

**The Corporation of the County of Perth
Consolidated Financial Statements
For the year ended December 31, 2015**

**The Corporation of the County of Perth
Consolidated Financial Statements
For the year ended December 31, 2015**

	Contents
Independent Auditors' Report	2
Consolidated Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets (Debt)	6
Statement of Cash Flows	7
Summary of Significant Accounting Policies	8 - 10
Notes to the Financial Statements	11 - 25

Independent Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the County of Perth

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards established by CPA Canada, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the County of Perth as at December 31, 2015 and the results of its operations, change in net financial assets and cash flows for the year then ended, in accordance with Canadian Public Sector Accounting Standards.

Chartered Professional Accountants, Licensed Public Accountants

**Stratford, Ontario
June 29, 2016**

The Corporation of the County of Perth
Consolidated Statement of Financial Position

December 31	2015	2014
Financial assets		
Cash and cash equivalents	\$ 8,970,823	\$ 8,474,435
Accounts receivable	2,346,775	2,869,839
Mortgage and loan receivable (Note 2)	341,076	353,087
	11,658,674	11,697,361
Liabilities		
Accounts payable and accrued liabilities	4,540,846	4,620,875
Employee benefits liability (Note 1)	466,275	406,906
Deferred revenue (Note 3)	144,600	262,033
Long-term debt (Note 4)	2,629,000	-
	7,780,721	5,289,814
Net financial assets	3,877,953	6,407,547
Non-financial assets		
Tangible capital assets (Note 5)	97,680,161	93,305,005
Prepaid expenses	132,399	105,790
Inventories of supplies	371,931	466,597
	98,184,491	93,877,392
Net Municipal Position (Note 6)	\$102,062,444	\$100,284,939

_____ Treasurer _____ Warden

**The Corporation of the County of Perth
Consolidated Statement of Operations**

For the year ended December 31	Budget 2015	Actual 2015	Actual 2014
	(Note 12)		
Revenue			
Taxation	\$ 13,223,024	\$ 13,234,220	\$ 11,974,286
Government transfers - Federal (Note 7)	1,120,010	1,119,329	1,152,972
Government transfers - Provincial (Note 8)	14,351,091	14,607,507	14,804,553
Municipal transfers	5,109,417	5,015,279	4,445,765
User fees and service charges	2,103,307	2,201,354	1,920,312
Other (Note 9)	2,064,835	2,195,390	2,800,684
	37,971,684	38,373,079	37,098,572
Expenses			
General government	2,705,831	2,728,393	2,314,866
Protection services	1,862,850	1,910,401	2,024,110
Transportation services	5,438,649	8,376,934	9,997,739
Health services	13,083,258	13,547,464	12,871,732
Social and family services	6,750,370	6,772,479	6,688,315
Social housing	1,832,003	1,832,003	1,703,418
Recreation and cultural services	546,455	512,747	466,176
Planning and development	1,013,670	968,382	822,452
	33,233,086	36,648,803	36,888,808
Increase In Net Municipal Position	4,738,598	1,724,276	209,764
Net Municipal Position, beginning of year, as previously reported	100,284,939	100,284,939	100,103,648
Change in proportionate consolidation (Note 14)	53,229	53,229	(28,473)
Net Municipal Position, beginning of year, restated	100,338,168	100,338,168	100,075,175
Net Municipal Position, end of year	\$105,076,766	\$102,062,444	\$ 100,284,939

The Corporation of the County of Perth
Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31	Budget 2015	Actual 2015	Actual 2014
	(Note 12)		
Increase in Net Municipal Position	\$ 4,738,598	\$ 1,724,276	\$ 209,764
Acquisition of tangible capital assets	(15,336,017)	(8,538,151)	(8,093,135)
Amortization of tangible capital assets	111,103	4,052,691	4,857,647
Loss on disposal of tangible capital assets	-	130,355	151,846
Proceeds on disposal of tangible capital assets	-	25,725	68,300
	<u>(10,486,316)</u>	<u>(2,605,104)</u>	<u>(2,805,578)</u>
Utilization (acquisition) of prepaid expenses and inventory of supplies	-	68,057	(103,062)
Net change in net financial assets (debt)	(10,486,316)	(2,537,047)	(2,908,640)
Net financial assets, beginning of year	6,407,547	6,407,547	9,319,798
Change in proportionate consolidation (Note 14)	7,453	7,453	(3,611)
Net financial assets (debt), end of year	\$ (4,071,316)	\$ 3,877,953	\$ 6,407,547

The Corporation of the County of Perth
Consolidated Statement of Cash Flows

For the year ended December 31	2015	2014
Operating transactions		
Increase in Net Municipal Position	\$ 1,724,276	\$ 209,764
Items not involving cash		
Amortization	4,052,691	4,857,647
Loss on disposal of tangible capital assets	130,355	151,846
Changes in non-cash operating balances		
Accounts receivable	523,064	(163,069)
Prepaid expenses and inventories of supplies	68,057	(103,062)
Accounts payable and accrued liabilities	(80,029)	174,746
Employment benefits liabilities	59,369	(26,739)
Deferred revenue	(117,433)	173,523
	<u>6,360,350</u>	<u>5,274,656</u>
Capital transactions		
Acquisition of tangible capital assets	(8,538,151)	(8,093,135)
Proceeds on disposal of tangible capital assets	25,725	68,300
	<u>(8,512,426)</u>	<u>(8,024,835)</u>
Investing transactions		
Decrease of mortgages receivable	12,011	11,771
Financing transactions		
Proceeds from issuance of long-term debt	2,629,000	-
Net change in cash and cash equivalents	488,935	(2,738,408)
Cash and cash equivalents, beginning of year	8,474,435	11,216,454
Change in proportionate consolidation (Note 14)	7,453	(3,611)
Cash and cash equivalents, end of year	\$ 8,970,823	\$ 8,474,435

The Corporation of the County of Perth Summary of Significant Accounting Policies

December 31, 2015

Management's Responsibility for the Financial Statements

The consolidated financial statements of the Corporation of the County of Perth are the responsibility of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards established by CPA Canada. The Corporation of the County of Perth is a municipality in the Province of Ontario and operates under the provisions of the Municipal Act to provide municipal services such as public works, emergency medical services, planning, provincial offences administration and other general government services.

Basis of Consolidation

These consolidated financial statement reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the County. All interfund assets and liabilities and revenues and expenditures have been eliminated upon consolidation.

Joint local boards controlled by the Corporation of the County of Perth have been proportionately consolidated. Participating municipalities have approved new funding agreements which are effective January 1, 2012, changing the percentages reported. Details of percentages reported are as follows:

	<u>2015</u>	<u>2014</u>
Perth District Health Unit	47.50%	47.03%
Spruce Lodge Home for the Aged	48.50%	48.01%
Spruce Lodge Home Assistance Corporation	48.50%	48.01%
Spruce Lodge Foundation	48.50%	48.01%

Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

The Corporation of the County of Perth Summary of Significant Accounting Policies

December 31, 2015

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvement	15 years
Facilities	10 to 75 years
Equipment	10 to 20 years
Vehicles	7 to 20 years
Infrastructure - roads	20 to 50 years
Infrastructure - bridges and culverts	30 to 80 years
Computer systems	4 to 15 years

Trust Funds

Funds held in trust by the County of Perth, its consolidated local boards, and their related operations, are not included in these financial statements. The financial activity and position of any trust funds are reported separately.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Government Transfers

Government transfers, which include legislative grants, are recognized in the financial statements 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 in which case they are recognized as deferred revenue until such time as the stipulations are met.

The Corporation of the County of Perth Summary of Significant Accounting Policies

December 31, 2015

Revenue Recognition	<p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.</p> <p>Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenues are recognized as they become receivable.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p> <p>Provincial Offences revenue is recognized on a cash basis.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions 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. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
Liability for Contaminated Sites	<p>A contaminated site is a site at which substances occur in concentrations that exceed maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the County is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.</p>

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

1. Employee Benefits Liability

The amount reported for employee benefits liability on the consolidated statement of financial position consists of the following:

	2015	2014
Sick leave benefits	\$ 284,471	\$ 265,071
Workplace Safety and Insurance	181,804	141,835
	\$ 466,275	\$ 406,906

Sick Leave Benefits

The consolidated boards provide sick leave benefits for employees that can be carried forward and employees may become entitled to a cash payment when they leave their respective employment.

Workplace Safety and Insurance Board ("WSIB")

The County is a Schedule II employer under the Workplace Safety and Insurance Act, whereby it self-insures the entire risk of its own WSIB claims. The County is also responsible for reimbursing the WSIB for all costs relating to its workers' claims.

The liability reported in the consolidated statement of financial position is the result of an actuarial update that estimated potential liabilities of the municipality under the provisions of the Workplace Safety and Insurance Act. The last full actuarial evaluation for the County of Perth was completed as at December 31, 2014 and forecasted for the next three years.

WSIB liability	2015	2014
Accrued benefit obligation at January 1	\$ 141,835	\$ 133,047
Add estimated cost of claims (service cost)	26,458	3,068
Add interest accrued	13,511	5,720
Liability at December 31	\$ 181,804	\$ 141,835

WSIB benefits expense	2015	2014
Current year benefit cost	\$ 26,458	\$ 3,068
Interest on accrued benefit obligation	13,511	5,720
Total	\$ 39,969	\$ 8,788

Pension Agreements

The County of Perth and its consolidated boards make contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all eligible employees. The plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on length of service and rates of pay. During the year, employer contributions of \$1,502,896 (2014 - \$1,457,794) were paid by the County and its consolidated boards and reported as an expense on the consolidated statement of operations.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

2. Mortgage and Loan Receivable

	<u>2015</u>	<u>2014</u>
First mortgage receivable - Stratford Perth Museum, interest at 3.0%, payable in monthly installments of \$1,194 principal and interest, due September 2037.	229,353	236,684
Second mortgage receivable - Stratford Perth Museum, interest at 0.5%, payable in monthly installments of \$438 principal and interest, due July 2038.	111,723	116,403
	<u>\$ 341,076</u>	<u>\$ 353,087</u>

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

3. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Federal gas tax	\$ -	1,087,884	-	(1,087,884)	\$ -
Source Water Protection	28,930	33,721	-	(62,651)	-
Aged Friendly Community	-	21,000	-	(833)	20,167
PDHU & Spruce Lodge	233,103	93,975	-	(202,645)	124,433
	\$ 262,033	1,236,580	-	(1,354,013)	\$ 144,600

Federal gas tax

Gas tax revenue is provided by the Government of Canada. The use of the funding is established by a funding agreement between the County of Perth and the Association of Municipalities of Ontario (AMO). Gas tax funding may be used towards designated environmentally sustainable municipal infrastructure and capacity building projects as specified in the funding agreements.

Source Water Protection

Source water protection revenue is provided by the Government of Ontario through the Ministry of the Environment. The use of such revenue is established by a funding agreement which specifies that funding may be used towards a portion of costs for small, rural municipalities in preparing and implementing source water protection plans.

Aged Friendly Community

Aged Friendly Community Planning grant, provided by the Government of Ontario, specifies funding to support local government community organizations to undertake strategic planning with a focus on seniors as outlined in the Aged Friendly Community Planning Guide.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

4. Net Long-term Debt

	<u>2015</u>	<u>2014</u>
Debenture, bearing interest at 3.18% and repayable in blended semi-annual instalments of \$89,330. The loan is due October 2035 and was issued on behalf of Ontario Infrastructure and Lands Corporation.	<u>\$ 2,629,000</u>	<u>\$ -</u>

Principal repayments relating to net long term debt of \$2,629,000 outstanding are due as follows:

2016	\$ 95,814
2017	98,885
2018	102,055
2019	105,326
2020	108,702
Thereafter	<u>2,118,218</u>
	<u>\$ 2,629,000</u>

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

5. Tangible Capital Assets

								2015
	Land and land improvement	Facilities	Equipment	Vehicles	Infrastructure - roads	Infrastructure - bridges and culverts	Computer systems	Total
Cost,								
beginning of year	\$ 1,765,897	\$ 16,118,595	\$ 1,746,980	\$ 4,485,002	\$ 91,527,779	\$ 22,047,459	\$ 1,153,949	\$ 138,845,661
Additions	60,720	3,136,573	157,335	806,769	3,873,424	355,736	147,594	8,538,151
Disposals		(28,891)	-	(418,793)	(2,368,535)	-	(83,170)	(2,899,389)
Transfers	-	-	(533,262)	-	-	-	533,262	-
Change in consolidation (Note 14)	588	83,750	-	-	-	-	2,384	86,722
Cost, end of year	\$ 1,827,205	\$ 19,310,027	\$ 1,371,053	\$ 4,872,978	\$ 93,032,668	\$ 22,403,195	\$ 1,754,019	\$ 144,571,145
Accumulated amortization,								
beginning of year	\$ 95,074	\$ 6,031,378	\$ 742,256	\$ 2,191,642	\$ 26,882,777	\$ 8,714,824	\$ 882,705	\$ 45,540,656
Amortization	22,224	569,887	89,239	308,631	2,526,332	377,804	158,574	4,052,691
Disposals	-	(28,879)	-	(371,449)	(2,264,247)	-	(78,734)	(2,743,309)
Transfers	-	-	(109,199)	-	-	-	109,199	-
Change in consolidation (Note 14)	195	39,183	-	-	-	-	1,568	40,946
Accumulated amortization, end of year	\$ 117,493	\$ 6,611,569	\$ 722,296	\$ 2,128,824	\$ 27,144,862	\$ 9,092,628	\$ 1,073,312	\$ 46,890,984
Net book value, end of year	\$ 1,709,712	\$ 12,698,458	\$ 648,757	\$ 2,744,154	\$ 65,887,806	\$ 13,310,567	\$ 680,707	\$ 97,680,161

The net book value of capital assets not being amortized because they are under construction (or development) is \$2,477,600 (2014 - \$1,925,448).

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

5. Tangible Capital Assets (continued)

	2014							
	Land and land improvement	Facilities	Equipment	Vehicle	Infrastructure - roads	Infrastructure - bridges and culverts	Computer systems	Total
Cost, beginning of year	\$ 1,089,688	\$ 13,135,509	\$ 1,736,175	\$ 4,164,120	\$ 90,061,775	\$ 21,343,499	\$ 1,146,340	\$ 132,677,106
Additions	653,349	3,139,389	10,927	593,955	2,859,719	744,759	91,037	8,093,135
Disposals	(61,568)	(28,171)	(122)	(273,073)	(1,393,715)	(40,799)	(82,055)	(1,879,503)
Transfers	84,670	(84,670)	-	-	-	-	-	-
Change in consolidation	(242)	(43,462)	-	-	-	-	(1,373)	(45,077)
Cost, end of year	\$ 1,765,897	\$ 16,118,595	\$ 1,746,980	\$ 4,485,002	\$ 91,527,779	\$ 22,047,459	\$ 1,153,949	\$ 138,845,661
Accumulated amortization, beginning of year	\$ 77,676	\$ 4,911,464	\$ 600,936	\$ 2,173,372	\$ 25,713,686	\$ 8,039,236	\$ 846,211	\$ 42,362,581
Amortization	15,609	1,169,248	141,342	248,272	2,449,080	716,387	117,709	4,857,647
Disposals	-	(28,171)	(22)	(230,002)	(1,279,989)	(40,799)	(80,374)	(1,659,357)
Transfers	1,882	(1,882)	-	-	-	-	-	-
Change in consolidation	(93)	(19,281)	-	-	-	-	(841)	(20,215)
Accumulated amortization, end of year	\$ 95,074	\$ 6,031,378	\$ 742,256	\$ 2,191,642	\$ 26,882,777	\$ 8,714,824	\$ 882,705	\$ 45,540,656
Net book value, end of year	\$ 1,670,823	\$ 10,087,217	\$ 1,004,724	\$ 2,293,360	\$ 64,645,002	\$ 13,332,635	\$ 271,244	\$ 93,305,005

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

6. Net Municipal Position

	2015	2014
Investment in tangible capital assets	\$ 95,051,153	\$ 93,305,005
Inventory, prepaid expenses and current funds	1,767,726	1,789,279
Operating Surplus		
Perth County	552,149	223,872
Perth District Health Unit	(9,161)	(35,124)
Spruce Lodge	59,103	4,930
Reserves		
Working funds	1,594,231	1,583,984
Current purposes	1,494,984	1,387,153
Capital purposes	1,414,766	1,672,656
Sick leave and WSIB	421,964	609,011
Reserve Funds		
Archives Special Donations	-	9,244
Unfunded sick leave liability	(284,471)	(265,071)
	\$102,062,444	\$100,284,939

Reserves and reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

7. Government Transfers - Federal

	Budget 2015	Actual 2015	Actual 2014
	(Note 12)		
Operating			
Conditional - PDHU grant	\$ 32,010	\$ 31,445	\$ 33,542
Capital			
Federal gas tax revenue	1,088,000	1,087,884	1,119,430
	\$ 1,120,010	\$ 1,119,329	\$ 1,152,972

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

8. Government Transfers - Provincial

	Budget 2015	Actual 2015	Actual 2014
	(Note 12)		
Operating			
Ontario Municipal Partnership Fund	\$ 2,705,000	\$ 2,705,000	\$ 3,381,200
Conditional -EMS grant	5,043,681	5,082,511	4,897,203
-PDHU and Spruce Lodge grants	6,407,116	6,620,725	6,509,276
-other	70,000	73,484	16,874
Capital			
Ontario community infrastructure fund	125,294	125,787	-
	\$ 14,351,091	\$ 14,607,507	\$ 14,804,553

9. Other Income

	Budget 2015	Actual 2015	Actual 2014
	(Note 12)		
Fines and penalties	\$ 1,659,000	\$ 1,728,805	\$ 1,876,364
Less: fines under appeal	-	-	(110,010)
Investment income	60,435	95,638	114,672
Licences, permits and rents	345,000	338,165	290,036
Donations (includes in-kind)	400	8,459	19,714
Insurance proceeds	-	-	123,507
Partners in Employment Funding	-	24,323	-
Sale of land inventory (Clayton Street)	-	-	486,401
	\$ 2,064,835	\$ 2,195,390	\$ 2,800,684

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

10. Expenditures by Object

Total operating expenditures for the year reported on the consolidated statement of financial activities are as follows:

	Budget 2015	Actual 2015	Actual 2014
		(Note 12)	
Salaries, wages and employee benefits	\$ 21,374,659	\$ 21,561,459	\$ 20,608,040
Materials	5,107,154	4,621,043	5,088,965
Contracted services	5,396,508	5,126,112	4,949,813
Rents and financial expenses	386,507	279,892	258,871
Contributions to other organizations	857,155	877,251	973,627
Amortization	111,103	4,052,691	4,857,646
Loss on disposal of capital assets	-	130,355	151,846
	33,233,086	\$ 36,648,803	\$ 36,888,808

11. Trust Funds

The County's proportional amount of the trust funds administered by the Spruce Lodge amounting to \$13,510 (2014 - \$14,368) have not been included in the consolidated financial statements.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

12. Budget

The Financial Plan/Budget, adopted by Council on March 19, 2015, by resolution #2015-89, other than the proportionate budgets of the consolidated local boards, were not prepared on the same basis as would be reported on the annual financial statements, the latter being required by Public Sector Accounting Standards. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$ nil. In addition, all included budgets do not include full amortization expense. As a result, had the budget been presented on a basis consistent with Public Sector Accounting Standards, the Statement of Operations and Change in Net Assets, including proportionately consolidated budgets of the outside local boards would have been shown as follows:

	<u>2015</u>
Financial Plan (Budget) Resolution surplus for the year	\$ -
Add:	
Capital expenditures	15,336,017
Budgeted transfers to net municipal position	3,669,873
Budgeted surplus from other local boards	54,659
Less:	
Budgeted transfers from net municipal position	(7,451,951)
Proceeds from issuance of long-term debt	<u>(6,870,000)</u>
Increase to net municipal position per statement of operations	<u>\$ 4,738,598</u>

13. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

14. Change in Proportionate Consolidation

The change in proportionate consolidation of joint local boards is the result of new funding agreements effective January 1, 2012. The resulting changes in funding percentages and their effects are as follows:

Funding Percentage	2015	2014	Change
Perth District Health Unit	47.50%	47.03%	0.47%
Spruce Lodge	48.50%	48.01%	0.49%

Effect of Change in Funding Percentages	January 1, 2015
Tangible capital assets	
Cost	\$ 86,722
Accumulated amortization	(40,946)
Net book value	45,776
Net financial assets	7,028
Other non-financial assets	425
Change in Net Municipal Position	\$ 53,229

15. Segmented Information

The Corporation of the County of Perth is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Council and CAO/Clerk

This office of the Chief Administrative Officer is responsible for costs relating to the legislative duties of the Clerk, the position of the Chief Administrative Officer, and the administrative functions of Accessibility, Human Resources and Economic Development. Council expenditures relate to the remuneration, professional development, and other expenses related to the execution of the duties of the Warden and Councilors.

The Corporation of the County of Perth Notes to Consolidated Financial Statements

December 31, 2015

15. Segmented Information (continued)

Corporate Services

This department is responsible for four functions: Finance, Technology Services, Provincial Offences Administration, and Archives.

Finance

Finance is responsible for the administration of the annual budget and procurement policies, providing advice on financial legislative obligations, reserve and reserve fund administration, financial impacts and analysis, investments and borrowing, financial policy and procedures, insurance claims and risk management, administration of payroll, and to foster relations with financial institutions and other stakeholders. This area also relates to the corporate-wide revenues and expenses of the operations of the County that cannot be directly attributed to specific segments.

Technology Services

These costs relate to network and Internet connectivity support and implementation, and assistance to departments in the effective use of communications, workflow and data management.

Provincial Offences Administration (POA)

POA is responsible for providing administrative support for the Ontario Court of Justice. The Provincial Offences Act applies to all Ontario statutes (and regulations), municipal by-laws, and some federal contraventions.

Stratford - Perth Archives

Archives is responsible for preserving, protecting and making available the documentary heritage, including municipal and school records of Perth County, including its four lower tier municipalities, and the City of Stratford.

Public Works

Public works is responsible for the maintenance and winter control of the County's road network, the maintenance and operations of all facilities and fleet assets used by County operations.

Emergency Services (ES)

ES is responsible for the provision of pre-hospital medical care and transportation services to the ill and injured in the County, and for the planning, maintenance and mobilization of community resources for declared and non-declared emergencies.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

15. Segmented Information (continued)

Planning and Development

This department provides a number of services including planning, protection to persons and property, geographic information system and Land Division Committee services and support.

Shared Services

The operations of the Perth District Health Unit and Spruce Lodge - Home for the Aged are proportionately consolidated with the County. Other services provided by the City of Stratford - Social Services Department and the Stratford-Perth Museum Board are funded in part by the County, but not consolidated. All of these services are reported together in the following chart under "Shared Services" for segmentation purposes.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been measured on the basis of the actual cost of services provided. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation and OMPF grants are allocated to those segments that are funded by the County based on the budgeted share of municipal levy for the year.

**The Corporation of the County of Perth
Notes to Consolidated Financial Statements**

December 31, 2015

15. Segmented Information (continued)

For the year ended December 31	Council & CAO	Corporate Services	Public Works	Emergency Services	Planning and Development	Shared Services	2015 Total
Revenue							
Taxation operating	\$ 1,117,941	\$ 934,209	\$ 1,969,547	\$ 1,223,758	\$ 544,834	\$ 3,565,451	\$ 9,355,740
Taxation capital	-	80,000	3,703,480	95,000	-	-	3,878,480
Government grants	430,565	540,452	3,400,564	8,427,121	260,374	7,683,039	20,742,115
User fees and service charges	700	11,685	72,594	1,235	48,707	2,066,433	2,201,354
Other	-	1,810,366	338,165	-	-	46,859	2,195,390
	<u>1,549,206</u>	<u>3,376,712</u>	<u>9,484,350</u>	<u>9,747,114</u>	<u>853,915</u>	<u>13,361,782</u>	<u>38,373,079</u>
Expenses							
Salaries and wages	789,380	1,236,148	2,065,769	8,543,417	705,353	8,221,392	21,561,459
Goods and services	553,953	920,204	2,161,404	1,042,136	177,388	5,171,962	10,027,047
External transfers	28,000	631,768	-	-	125,000	92,483	877,251
Amortization	-	118,831	3,287,993	271,654	-	374,213	4,052,691
Loss on disposal	-	4,447	125,908	-	-	-	130,355
	<u>1,371,333</u>	<u>2,911,398</u>	<u>7,641,074</u>	<u>9,857,207</u>	<u>1,007,741</u>	<u>13,860,050</u>	<u>36,648,803</u>
Increase (decrease) in net municipal position	<u>\$ 177,873</u>	<u>\$ 465,314</u>	<u>\$ 1,843,276</u>	<u>\$ (110,093)</u>	<u>\$ (153,826)</u>	<u>\$ (498,268)</u>	<u>\$ 1,724,276</u>

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2015

15. Segmented Information (continued)

For the year ended December 31	Council & CAO	Corporate Services	Public Works	Emergency Services	Planning and Development	Shared Services	2014 Total
Revenue							
Taxation operating	\$ 735,464	\$ 827,613	\$ 2,062,079	\$ 1,310,098	\$ 414,676	\$ 3,343,488	8,693,418
Taxation capital	-	70,000	3,130,868	80,000	-	-	3,280,868
Government grant	417,618	580,665	3,200,196	8,126,425	235,159	7,843,228	20,403,291
User fees and service charges	475	3,713	43,997	3,746	64,549	1,803,831	1,920,311
Other	486,401	1,866,014	413,543	-	-	34,726	2,800,684
	<u>1,639,958</u>	<u>3,348,005</u>	<u>8,850,683</u>	<u>9,520,269</u>	<u>714,384</u>	<u>13,025,273</u>	<u>37,098,572</u>
Expenses							
Salaries and wages	847,290	1,169,933	2,143,476	8,238,786	489,708	7,718,847	20,608,040
Goods and services	215,830	1,539,630	3,183,536	641,916	149,635	4,567,049	10,297,596
External transfers	168,364	714,406	-	-	-	90,857	973,627
Amortization	-	77,755	4,294,362	121,402	-	364,127	4,857,646
Loss on disposal	-	1,628	150,118	100	-	53	151,899
	<u>1,231,484</u>	<u>3,503,352</u>	<u>9,771,492</u>	<u>9,002,204</u>	<u>639,343</u>	<u>12,740,933</u>	<u>36,888,808</u>
Increase (decrease) in net municipal position	<u>\$ 408,474</u>	<u>\$ (155,347)</u>	<u>\$ (920,809)</u>	<u>\$ 518,065</u>	<u>\$ 75,041</u>	<u>\$ 284,340</u>	<u>209,764</u>