252,801 | 21,736 |
| General surplus (note 9) | \$ 0 | \$ 519,363 | \$ 252,801 |
| Revenues | 29,572,065 | 25,479,625 | 23,715,850 |
| Expenses | 25,952,135 | 24,378,916 | 24,039,110 |
| Annual surplus (deficit) | \$3,619,930 | \$ 1,100,709 | \$ (323,260) |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

11. Other income:

| | 2013 Budget | 2013 Actual | 2012 Actual |
|------------------------------------|----------------|----------------|----------------|
| Penalties and interest on taxation | \$ 473,000 | \$ 670,573 | \$ 593,158 |
| Other fines and penalties | 71,565 | 63,451 | 64,169 |
| Investment income | 242,950 | 495,963 | 513,026 |
| Licenses, permits and rents | 356,825 | 489,546 | 424,605 |
| Donations | 16,500 | 107,084 | 16,077 |
| Developer Contributions | 2,935,000 | 17,118 | 109,401 |
| Donated Capital Assets | 0 | 0 | 42,139 |
| Subdivider contributions | 0 | 0 | 0 |
| Loss on disposal of capital assets | 3,000 | 26,001 | (376,394) |
| Local improvements | 1,496,525 | 9,196 | 0 |
| Other | 19,300 | 131,556 | 130,072 |
| | \$5,614,665 | \$ 2,010,489 | \$ 1,516,253 |

12. Government business partnerships:

Georgian Trail Board of Management:

Georgian Trail Board of Management is a joint board under the shared control of The Corporation of the Town of The Blue Mountains, the Town of Collingwood and the Municipality of Meaford.

The consolidated financial statements include the municipality's 41% proportionate interest of the following:

| | 2013 | 2012 |
|--------------------------|------------|-------------|
| Financial assets | \$ 215,881 | \$ 204,022 |
| Liabilities | 10,234 | 24,527 |
| Net financial assets | 205,647 | 179,495 |
| Prepaid expenses | 277 | 310 |
| Accumulated surplus | \$ 205,924 | \$ 179,805 |
| Revenues | \$ 63,563 | \$ 58,392 |
| Expenses | 37,444 | 75,361 |
| Annual surplus (deficit) | \$ 26,119 | \$ (16,969) |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Financial Statements (continued)

Year ended December 31, 2013

13. Grants:

| | 2013 Budget | 2013 Actual | 2012 Actual |
|---|--------------------|---------------------|---------------------|
| Operating: | | | |
| Province of Ontario: | | | |
| Ontario Municipal Partnership Fund (OMPF) | \$1,515,000 | \$ 1,515,000 | \$ 1,679,600 |
| Conditional - Roads | 249,500 | 44,740 | 13,162 |
| - Other | 151,500 | 189,937 | 160,528 |
| | 1,916,000 | 1,749,677 | 1,853,290 |
| Government of Canada | | | |
| - Other | 6,500 | 3,484 | 8,069 |
| Other municipalities | | | |
| Conditional - Roads | 0 | 26,031 | 0 |
| - Other | 0 | 0 | 1,770 |
| | 0 | 26,031 | 1,770 |
| Total operating grants | \$1,922,500 | \$ 1,779,191 | \$ 1,863,129 |
| Capital: | | | |
| Province Ontario | | | |
| Conditional - Roads | 0 | 0 | 0 |
| - Sewer and water | 0 | 0 | 0 |
| - Other | 22,000 | 144,132 | 7,963 |
| | 22,000 | 144,132 | 7,963 |
| Government of Canada | | | |
| Conditional - Roads | 0 | 0 | 0 |
| - Sewer and water | 0 | 0 | 0 |
| - Other | 40,000 | 366,191 | 36,963 |
| | 40,000 | 366,191 | 36,963 |
| Other municipalities | | | |
| Conditional - Roads | 0 | 0 | 0 |
| - Other | 0 | 0 | 37,658 |
| Total capital grants | 62,000 | 510,323 | 82,584 |
| Total grants | \$1,984,500 | \$ 2,289,514 | \$ 1,945,713 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Financial Statements (continued)

Year ended December 31, 2013

14. Retirement and post-employment benefit:

The municipality provides certain retirement benefits to retired employees who met certain requirements upon retirement. The municipality pays for the cost of extended health benefits and life insurance for the retired employees. The post-employment benefit at December 31 includes the following component:

| | 2013 | 2012 |
|---------------------|-----------|-----------|
| Retirement benefits | \$ 34,408 | \$ 38,890 |

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.69%. The health and life insurance costs, a 2.12% annual rate of increase was assumed for 2013 and forwards.

15. Pension agreements:

The municipality makes contributions to the Ontario Municipality Employees Retirement Systems Fund (OMERS), which is a multi-employer plan, on behalf of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed on OMERS on behalf of 101 members of staff for 2013 current service was \$608,940 (2012 - \$4561,407). The contribution rate for 2013 was 9% to 14.6% and 9.3% to 15.9% for firefighters depending on age and income level (2012 – 8.3% to 13.9%).

OMERS is a multi-employer plan, therefore, any pension 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 OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2013. At that time, the plan reported a \$8.6 billion actuarial deficit (2013 - \$9.9 billion actuarial deficit). Ongoing adequacy of the current contribution rates will need to be monitored as the severe decline in the financial markets may lead to increased future funding requirements.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Financial Statements (continued)

Year ended December 31, 2013

16. Trust funds:

The trust funds administered by the municipality amounting to \$297,453 (2012 - \$284,750) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2013, the trust fund balances are as follows:

| | 2013 | 2012 |
|-------------------------------------|------------|------------|
| Cemetery Care and Maintenance funds | \$ 297,453 | \$ 284,750 |

17. Contractual commitments:

- (a) The Corporation of the Town of The Blue Mountains has entered into contracts totalling \$3,437,598 to upgrade and extend road, sewer and water services and purchase equipment. A total of \$1,716,797 remains to be spent. These commitments will be funded by municipal reserve funds, development charges, local improvement charges, government grants and long-term debt.
- (b) The Corporation of the Town of The Blue Mountains has entered into agreements with various contractors for water, winter maintenance, garbage, and recycling collection services for the following amounts:

| | |
|--------------|---------------------|
| 2014 | 1,552,683 |
| 2015 | 1,169,251 |
| 2016 | 657,504 |
| 2017 | 616,335 |
| 2018 - 2025 | 5,378,827 |
| Total | \$19,352,037 |

- (c) The Corporation of the Town of The Blue Mountains has entered into lease agreements with various contractors for vehicles and equipment for the following amounts:

| | |
|--------------|------------------|
| 2014 | 77,399 |
| 2015 | 47,487 |
| 2016 | 6,460 |
| 2017 | 2,800 |
| 2018 | 2,199 |
| Total | \$136,347 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Financial Statements (continued)

Year ended December 31, 2013

18. Subdivision agreements:

As part of various subdivision agreements, the municipality has received letters of credit to cover developers' responsibilities in completing the projects as well as covering unpaid municipal levies. Letters of credit held by the municipality at December 31, 2013 amount to \$3,873,668 (2012 - \$5,397,530).

19. Contingencies:

OMERS has notified The Corporation of the Town of The Blue Mountains that the Town may be required to pay OMERS contributions for an omission period from 1998 to 2007. The effect on expenses, if any, will be recorded in the fiscal year in which it can be determined.

The Town is subject to various litigation and claims arising in the normal course of its operations. The final outcome of the outstanding claims cannot be determined at this time. Management assesses such claims and where considered likely to be material exposure and, where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of likely outcome. The Town does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of loss cannot be reasonably estimated. Any settlements or awards under such claims are provided when reasonably determinable. It is the opinion of management that exposure to property, liability, and accident claims is adequately covered by the Town's insurance coverage.

20. Segmented information:

The Town of The Blue Mountains is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste collection, disposal and recycling, recreational, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

(a) General government:

This item relates to the revenues and expense that relate to the governance and operation of the municipality itself and cannot be directly attributed to a specific segment.

(b) Protection to persons and property services:

Protection is comprised of police services, fire protection, conversation authority, emergency measures, animal control and building and structural inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs training and education. The members of the fire department consist of volunteers. Building and by-law services provides a number of services including by-law enforcement, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Financial Statements (continued)

Year ended December 31, 2013

20. Segmented information (continued):

(c) Transportation services:

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting.

(d) Waste management:

Waste management consist of providing solid waste collection, landfill and disposal services. It also consists of environmental initiatives.

(f) Water and Wastewater:

Water and Wastewater consist of providing collection, distribution and treatment services. It also ensures the municipality's water system meets all Provincial standards.

(f) Health services:

Health services include contributions to the operations of local cemeteries.

(g) Recreational and cultural services:

This service area provides services meant to improve the health and development of the municipality's citizens. The municipally operates and maintains parks and arenas. The municipality also provides library services and recreational programs.

(h) Planning and development:

This department is responsible for planning and zoning including the Official Plan. This service area also includes tourist information and promotion, business improvement area, weed control, and drainage.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

- Taxation, payments-in-lieu and penalties and interest:

Allocated to those segments that are funded by these amounts based on the actual for the year.

- OMPF grants:

Allocated to segments based on the actuals for the year.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Financial Statements (continued)

Year ended December 31, 2013

20. Segmented information (continued):

| 2013 | General government | Protection Services | Transportation services | Solid Waste | Water and Wastewater | Health services | Recreation and cultural services | Planning and development | Total |
|-----------------------------------|--------------------|---------------------|-------------------------|-------------------|----------------------|------------------|----------------------------------|--------------------------|---------------------|
| Revenue: | | | | | | | | | |
| Taxation | \$ 2,375,746 | \$ 3,231,702 | \$ 3,838,057 | \$ 668,378 | \$ 0 | \$ 37,389 | \$1,711,785 | \$ 465,469 | \$12,328,527 |
| Fees and user charges | 69,710 | 80,036 | 260,841 | 307,906 | 6,058,558 | 28,138 | 769,180 | 252,194 | 7,826,562 |
| Specific grants | 360,854 | 13,042 | 70,979 | 108,128 | 255 | 0 | 221,257 | 0 | 774,514 |
| OMPF grant | 291,945 | 397,130 | 471,642 | 82,134 | 0 | 4,595 | 210,354 | 57,200 | 1,515,000 |
| Other revenue | 1,225,013 | 517,092 | 71,621 | 15,566 | 45,068 | 8,683 | 127,396 | 50 | 2,010,489 |
| Transfers from obligatory reserve | 19,805 | 122,331 | 60,790 | 0 | 727,109 | 0 | 94,496 | 0 | 1,024,532 |
| | \$ 4,343,073 | \$ 4,361,333 | \$ 4,773,931 | \$ 1,182,111 | \$ 6,830,991 | \$ 78,803 | \$3,134,468 | \$ 774,913 | \$25,479,625 |
| Expenses: | | | | | | | | | |
| Salaries and benefits | \$ 2,238,956 | \$ 1,704,737 | \$ 1,324,745 | \$ 290,444 | \$ 1,343,553 | \$ 21,160 | \$1,503,356 | \$ 441,515 | \$ 8,868,466 |
| Interest on debt | 62,831 | 21,801 | 0 | 0 | 131,236 | 0 | 0 | 1,689 | 217,556 |
| Materials and supplies | 476,106 | 458,569 | 1,137,165 | 23,392 | 1,746,654 | 18,800 | 782,966 | 104,716 | 4,748,368 |
| Contracted services | 202,673 | 2,429,301 | 630,467 | 604,179 | 169,873 | 4,120 | 250,646 | 147,236 | 4,438,495 |
| Other transfers | 0 | 294,912 | 0 | 0 | 0 | 0 | 0 | 27,346 | 322,258 |
| Rent and financials | 19,324 | 1,539 | 17,275 | 946 | 19,669 | 2,255 | 7,742 | 737 | 69,486 |
| Amortization | 425,644 | 254,739 | 2,424,356 | 44,757 | 1,992,615 | 7,575 | 561,749 | 2,852 | 5,714,288 |
| | \$ 3,425,534 | \$ 5,165,597 | \$ 5,534,007 | \$ 963,718 | \$ 5,403,601 | \$ 53,910 | \$3,106,458 | \$ 726,089 | 24,378,916 |
| Annual surplus (deficit) | \$ 917,540 | \$ (804,264) | \$ (760,077) | \$ 218,393 | \$ 1,427,390 | \$ 24,894 | \$ 28,011 | \$ 48,823 | \$ 1,100,709 |

Note: The annual surplus (deficit) illustrated above does not represent the amount available to be liquidated. Segmented Information is based on revenues and expenses consolidated within the Statement of Operations, and as such excludes items such as items Transfers to Capital, Transfers To/From Reserves/Reserve Funds and Interfunctional Adjustments. Allocations for taxation and OMPF grant funding are based on a percentage of tax related expenditures.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Financial Statements (continued)

Year ended December 31, 2013

20. Segmented information (continued):

| 2012 | General government | Protection services | Transportation services | Waste Management | Water and Wastewater | Health services | Recreation and cultural services | Planning and development | Total |
|-----------------------------------|--------------------|---------------------|-------------------------|-------------------|----------------------|------------------|----------------------------------|--------------------------|---------------------|
| Revenue: | | | | | | | | | |
| Taxation | \$ 2,571,904 | \$3,256,969 | \$ 3,783,369 | \$1,104,150 | \$ 0 | \$ 40,289 | \$ 150,683 | \$ 581,497 | \$11,488,862 |
| Fees and user charges | 23,916 | 73,749 | 107,976 | 332,196 | 5,765,564 | 24,002 | 749,279 | 202,653 | 7,279,335 |
| Specific grants | 34,810 | 9,703 | 13,162 | 119,326 | 660 | 0 | 88,452 | 0 | 266,113 |
| OMPF grant | 375,996 | 476,149 | 553,105 | 161,420 | 0 | 5,890 | 22,029 | 85,011 | 1,679,600 |
| Other revenue | 798,956 | 472,991 | 45,821 | 18,272 | 94,250 | 8,635 | 77,166 | 162 | 1,516,253 |
| Transfers from obligatory reserve | 3,019 | 7,688 | 411,162 | 60,115 | 851,543 | 0 | 143,160 | 9,000 | 1,485,687 |
| | \$ 3,808,602 | \$4,297,248 | \$ 4,914,594 | \$ 1,795,479 | \$ 6,712,018 | \$ 78,816 | \$1,230,768 | \$ 878,323 | \$23,715,850 |
| Expenses: | | | | | | | | | |
| Salaries and benefits | \$ 2,277,810 | \$1,502,567 | \$ 1,312,915 | \$ 296,050 | \$ 1,327,164 | \$ 27,390 | \$1,551,029 | \$ 566,900 | \$8,861,825 |
| Interest on debt | 37,917 | 9,405 | 0 | 0 | 169,216 | 0 | 3,163 | 1,962 | 221,663 |
| Materials and supplies | 360,816 | 432,452 | 978,837 | 552,733 | 1,653,762 | 16,337 | 777,008 | 133,702 | 4,905,647 |
| Contracted services | 199,086 | 2,443,966 | 348,036 | 587,439 | 66,811 | 4,433 | 30,808 | 126,504 | 3,807,083 |
| Other transfers | 20,000 | 286,197 | 0 | 0 | 0 | 0 | 0 | 25,112 | 331,309 |
| Rent and financials | 115,615 | 21,121 | 14,255 | 852 | 18,341 | 2,171 | 7,731 | 1,400 | 181,486 |
| Amortization | 441,826 | 245,455 | 2,425,556 | 45,372 | 1,987,970 | 3,762 | 577,738 | 2,419 | 5,730,097 |
| | \$ 3,453,071 | \$ 4,941,163 | \$ 5,079,599 | \$ 1,482,446 | \$ 5,223,264 | \$ 54,092 | \$2,947,476 | \$ 858,000 | \$24,039,110 |
| Annual surplus (deficit) | \$ 355,532 | \$ (643,915) | \$ (165,004) | \$ 313,033 | \$ 1,488,753 | \$ 24,724 | \$(1,716,708) | \$ 20,324 | \$ (323,260) |

Note: The annual surplus (deficit) illustrated above does not represent the amount available to be liquidated. Segmented Information is based on revenues and expenses consolidated within the Statement of Operations, and as such excludes items such as items Transfers to Capital, Transfers To/From Reserves/Reserve Funds and Interfunctional Adjustments. Allocations for taxation and OMPF grant funding are based on a percentage of tax related expenditures.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Schedule of Deferred Revenue

Year ended December 31, 2013

| | Opening | Contributions received | Investment income | Revenue recognized | Ending |
|----------------------------------|--------------------|------------------------|-------------------|-----------------------|--------------------|
| Obligatory reserve funds: | | | | | |
| Development charges | \$ 191,958 | \$ 919,622 | \$ 6,161 | \$ (1,024,380) | \$ 93,361 |
| Recreational land | 990,970 | 1,300 | 12,465 | (153) | 1,004,583 |
| Parking revenues | 30,683 | 0 | 386 | 0 | 31,069 |
| Federal gas tax | 597,872 | 209,357 | 8,509 | 0 | 815,738 |
| | \$1,811,483 | \$1,130,279 | \$ 27,520 | \$ (1,024,532) | \$1,944,750 |
| Other: | | | | | |
| Provincial grants | \$ 14,277 | \$ 0 | \$ 0 | \$ (14,277) | \$ 0 |
| Hall deposits | 300 | 0 | 0 | (300) | 0 |
| Harbour deposits | 8,350 | 5,100 | 0 | (3,400) | 10,050 |
| Developer Contributions | 378,757 | 105,139 | 0 | (122,257) | 361,639 |
| BVCS | 0 | 0 | 0 | 0 | 0 |
| Engineering Fees | 0 | 227,789 | 0 | 0 | 227,789 |
| Other | 39,959 | 73,689 | 0 | (54,436) | 59,212 |
| | \$ 441,643 | \$ 411,716 | \$ 0 | \$ (194,670) | \$ 658,690 |
| | \$2,253,126 | \$1,541,995 | \$ 27,520 | \$ (1,219,202) | \$2,603,440 |