

**CORPORATION OF THE MUNICIPALITY
OF TWEED**

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

CORPORATION OF THE MUNICIPALITY OF TWEED
FINANCIAL STATEMENTS
DECEMBER 31, 2011

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Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements of the Corporation of the Municipality of Tweed are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared in compliance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirement, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Municipality's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting. Council, through the Audit Committee, reviews the Corporation's consolidated financial statements and discusses any significant financial reporting or internal control matters prior to Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by Welch LLP, independent external auditors appointed by the Corporation, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's consolidated financial statements.

Patricia Bergeron
Chief Administrative Officer

Betty Gallagher
Deputy Clerk/Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
of the Corporation of the Municipality of Tweed

We have audited the accompanying consolidated financial statements of the **CORPORATION OF THE MUNICIPALITY OF TWEED** which comprise the statement of financial position at December 31, 2011 and the consolidated statements of operations and accumulated surplus, changes 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 Consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as 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 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation 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 Corporation'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 MUNICIPALITY OF TWEED** as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Belleville, Ontario
Date

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

CORPORATION OF THE MUNICIPALITY OF TWEED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

| | <u>2011</u> | <u>2010</u> |
|--|-----------------------------|-----------------------------|
| FINANCIAL ASSETS | | |
| Cash - <i>note 3</i> | \$ 1,945,545 | \$ 645,167 |
| Taxes receivable | 963,364 | 955,911 |
| Accounts receivable | 511,789 | 1,955,373 |
| Long-term receivable - <i>note 4</i> | <u>75,963</u> | <u>52,086</u> |
| | <u>3,496,661</u> | <u>3,608,537</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 205,325 | 389,046 |
| Accrued liability - Waste Disposal closure - <i>note 5</i> | 561,800 | 300,000 |
| Deferred revenue - <i>note 6</i> | 205,015 | 178,267 |
| Long-term debt - <i>note 7</i> | <u>75,963</u> | <u>37,187</u> |
| | <u>1,048,103</u> | <u>904,500</u> |
| NET FINANCIAL ASSETS | <u>2,448,558</u> | <u>2,704,037</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets - <i>note 1, schedule 1</i> | 26,650,522 | 26,357,623 |
| Inventories of supplies | <u>32,220</u> | <u>-</u> |
| | <u>26,682,742</u> | <u>26,357,623</u> |
| ACCUMULATED SURPLUS - <i>note 11</i> | <u><u>\$ 29,131,300</u></u> | <u><u>\$ 29,061,660</u></u> |

Contingent Liabilities - *note 9*

Approved by Council:

Reeve

CAO/Clerk

(See accompanying notes)

**CORPORATION OF THE MUNICIPALITY OF TWEED
CONSOLIDATED STATEMENT OF OPERATIONS
AND ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2011**

| | 2011 <u>Budget</u> <i>(unaudited)</i> | 2011 <u>Actual</u> | 2010 <u>Actual</u> |
|--|---|-----------------------|-----------------------|
| REVENUE | | | |
| Municipal taxation | \$ 2,566,220 | \$ 2,543,146 | \$ 2,569,313 |
| Taxation from other governments | 24,600 | 21,259 | 24,901 |
| Grants | 1,803,094 | 1,889,204 | 1,962,466 |
| User charges | 770,780 | 881,857 | 901,302 |
| Investment income | 5,500 | 9,905 | 23,176 |
| Penalty and interest on taxes | 122,000 | 137,335 | 127,332 |
| Other | 93,014 | 108,382 | 51,369 |
| | <u>5,385,208</u> | <u>5,591,088</u> | <u>5,659,859</u> |
| EXPENDITURE | | | |
| General government | 712,111 | 807,647 | 698,334 |
| Protection to persons and property | 1,130,805 | 1,148,892 | 1,152,710 |
| Transportation services | 3,178,738 | 3,190,809 | 3,128,534 |
| Environmental services | 879,533 | 1,275,718 | 985,184 |
| Recreation and cultural services | 642,745 | 651,117 | 623,337 |
| Planning and development | 103,780 | 73,560 | 72,913 |
| | <u>6,647,712</u> | <u>7,147,743</u> | <u>6,661,012</u> |
| NET EXPENDITURES | <u>(1,262,504)</u> | <u>(1,556,655)</u> | <u>(1,001,153)</u> |
| OTHER INCOME AND EXPENSES RELATED TO CAPITAL | | | |
| Municipal taxation for capital purposes | 845,890 | 879,290 | 812,046 |
| Government transfers: | | | |
| Canada | 691,300 | 460,605 | 2,701,623 |
| Ontario | 355,300 | 182,427 | 1,777,608 |
| Tangible capital assets gain | - | 77,670 | - |
| Donations | 20,000 | 1,914 | 131,334 |
| | <u>1,912,490</u> | <u>1,601,906</u> | <u>5,422,611</u> |
| INTEREST EARNED ON RESERVE FUNDS | <u>-</u> | <u>24,389</u> | <u>20,660</u> |
| ANNUAL SURPLUS | <u>649,986</u> | <u>69,640</u> | <u>4,442,118</u> |
| ACCUMULATED SURPLUS, beginning of year | 29,061,660 | 29,061,660 | 25,299,304 |
| Prior period adjustment - note 16 | - | - | (679,762) |
| ACCUMULATED SURPLUS, beginning of year adjusted | <u>29,061,660</u> | <u>29,061,660</u> | <u>24,619,542</u> |
| ACCUMULATED SURPLUS, end of year | <u>\$29,711,646</u> | <u>\$29,131,300</u> | <u>\$29,061,660</u> |

(See accompanying notes)

CORPORATION OF THE MUNICIPALITY OF TWEED
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
DECEMBER 31, 2011

| | 2011 <u>Budget</u> <i>(unaudited)</i> | 2011 <u>Actual</u> | 2010 <u>Actual</u> |
|--|---|-----------------------|-----------------------|
| ANNUAL SURPLUS | \$ 649,986 | \$ 69,640 | \$ 4,442,118 |
| Amortization of tangible capital assets | 1,875,818 | 1,875,818 | 1,867,850 |
| Acquisition of tangible capital assets | (2,649,940) | (2,392,886) | (7,306,368) |
| Changes in assets under construction | - | 108,339 | - |
| Gain on sale of tangible capital assets | - | (77,670) | - |
| Proceeds on sale of tangible capital assets | - | 193,500 | - |
| Acquisition of supplies | - | (32,220) | - |
| | <u>(124,136)</u> | <u>(255,479)</u> | <u>(996,400)</u> |
| CHANGE IN NET ASSETS | | | |
| NET FINANCIAL ASSETS, beginning of year | 2,704,037 | 2,704,037 | 4,380,199 |
| Prior period adjustment - note 16 | - | - | 679,762 |
| NET FINANCIAL ASSETS, beginning of year adjusted | <u>2,704,037</u> | <u>2,704,037</u> | <u>3,700,437</u> |
| NET FINANCIAL ASSETS, end of year | <u>\$ 2,579,901</u> | <u>\$ 2,448,558</u> | <u>\$ 2,704,037</u> |

(See accompanying notes)

CORPORATION OF THE MUNICIPALITY OF TWEED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011

| | 2011 <u>Actual</u> | 2010 <u>Actual</u> |
|---|-----------------------|-----------------------|
| OPERATING | | |
| Annual surplus | \$ 69,640 | \$ 4,442,118 |
| Non-cash charges to operations: | | |
| Amortization | 1,875,818 | 1,867,850 |
| Gain on sale of tangible capital asset | (77,670) | - |
| Waste disposal closure | 261,800 | - |
| Changes in: | | |
| Taxes receivable | (7,453) | 49,441 |
| Accounts receivable | 1,443,584 | (1,143,562) |
| Inventory | (32,220) | - |
| Long-term receivables | (23,877) | (5,251) |
| Accounts payable and accrued liabilities | (183,721) | 249,804 |
| Deferred revenue | 26,748 | (507,104) |
| | <u>3,352,649</u> | <u>4,953,296</u> |
| CAPITAL | | |
| Acquisition of tangible capital assets | (2,284,547) | (7,306,368) |
| Proceeds on sale of tangible capital asset | 193,500 | - |
| | <u>(2,091,047)</u> | <u>(7,306,368)</u> |
| FINANCING | | |
| Proceeds from long-term debt | 50,000 | 23,000 |
| Repayment of long-term debt | (11,224) | (22,611) |
| | <u>38,776</u> | <u>389</u> |
| NET CHANGE IN CASH AND EQUIVALENTS | 1,300,378 | (2,352,683) |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>645,167</u> | <u>2,997,850</u> |
| CASH AND CASH EQUIVALENTS, end of year | <u>\$ 1,945,545</u> | <u>\$ 645,167</u> |

(See accompanying notes)

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

The Corporation of the Municipality of Tweed is a municipality in the Province of Ontario and operated under the provisions of the Ontario Municipal Act.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Municipality of Tweed are the representation of management prepared in accordance with accounting policies prescribed for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Corporation are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the Corporation and which are owned or controlled by the Corporation. In addition to general government tax-supported operations, they include the following:

The Corporation of the Municipality of Tweed Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

Accounting for County and School Board Transactions

The assets, liabilities, revenues, and expenditures with respect to the operations of school boards and the County of Hastings are not reflected in these consolidated financial statements.

Trust Funds

Trust funds and their related operations administered by the Corporation are not reflected in these consolidated financial statements, but are reported separately on the "Trust Funds Balance Sheet and Statement of Continuity".

Basis of Accounting

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

Deferred Revenue

The Corporation receives contributions under the authority of provincial legislation and funding agencies. These funds, by their nature, are restricted in their use, and, until applied to applicable projects, are recorded as deferred revenue. Amounts applied to projects are recorded as revenue in the fiscal period in which they are expended.

Reserves and Reserve Funds

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

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Transfers

Government transfers are recognized as revenues or expenditures in the year that the events giving rise to the transfer occurred, provided the transfer is authorized, eligibility criteria, if any, have been met by the recipient, and a reasonable estimate of the amount can be made.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting policies for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the estimated useful life of the Corporation's tangible capital assets, its allowance for doubtful accounts, the carrying value of its inventory and solid waste landfill closure and post-closure costs. Actual results could differ from those estimates.

Taxation and Related Revenues

Property tax billings are prepared by the Corporation based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council incorporating amounts to be raised for local services and amounts the Corporation is required to collect on behalf of Hastings County for general and library purposes and the Province of Ontario in respect of education taxes. Realty taxes are billed based on the assessment rolls provided by MPAC. Taxation revenues are recorded at the time tax billings are issued. A normal part of the assessment process is the issue of supplementary assessment rolls that provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Corporation determines the taxes applicable and renders supplementary tax billings. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with the county and school boards as appropriate.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus or deficit, provides the Change in Net Financial Assets for the year.

Tangible Capital Assets

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

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets

a) Asset Categories and Estimated Useful Life

| | |
|-------------------------------|------------------|
| Land | - not amortized |
| Buildings | - 40 to 50 years |
| Vehicles | - 5 to 10 years |
| Equipment | - 4 to 20 years |
| Transportation | |
| Bridges and other structures | - 20 to 75 years |
| Roads | - 10 to 70 years |
| Sidewalks | - 40 years |
| Waste and wastewater networks | |
| Underground networks | - 50 years |

A full year of amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time the costs are transferred to the appropriate asset category.

(b) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Similarly, transfer of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

Inventory of Supplies

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

2. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, taxes receivable, accounts receivable, long-term receivable, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

3. CASH

The balance of cash consists of the following:

| | <u>2011</u> | <u>2010</u> |
|--|---------------------|-------------------|
| Undesignated cash | \$ 1,758,817 | \$ 536,896 |
| Designated under Federal gas tax agreement | 127,859 | 61,727 |
| Designated under the Planning Act - Parkland | 58,869 | 46,544 |
| | <u>\$ 1,945,545</u> | <u>\$ 645,167</u> |

Cash received under the Federal Gas Tax agreement is restricted for expenditures on environmentally sustainable infrastructure.

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

3. **CASH (continued)**

Cash raised under the Planning Act regarding Parkland is restricted for capital costs for the acquisition of land or other capital expenditures for park or other recreational purposes.

4. **LONG-TERM RECEIVABLE**

The balance of long-term receivable consists of the following:

| | <u>2011</u> | <u>2010</u> |
|---|------------------|------------------|
| MORTGAGE RECEIVABLE | | |
| due January 15, 2018; repayable in monthly instalments of principal and interest in the amount of \$857. Interest is calculated at the prime lending rate as established by the Bank of Montreal plus 1%. The mortgage is secured by the property located at 13 Bridgewater Road, Actinolite, Ontario | \$ - | \$ 22,480 |
| Tile drainage and shore-line property assistance loans receivable | <u>75,963</u> | <u>29,606</u> |
| | <u>\$ 75,963</u> | <u>\$ 52,086</u> |

5. **ACCRUED LIABILITY - WASTE DISPOSAL CLOSURE**

The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. The estimated liability for these expenditures is recognized based on the cumulative capacity used to date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the future discounted cash flows for the closure and post-closure care discounted at 4% and using an assumed rate of 2% for inflation.

The Corporation has two active and three closed landfill sites. For the closed sites, the estimated liability is recognized immediately. The estimated liability for the Marlbank and Hunt Road waste disposal sites is \$561,800 based on the present value of closure and post-closure costs estimated at \$3,712,000.

The Marlbank Road Waste Disposal site has an estimated remaining capacity of 53% and is expected to provide capacity for 25 years based on current waste generation rates.

The Hunt Road Waste Disposal site was closed to use by the public, but will remain open to dispose of waste by the Municipality until filled, has an estimated remaining capacity of 30% and is expected to provide capacity for 45 years based on current waste generation rates.

A reserve of \$733,258 has been established to provide for this liability and is reported in schedule 2 to the financial statements.

Post-closure care is estimated to continue for a period of approximately 25 years.

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

6. DEFERRED REVENUE

| | Balance December 31, <u>2010</u> | <u>Additions</u> | Transferred to <u>income</u> | Balance December 31, <u>2011</u> |
|---------------------------|--|-------------------|---------------------------------|--|
| Obligatory Reserve Funds: | | | | |
| Federal gas tax | \$ 61,727 | \$ 345,107 | \$ 278,975 | \$ 127,859 |
| Parkland | 46,544 | 17,325 | 5,000 | 58,869 |
| Other | | | | |
| Government transfers | - | 12,678 | - | 12,678 |
| Miscellaneous | 5,609 | - | - | 5,609 |
| Tweed Public Library | 64,387 | - | 64,387 | - |
| | <u>\$ 178,267</u> | <u>\$ 375,110</u> | <u>\$ 348,362</u> | <u>\$ 205,015</u> |

7. LONG-TERM DEBT

The balance of long-term debt consists of the following:

| | <u>2011</u> | <u>2010</u> |
|---|------------------|------------------|
| Debentures | \$ 75,963 | \$ 29,606 |
| Lien notes payable - Chrysler Financial and GMAC; repayable in monthly instalments of principal and interest of \$2,214. Interest is calculated at rates of 0% - 1.9% and the notes are secured by specific automotive units. | - | 7,581 |
| | <u>\$ 75,963</u> | <u>\$ 37,187</u> |

Outstanding debentures of \$75,963 (2010 - \$29,606) are recoverable through special charges levied directly on ratepayers. Outstanding debentures have a maturity date of July 1, 2020, bearing interest at 6.6%.

Principal repayments over the next five years are estimated to be as follows:

| | |
|------|----------|
| 2012 | \$ 6,719 |
| 2013 | 7,122 |
| 2014 | 5,674 |
| 2015 | 8,003 |
| 2016 | 8,406 |

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

8. COMMITMENTS

The Corporation has contracts committing it to payments in future years. The following agreements existed at December 31, 2011:

At December 31, 2011 the Corporation has outstanding capital project contractual commitments of approximately \$711,000.

An agreement with the Province of Ontario for policing services. Costs will be charged on the basis of services used. Base charges for the 2011 year were \$802,044.

An agreement with David Moore & Son for the collection of household waste to July 31, 2014. Base charges for the 2011 year were \$32,000.

An agreement with Quinte Waste Solutions for the collection of recycling. Base charges for the 2011 year were \$41,260.

An agreement with Ontario Clean Water Agency for the operating, maintaining and managing of the water and waste water systems to December 31, 2015. Base charges for the 2011 year were \$251,850.

Agreements with William Broek and Larry Palmateer for winter road maintenance to 2013 and 2015.

9. CONTINGENT LIABILITIES

In the course of its business, the Corporation becomes involved in various claims and legal proceedings. Litigation is subject to many uncertainties and the outcome of individual matters is not predictable. An estimate of the contingency cannot be made since the outcome of these matters cannot be determined at this time. The Corporation carries liability insurance. Any settlement in excess of amounts which have been recorded in the accounts and insurance coverage will be accounted for as a current transaction in the year of settlement.

Contingent environmental liabilities may arise out of existing and former operations. Such liabilities are different from environmental remediation and solid waste landfill closure and post-closure care liabilities because the liabilities are not determinable, the conditions which may give rise to the expenditures are uncertain, and the future expectations of the applicable regulatory authorities are not known. Potential costs that may arise in connection with such liabilities are not included in our provisions until the source and nature of the obligation becomes clear and is reasonably estimable.

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

10. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

Further to note 1, the taxation, other revenues and expenditures of school boards and the County of Hastings are comprised of the following:

| | <u>2011</u> | | <u>2010</u> | |
|---------------------------------|--------------------------|---------------|--------------------------|---------------|
| | <u>School Boards</u> | <u>County</u> | <u>School Boards</u> | <u>County</u> |
| Taxation | \$ 1,290,240 | \$ 1,347,482 | \$ 1,253,003 | \$ 1,336,232 |
| Taxation from other governments | 4,712 | 10,949 | 5,143 | 10,094 |
| Amounts received or receivable | 1,294,952 | 1,358,431 | 1,258,146 | 1,346,326 |
| Requisition | 1,294,952 | 1,358,431 | 1,258,146 | 1,346,326 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

11. ACCUMULATED SURPLUS

The accumulated surplus position is comprised of the following:

| | <u>2011</u> | <u>2010</u> |
|--|----------------------|----------------------|
| Equity in tangible capital assets | \$ 26,650,522 | \$ 26,357,623 |
| Less: related debt | - | (7,581) |
| | <u>26,650,522</u> | <u>26,350,042</u> |
| Reserves and reserve funds - <i>schedule 2</i> | 2,797,462 | 2,615,906 |
| Amounts to be recovered | | |
| Landfill closure and post closure costs | (561,800) | (300,000) |
| Unrestricted surplus (deficit) | | |
| Municipality of Tweed | 223,497 | 378,128 |
| Municipality of Tweed Public Library Board | 21,619 | 17,584 |
| | <u>\$ 29,131,300</u> | <u>\$ 29,061,660</u> |

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

12. SEGMENTED INFORMATION

Municipal services are provided by departments. Certain departments that have been separately disclosed in the segmented information along with the services they provide are as follows:

General Government

General government is comprised of council, chief administrative office (CAO/Clerk) department, and Treasury department. A municipal council is the ultimate authority, subject to provincial law, for all actions taken on behalf of the municipal corporation in that it exercises both executive and legislative roles. It fulfills its role by making policies in accordance with the wishes and concerns of the general public, subject to provincial laws, policies and directives. Council plays a managerial role by monitoring ongoing administrative performance and ensuring the best care of resources. The CAO/Clerk is responsible to municipal council for the general control and management of the affairs of the municipality as prescribed by municipal council. The CAO/Clerk, as head of the corporation's civic administration, provides leadership and direction to the Senior Management team, co-ordinates the administrative functions of the Corporation and exercises general management and control of Municipal operations. The CAO/Clerk ensures coordinated responsive services are delivered to the Municipality's residents and businesses in accordance with the approved policies and directions along with providing the following services: birth and death registrations, marriage, lottery and taxi licensing, commissioning oaths, Municipal by-laws and minutes. The Treasury department is responsible for the administration of taxes, accounts payable and receivable, financial statements and all other financial information and reporting for the Municipality.

Protection to Persons and Property

Protection to persons and property is comprised of police services, fire services, and by-law enforcement. Police services are provided by the Ontario Provincial Police whose mandate is the safety of lives and property of citizens to, preserve peace and good order, prevent crimes from occurring, detect offenders and enforce the law. Fire Services are provided to the Municipality by volunteer firefighters. By-law enforcement is committed to serve, protect and provide a desired quality of life for citizens and visitors to the Municipality through education to raise awareness of community standards, and enforcement of Municipal by-laws to ensure timely compliance with a professional, unbiased approach.

Transportation Services

The public works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, storm water management and street lighting.

Environmental Services

The Municipality contracts with Dave Moore & Sons for the collection and disposal of household and commercial solid waste within the village of Tweed. The Municipality contracts with Quinte Waste Solutions for the collection of household recycling. The Municipality owns and operates two landfill sites within the Municipal limits. The Municipality contracts with Ontario Clean Water Agency for the management of municipal drinking water and sanitary sewer systems.

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

12. SEGMENTED INFORMATION (continued)

Recreation and Cultural Services

The Parks and Recreation department is a social service with its purpose: to assist individual and community development to enhance social functioning and to improve the quality of life. The Parks and Recreation department provides accessible recreational programs including aquatics, minor ball and skating and operates Municipal facilities, including community halls, arenas, parks, ball diamonds and soccer fields.

Planning and Development

The Municipality of Tweed, the Township of Stirling-Rawdon, the Town of Deseronto and the Township of Tyendinaga have entered into an agreement for joint building services. The joint building services agreement came into effect April 1, 2005. Building services is responsible for all economic development, building and planning matters, including the issuance of building permits, land severance and minor variance applications, applications for official plan amendments and zoning by-law amendments, site plan control and subdivision matters and property standards inspections.

Tweed Public Library

Tweed Public Library contributes towards the information needs of the Municipality's citizens through the provision of library services.

13. PENSION AGREEMENTS

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf 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 rate of pay. Employees and employers contribute jointly to the plan.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 7.4% (2010 - 6.4%) for earnings up to the annual maximum pensionable earnings of \$48,300 (2010 - \$47,200) and at a rate of 10.7% (2010 - 9.7%) for earnings greater than the annual maximum pensionable earnings.

Contributions for employees with a normal retirement age of 60 were being made at a rate of 8.9% (2010 - 7.9%) for earnings up to the annual maximum pensionable earnings of \$8,300 (2010 - \$47,200) and at a rate of 14.1% (2010 - 13.1%) for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2011 was \$64,442 (2010 - \$50,872) for current service and is included as an expenditure on the "Consolidated Statement of Financial Operations". The actuarial valuation of the OMERS plan at December 31, 2011 indicated a deficit in the plan. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario Municipal organization and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

CORPORATION OF THE MUNICIPALITY OF TWEED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

14. BUDGET FIGURES

Budgets established by the Corporation are based on a project oriented basis, the costs of which may be carried out over one or more years. Although they are not directly comparable with current year actual amounts, budget figures have been reflected on the "Consolidated Statement of Operations" and the "Consolidated Statement of Change in Net Financial Assets". Budget figures have been reclassified for the purpose of these financial statements to conform with PSAB reporting requirements.

15. COMPARATIVE FIGURES

Certain comparative figures for 2010 have been reclassified to conform to the financial statements presentation adopted for 2011.

16. PRIOR PERIOD ADJUSTMENTS

Certain funds, the use of which is restricted by legislation, previously accounted for in the reserve funds have been restated as deferred revenue to more appropriately reflect the restrictions imposed over the use of these funds. This change was accounted for retroactively with restatement of prior year. The effect of these changes on the 2010 comparative figures are as follows:

| Financial statement item | Previously Reported | Change | Balance as Restated |
|---|------------------------|------------|------------------------|
| Consolidated statement of financial position | | | |
| Deferred revenue | \$ 69,996 | \$ 108,271 | \$ 178,267 |
| Accumulated surplus | 29,169,931 | (108,271) | 29,061,660 |
| Consolidated statement of operations and accumulated surplus | | | |
| REVENUE | | | |
| Grants | 2,280,303 | (317,837) | 1,962,466 |
| Interest income | 47,994 | (24,818) | 23,176 |
| Other | 81,898 | (30,529) | 51,369 |
| OTHER INCOME AND EXPENSES RELATED TO CAPITAL | | | |
| Government transfer: | | | |
| Canada | 1,777,608 | 924,015 | 2,701,623 |
| INTEREST EARNED ON RESERVE FUNDS | - | 20,660 | 20,660 |

CORPORATION OF THE MUNICIPALITY OF TYRED
SCHEDULE 1 - CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
DECEMBER 31, 2011

| | GENERAL | | | | | INFRASTRUCTURE | | | | TOTALS |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------------|-----------------------|---------------------|--------------------------------|------------------------------|
| | Land | Buildings | Vehicles | Equipment | Other | Assets Under Construction | Plants and Facilities | Roads | Underground and Other Networks | Bridges and Other Structures |
| COST | | | | | | | | | | |
| Balance, beginning of year | \$ 1,680,098 | \$ 3,727,082 | \$ 2,153,191 | \$ 1,224,197 | \$ 201,753 | \$ 106,339 | \$ 2,651,737 | \$ 18,382,043 | \$ 4,748,641 | \$ 7,598,535 |
| Additions during year | 5,000 | 195,289 | 566,023 | 175,650 | 24,302 | 79,927 | - | 1,147,839 | - | 198,866 |
| Disposals during year | - | 95,972 | 298,228 | 2,250 | 1,000 | 108,339 | - | 646,263 | - | - |
| Balance, end of year | <u>1,685,098</u> | <u>3,826,449</u> | <u>2,420,986</u> | <u>1,397,567</u> | <u>225,055</u> | <u>79,927</u> | <u>2,651,737</u> | <u>18,883,639</u> | <u>4,748,641</u> | <u>8,187,401</u> |
| ACCUMULATED AMORTIZATION | | | | | | | | | | |
| Balance, beginning of year | 24,235 | 897,093 | 1,165,828 | 531,518 | 81,683 | - | 951,241 | 10,407,241 | 814,919 | 1,634,235 |
| Additions during year | 24,485 | 91,862 | 202,040 | 74,557 | 28,797 | - | 88,391 | 1,140,614 | 88,713 | 136,359 |
| Accumulated amortization on disposals | - | 92,585 | 177,798 | 1,278 | 667 | - | - | 655,505 | - | - |
| Balance, end of year | <u>48,720</u> | <u>896,370</u> | <u>1,498,070</u> | <u>604,797</u> | <u>109,813</u> | <u>-</u> | <u>1,039,632</u> | <u>10,892,350</u> | <u>903,632</u> | <u>1,770,594</u> |
| Net Book Value of Tangible Capital Assets | <u>\$ 1,636,378</u> | <u>\$ 2,930,079</u> | <u>\$ 1,230,916</u> | <u>\$ 792,770</u> | <u>\$ 115,242</u> | <u>\$ 79,927</u> | <u>\$ 1,612,105</u> | <u>\$ 7,991,289</u> | <u>\$ 3,845,009</u> | <u>\$ 6,416,807</u> |

December 31, 2010

| GENERAL | | | | | | INFRASTRUCTURE | | | | TOTALS |
|---|---------------------|---------------------|-------------------|-------------------|---------------------------|-----------------------|---------------------|--------------------------------|------------------------------|---------------------|
| | | | | | Assets Under Construction | Plants and Facilities | Roads | Underground and Other Networks | Bridges and Other Structures | |
| COST | | | | | | | | | | |
| Balance, beginning of year | \$ 1,298,268 | \$ 2,535,416 | \$ 2,132,896 | \$ 1,185,219 | \$ 175,004 | \$ 3,344 | \$ 2,651,737 | \$ 16,189,800 | \$ 3,214,685 | \$ 7,133,800 |
| Additions during year | 381,830 | 1,422,324 | 149,789 | 71,153 | 42,499 | 108,339 | - | 2,716,182 | 1,556,619 | 860,977 |
| Disposals during year | - | 210,658 | 129,494 | 32,175 | 15,750 | 3,344 | - | 523,939 | 22,663 | 5,442 |
| Balance, end of year | <u>1,680,098</u> | <u>3,777,082</u> | <u>2,153,191</u> | <u>1,224,197</u> | <u>201,753</u> | <u>108,339</u> | <u>2,651,737</u> | <u>18,382,043</u> | <u>4,748,641</u> | <u>7,988,535</u> |
| ACCUMULATED AMORTIZATION | | | | | | | | | | |
| Balance, beginning of year | - | 1,032,656 | 1,126,347 | 491,389 | 70,751 | - | 862,850 | 9,758,824 | 748,869 | 1,508,595 |
| Amortization during year | 24,235 | 95,115 | 168,975 | 72,304 | 28,679 | - | 88,391 | 1,172,356 | 88,713 | 131,082 |
| Accumulated amortization on disposals | - | 230,658 | 129,494 | 32,175 | 15,750 | - | - | 523,939 | 22,663 | 5,442 |
| Balance, end of year | <u>24,235</u> | <u>897,092</u> | <u>1,165,828</u> | <u>531,518</u> | <u>81,683</u> | <u>-</u> | <u>951,241</u> | <u>10,407,241</u> | <u>814,919</u> | <u>1,634,235</u> |
| Net Book Value of Tangible Capital Assets | <u>\$ 1,655,863</u> | <u>\$ 2,829,989</u> | <u>\$ 987,263</u> | <u>\$ 692,679</u> | <u>\$ 120,070</u> | <u>\$ 108,339</u> | <u>\$ 1,700,496</u> | <u>\$ 7,974,802</u> | <u>\$ 3,933,722</u> | <u>\$ 6,354,300</u> |

CORPORATION OF THE MUNICIPALITY OF TWEED
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF CONTINUITY OF RESERVES AND RESERVE FUNDS
December 31, 2011

| | Balance, beginning of year | Revenue Contributions | | Transfers | | Balance, End of Year |
|-----------------------------------|----------------------------------|---------------------------------|--------------------|-------------------|-------------------------------|----------------------------|
| | | Interest on Reserve Funds | From Operations | To Operations | To Capital Acquisitions | |
| Reserve Funds | | | | | | |
| Waste Site reclamation | \$ 726,137 | \$ 20,952 | \$ 123,169 | \$ 125,460 | \$ 11,540 | \$ 733,258 |
| Roads | 66,164 | 1,350 | 7,283 | - | - | 74,797 |
| Village infrastructure | 170,498 | 1,446 | - | - | 9,600 | 162,344 |
| | <u>962,799</u> | <u>23,748</u> | <u>130,452</u> | <u>125,460</u> | <u>21,140</u> | <u>970,399</u> |
| Reserves | | | | | | |
| Working capital | 530,999 | - | - | - | 140,300 | 390,699 |
| Contingencies | 150,000 | - | - | - | - | 150,000 |
| Water and sewer | 343,000 | - | 106,300 | - | - | 449,300 |
| Municipal building expenditure | 12,321 | - | 20,000 | - | 12,321 | 20,000 |
| Capital acquisitions - Fire | 58,300 | - | 65,000 | - | 58,300 | 65,000 |
| Capital acquisitions - Arena | 13,800 | - | 2,500 | - | - | 16,300 |
| Arena - Roof | - | - | 50,000 | - | 11,700 | 38,300 |
| Fire - Overage Wages | - | - | 15,000 | 12,000 | - | 3,000 |
| Fire - Equipment Maintenance | 20,000 | - | - | - | - | 20,000 |
| Heritage | 30,000 | - | 20,000 | - | - | 50,000 |
| Hamlets | 11,620 | - | 13,100 | - | - | 24,720 |
| Parks | 10,400 | - | 5,000 | - | 11,700 | 3,700 |
| Public works - O/T Overage | - | - | 15,000 | - | - | 15,000 |
| Public works - Equipment | 210,500 | - | 168,577 | - | 158,700 | 220,377 |
| Public works - Winter Maintenance | 50,000 | - | 78,000 | - | - | 128,000 |
| Public works - Bridges | 212,167 | - | 50,000 | - | 29,500 | 232,667 |
| | <u>1,653,107</u> | <u>-</u> | <u>608,477</u> | <u>12,000</u> | <u>422,521</u> | <u>1,827,063</u> |
| Total | \$ 2,615,906 | \$ 23,748 | \$ 738,929 | \$ 137,460 | \$ 443,661 | \$ 2,797,462 |

CORPORATION OF THE MUNICIPALITY OF TWEED
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS

DECEMBER 31, 2011 BUDGET

| | GENERAL GOVERNMENT | PROTECTION SERVICES | TRANSPORTATION SERVICES | ENVIRONMENTAL SERVICES | RECREATION AND CULTURAL SERVICES | PLANNING AND DEVELOPMENT | TWEED PUBLIC LIBRARY BOARD | ELIMINATIONS | CONSOLIDATED |
|--|-----------------------|------------------------|----------------------------|---------------------------|--|-----------------------------|----------------------------------|--------------|----------------|
| REVENUES | | | | | | | | | |
| Municipal Taxation | \$ (555,900) | \$ 932,826 | \$ 1,792,383 | \$ 32,640 | \$ 286,281 | \$ 97,980 | \$ - | \$ - | \$ 2,586,220 |
| Taxation from other governments | 24,600 | - | - | - | - | - | - | - | 24,600 |
| Government Transfers | - | - | - | - | 1,000 | - | 923 | - | 1,923 |
| Government of Canada | 1,479,100 | 209,800 | - | 40,000 | 56,320 | - | 15,951 | - | 1,801,171 |
| Province of Ontario | - | - | - | - | - | - | 96,423 | (96,423) | - |
| Other Municipalities | - | - | - | - | 124,000 | 2,400 | 3,594 | - | 771,794 |
| User charges | 15,000 | 5,000 | 20,000 | 601,500 | - | - | - | - | 5,500 |
| Investment Income | 5,500 | - | - | - | - | - | - | - | 122,000 |
| Penalty and Interest on taxes | 122,000 | - | - | - | - | - | - | - | - |
| Development charges | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | 32,000 | - | 4,500 | - | 36,600 |
| Miscellaneous | 41,000 | 8,500 | - | - | - | 3,400 | 4,500 | - | 55,400 |
| | 1,131,300 | 1,154,126 | 1,812,383 | 674,140 | 479,611 | 103,780 | 128,291 | (96,423) | 5,385,208 |
| CURRENT - EXPENDITURES | | | | | | | | | |
| Salaries wages and employee benefits | 399,700 | 132,985 | 673,850 | 190,350 | 206,440 | 33,620 | 90,258 | - | 1,727,203 |
| Interest on long-term debt | - | - | - | - | - | 2,400 | - | - | 2,400 |
| Materials and Supplies | 235,925 | 93,985 | 886,120 | 169,847 | 181,478 | 60,660 | 35,833 | - | 1,662,748 |
| Contracted services and general services | - | 786,700 | 168,000 | 319,863 | - | - | - | - | 1,275,663 |
| Rents and Financial Expenses | 52,300 | - | - | - | - | 7,200 | - | - | 59,500 |
| External Transfers | 24,166 | 72,955 | 1,449,788 | 200,373 | 96,500 | - | 46,247 | (96,423) | 44,257 |
| Amortization | 712,111 | 1,130,805 | 3,178,738 | 879,593 | 82,412 | 103,780 | 172,338 | (96,423) | 1,875,941 |
| | \$ 419,189 | \$ 23,321 | \$ (1,366,355) | \$ (205,393) | \$ (87,219) | \$ - | \$ (46,047) | \$ - | \$ (1,262,504) |

CORPORATION OF THE MUNICIPALITY OF TWEED
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS

DECEMBER 31, 2011 ACTUAL

| | GENERAL GOVERNMENT | PROTECTION SERVICES | TRANSPORTATION SERVICES | ENVIRONMENTAL SERVICES | RECREATION AND CULTURAL SERVICES | PLANNING AND DEVELOPMENT | TWEED PUBLIC LIBRARY BOARD | ELIMINATIONS | CONSOLIDATED |
|--|-----------------------|------------------------|----------------------------|---------------------------|--|-----------------------------|----------------------------------|--------------|----------------|
| REVENUES | | | | | | | | | |
| Municipal taxation | \$ (577,966) | \$ 932,826 | \$ 1,792,225 | \$ 31,790 | \$ 288,291 | \$ 97,980 | \$ - | \$ - | \$ 2,543,146 |
| Taxation from other governments | 21,259 | - | - | - | - | - | - | - | 21,259 |
| Government Transfers | | | | | | | | | |
| Government of Canada | 795 | - | - | - | 1,200 | - | 11,860 | - | 13,878 |
| Province of Ontario | 1,479,160 | 213,612 | - | 40,000 | 51,236 | 8,298 | 83,030 | - | 1,875,326 |
| Other municipalities | - | - | - | - | - | - | 96,277 | (96,277) | - |
| User charges | 13,090 | 10,570 | 21,135 | 704,018 | 125,860 | - | 7,184 | - | 881,857 |
| Investment income | 8,111 | - | - | - | - | - | - | - | 9,905 |
| Penalty and interest on taxes | 137,335 | - | - | - | - | 1,794 | - | - | 137,335 |
| Donations | - | - | - | - | - | - | - | - | 16,911 |
| Miscellaneous | 39,716 | 532 | - | - | 25,855 | 11,200 | 14,168 | - | 91,471 |
| | 1,121,493 | 1,157,540 | 1,813,360 | 775,808 | 470,442 | 119,272 | 229,450 | (96,277) | 5,591,088 |
| CURRENT - EXPENDITURES | | | | | | | | | |
| Salaries wages and employee benefits | 416,441 | 145,825 | 686,681 | 191,517 | 211,045 | 20,763 | 93,517 | - | 1,765,889 |
| Interest on long-term debt | - | - | - | - | - | 1,784 | - | - | 1,784 |
| Materials and Supplies | 275,108 | 83,914 | 853,280 | 570,913 | 191,481 | 43,803 | 26,415 | - | 2,044,912 |
| Contracted services and general services | - | 802,044 | 201,203 | 312,615 | - | - | - | - | 1,316,062 |
| Rents and Financial Expenses | 91,914 | - | - | - | - | 7,200 | - | - | 99,114 |
| External Transfers | - | 44,154 | - | - | 96,277 | - | - | (96,277) | 44,154 |
| Amortization | 24,166 | 72,955 | 1,449,645 | 200,373 | 82,412 | - | 46,247 | - | 1,875,818 |
| | 807,647 | 1,148,892 | 3,180,809 | 1,275,718 | 581,215 | 73,560 | 186,179 | (96,277) | 7,147,743 |
| | \$ 313,846 | \$ 8,648 | \$ (1,377,449) | \$ (499,910) | \$ (110,773) | \$ 45,712 | \$ 63,271 | \$ - | \$ (1,568,655) |

CORPORATION OF THE MUNICIPALITY OF TWEED

SCHEDULE 3 - CONSOLIDATED SEGMENTED STATEMENT OF OPERATIONS

DECEMBER 31, 2010 ACTUAL

| | GENERAL GOVERNMENT | PROTECTION SERVICES | TRANSPORTATION SERVICES | ENVIRONMENTAL SERVICES | RECREATION AND CULTURAL SERVICES | PLANNING AND DEVELOPMENT | TWEED PUBLIC LIBRARY BOARD | ELIMINATIONS | CONSOLIDATED |
|--|-----------------------|------------------------|----------------------------|---------------------------|--|-----------------------------|----------------------------------|-----------------|------------------|
| REVENUES | | | | | | | | | |
| Municipal taxation | \$ (551,795) | \$ 932,826 | \$ 1,792,225 | \$ 31,790 | \$ 266,291 | \$ 97,980 | \$ - | \$ - | \$ 2,565,313 |
| Taxation from other governments | 24,901 | - | - | - | - | - | - | - | 24,901 |
| Government Transfers | (6,861) | - | - | - | 1,000 | - | 1,232 | - | 6,529 |
| Province of Canada | 1,539,000 | 154,300 | - | 40,000 | 204,027 | - | 31,768 | - | 1,969,095 |
| Other municipalities | - | - | - | - | - | - | 73,440 | (73,440) | - |
| User charges | 15,390 | 12,235 | 23,311 | 702,611 | 152,833 | - | 922 | (6,000) | 801,302 |
| Investment income | 22,276 | - | - | - | - | 569 | 331 | - | 23,176 |
| Penalty and interest on taxes | 127,332 | - | - | - | - | - | - | - | 127,332 |
| Donations | - | - | - | - | - | - | 2,719 | - | 2,719 |
| Miscellaneous | 28,290 | 6,797 | - | - | 25 | - | 13,538 | - | 48,650 |
| | <u>1,198,529</u> | <u>1,106,158</u> | <u>1,815,536</u> | <u>774,401</u> | <u>624,176</u> | <u>98,549</u> | <u>123,950</u> | <u>(78,440)</u> | <u>5,659,859</u> |
| CURRENT - EXPENDITURES | | | | | | | | | |
| Salaries wages and employee benefits | 395,024 | 148,603 | 656,893 | 184,067 | 186,509 | 30,394 | 83,730 | - | 1,665,220 |
| Interest on long-term debt | - | - | - | - | - | 563 | - | - | 569 |
| Materials and Supplies | 278,203 | 80,039 | 856,073 | 278,121 | 219,563 | 34,750 | 9,465 | - | 1,766,214 |
| Contracted services and general services | - | 809,865 | 156,473 | 323,278 | - | - | - | - | 1,289,604 |
| Rents and Financial Expenses | - | - | - | - | - | 7,200 | 6,000 | (6,000) | 7,200 |
| External Transfers | - | 40,365 | - | - | 73,440 | - | - | - | 40,365 |
| Amortization | 21,107 | 63,856 | 1,459,095 | 199,720 | 84,517 | - | 39,553 | (73,440) | 1,867,850 |
| | <u>696,334</u> | <u>1,162,710</u> | <u>3,128,534</u> | <u>985,184</u> | <u>564,029</u> | <u>72,913</u> | <u>138,748</u> | <u>(78,440)</u> | <u>6,661,012</u> |
| | \$ 498,195 | \$ (46,552) | \$ (1,312,998) | \$ (210,783) | \$ 60,147 | \$ 26,636 | \$ (14,798) | \$ - | \$ (1,001,152) |

CORPORATION OF THE MUNICIPALITY OF TWEED

SCHEDULE 4 - CONSOLIDATED SCHEDULE OF RECONCILIATION OF FINANCIAL PLAN TO THE BUDGET

YEAR ENDED DECEMBER 31, 2011

| | OPERATING BUDGET | CAPITAL BUDGET | RESERVES AND RESERVE FUNDS | TANGIBLE CAPITAL ASSET ADJUSTMENTS | TWEED PUBLIC LIBRARY BOARD | ELIMINATIONS | PSAB BUDGET |
|---|---------------------|--------------------|-------------------------------|---|-------------------------------------|-----------------|--------------------|
| REVENUES | | | | | | | |
| Municipal Taxation | \$ 2,566,220 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,566,220 |
| Taxation from other governments | 24,800 | - | - | - | - | - | 24,800 |
| Government transfers | | | | | | | |
| Canada | 345,400 | - | (344,400) | - | 923 | - | 1,923 |
| Ontario | 1,786,220 | - | - | - | 15,951 | - | 1,801,171 |
| Other Municipal | - | - | - | - | 96,423 | (96,423) | - |
| User fees and sale of goods and services | 767,900 | - | - | - | 2,890 | - | 770,790 |
| Investment Income | 5,600 | - | - | - | - | - | 5,600 |
| Penalty and Interest on taxes | 122,000 | - | - | - | - | - | 122,000 |
| Donations | 32,000 | - | - | - | - | - | 36,800 |
| Miscellaneous | 50,900 | - | - | - | 4,600 | - | 58,414 |
| | <u>5,099,740</u> | <u>-</u> | <u>344,400</u> | <u>-</u> | <u>126,291</u> | <u>(96,423)</u> | <u>5,365,208</u> |
| EXPENDITURES | | | | | | | |
| Current | | | | | | | |
| General government | 887,925 | - | - | 24,186 | - | - | 712,111 |
| Protection services | 1,057,850 | - | - | 72,955 | - | - | 1,130,805 |
| Transportation services | 1,738,211 | - | - | 1,440,527 | - | - | 3,178,738 |
| Environmental services | 679,161 | - | - | 200,372 | - | - | 879,533 |
| Recreation and cultural services | 484,418 | - | - | 82,412 | 172,336 | (96,423) | 642,745 |
| Planning and development | 103,780 | - | - | - | - | - | 103,780 |
| | <u>4,751,345</u> | <u>-</u> | <u>-</u> | <u>(873,486)</u> | <u>172,336</u> | <u>(96,423)</u> | <u>6,647,712</u> |
| Capital | | | | | | | |
| General government | - | 162,000 | - | (162,000) | - | - | - |
| Protection services | - | 117,440 | - | (117,440) | - | - | - |
| Transportation services | - | 1,985,300 | - | (1,985,300) | - | - | - |
| Environmental services | - | 293,000 | - | (293,000) | - | - | - |
| Recreation and cultural services | - | 136,200 | - | (136,200) | - | - | - |
| | <u>-</u> | <u>2,683,940</u> | <u>-</u> | <u>(873,486)</u> | <u>-</u> | <u>(96,423)</u> | <u>-</u> |
| NET REVENUES (EXPENDITURES) | <u>948,395</u> | <u>(2,683,940)</u> | <u>344,400</u> | <u>873,488</u> | <u>46,047</u> | <u>-</u> | <u>(1,262,504)</u> |
| OTHER INCOME AND EXPENSES RELATED TO CAPITAL | | | | | | | |
| Municipal taxation | - | 846,890 | - | - | - | - | 846,890 |
| Government transfers | - | 355,300 | 336,000 | - | - | - | 691,300 |
| Canada | - | 355,300 | - | - | - | - | 355,300 |
| Ontario | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Donations | - | 1,556,490 | 336,000 | - | - | - | 1,892,490 |
| | <u>(11,224)</u> | <u>-</u> | <u>-</u> | <u>11,224</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FINANCING AND TRANSFERS | | | | | | | |
| Debt repayment | 1,848 | - | - | (1,848) | - | - | - |
| Benefitting landowners principal repayments | (939,019) | 1,137,450 | (198,431) | 9,370 | - | - | - |
| Transfers from (to) other funds | (948,395) | 1,137,450 | (198,431) | - | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (206,831)</u> | <u>\$ 892,864</u> | <u>\$ (46,047)</u> | <u>\$ -</u> | <u>\$ 629,986</u> |
| ANNUAL SURPLUS (DEFICIT) | | | | | | | |