
CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

FINANCIAL STATEMENTS

December 31, 2016

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

December 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Municipality of South Dundas

We have audited the accompanying financial statements of the Corporation of the Municipality of South Dundas, which comprise the statement of financial position as at December 31, 2016, and the statements of financial activities, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Administration's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Municipality of South Dundas as at December 31, 2016, and its results of operations, its change in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Cornwall, Ontario
June 6, 2017

Chartered Professional Accountants
Licensed Public Accountants

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

	2016	2015
NET FINANCIAL ASSETS		
Assets		
Cash	\$ 4,220,199	\$ 3,967,729
Taxes receivable	1,155,184	1,032,394
Accounts receivable	3,641,857	3,696,895
Long-term investments (Note 2)	2,335,416	2,375,672
Investment in Rideau St. Lawrence Holdings Inc. (Note 3)	1,871,762	1,874,972
	13,224,418	12,947,662
Liabilities		
Accounts payable	1,231,663	1,274,033
Accrued interest on municipal debt	61,499	66,404
Deferred revenue (Note 4)	1,205,962	1,297,334
Deferred revenue, obligatory reserve funds (Note 5)	373,753	321,846
Future employment benefits payable (Note 6)	-	6,318
Municipal debt (Note 7)	7,036,540	7,558,249
Accrued landfill closure and post closure costs (Note 8)	1,009,575	974,500
	10,918,992	11,498,684
Net Financial Assets	2,305,426	1,448,978
NON-FINANCIAL ASSETS		
Tangible capital assets	90,977,537	91,347,467
Inventory	149,247	217,480
	91,126,784	91,564,947
ACCUMULATED SURPLUS	\$ 93,432,210	\$ 93,013,925

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2016

	(Unaudited) BUDGET 2016	ACTUAL 2016	ACTUAL 2015
REVENUE			
Taxation (Note 1(a)(iii))	\$ 6,203,898	\$ 6,301,365	\$ 5,870,760
Fees and service charges	3,318,620	3,373,510	3,259,092
Grants	1,090,555	1,269,946	2,165,379
Investment income	230,000	398,594	437,267
Permits and licenses	156,500	182,903	199,159
Donations and sale of property	-	2,737	24,510
Equity (loss) income from Rideau St. Lawrence Holdings Inc.	-	(3,210)	90,259
	10,999,573	11,525,845	12,046,426
EXPENSES			
General government	1,546,083	1,518,021	1,554,845
Protection to persons and property	1,199,004	1,173,751	1,097,628
Transportation services	2,850,866	3,105,465	2,721,938
Environmental services	3,802,604	3,574,226	3,761,159
Health services	36,364	35,552	37,468
Recreation and cultural services	1,601,314	1,694,081	1,558,768
Planning and development	532,428	649,755	527,685
	11,568,663	11,750,851	11,259,491
NET (DEFICIT) SURPLUS BEFORE OTHER ITEMS	(569,090)	(225,006)	786,935
OTHER REVENUE FOR CAPITAL PURPOSES			
Deferred revenue earned	323,161	359,926	436,202
Grants	785,109	110,456	568,947
Direct billings, donations and other	-	112,274	181,015
Gain (loss) on disposal of tangible capital assets	-	60,635	(9,109)
	1,108,270	643,291	1,177,055
ANNUAL SURPLUS	539,180	418,285	1,963,990
ACCUMULATED SURPLUS, beginning of year	93,013,925	93,013,925	91,049,935
ACCUMULATED SURPLUS, end of year	\$ 93,553,105	\$ 93,432,210	\$ 93,013,925

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2016

	(Unaudited) BUDGET 2016	ACTUAL 2016	ACTUAL 2015
Annual surplus	\$ 539,180	\$ 418,285	\$ 1,963,990
Amortization of tangible capital assets	2,331,976	2,144,211	2,170,313
Acquisition of tangible capital assets	(6,168,397)	(1,800,781)	(3,684,514)
(Gain) loss on disposal of tangible capital assets	-	(60,635)	9,109
Proceeds on disposal of tangible capital assets	-	87,135	19,446
Change in inventory	-	68,233	(73,233)
Increase in net financial assets	(3,297,241)	856,448	405,111
Net financial assets, beginning of year	1,448,978	1,448,978	1,043,867
Net financial assets, end of year	\$ (1,848,263)	\$ 2,305,426	\$ 1,448,978

See Accompanying Notes

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

	2016	2015
CASH FROM OPERATING ACTIVITIES		
Annual surplus	\$ 418,285	\$ 1,963,990
Items not affecting cash or equivalent		
Amortization expense	2,144,211	2,170,313
(Gain) loss on disposal of tangible capital assets	(60,635)	9,109
Changes in non-cash working capital balances		
Taxes receivable	(122,790)	294,007
Accounts receivable	55,038	36,154
Accounts payable	(42,370)	(858,052)
Accrued interest on municipal debt	(4,905)	(4,905)
Deferred revenue	(91,372)	(138,639)
Deferred revenue, obligatory reserve funds	51,907	(55,599)
Future employment benefits payable	(6,318)	(56)
Landfill closure and post closure costs	35,075	35,075
Inventory	68,233	(73,233)
	2,444,359	3,378,164
CASH USED IN FINANCING ACTIVITIES		
Proceeds from municipal debt	46,100	102,400
Repayment of municipal debt	(567,809)	(488,432)
	(521,709)	(386,032)
CASH FROM (USED IN) INVESTING ACTIVITIES		
Decrease in long term investments	40,256	45,565
Decrease (increase) in investment in Rideau St. Lawrence Holdings Inc.	3,210	(90,259)
	43,466	(44,694)
CASH USED IN CAPITAL ACTIVITIES		
Proceeds on sale of tangible capital assets	87,135	19,446
Acquisition of tangible capital assets	(1,800,781)	(3,684,514)
	(1,713,646)	(3,665,068)
INCREASE (DECREASE) IN CASH	252,470	(717,630)
CASH, beginning of year	3,967,729	4,685,359
CASH, end of year	\$ 4,220,199	\$ 3,967,729
REPRESENTED BY :		
Cash	\$ 4,220,199	\$ 3,967,729

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2016

	Land and land improvements	Buildings	Vehicles	Equipment	Plants and facilities	Roads	Water and sewer	Bridges	Assets under construction	2016	2015
Cost											
Balance, beginning of year	\$ 1,858,947	\$ 11,387,486	\$ 6,171,712	\$ 1,620,281	\$ 61,097,976	\$ 17,724,428	\$ 7,743,636	\$ 5,431,571	\$ 667,142	\$ 113,703,179	\$ 110,114,316
Additions during the year	36,717	14,396	117,732	68,315	67,735	548,363	-	-	947,523	1,800,781	3,684,514
Disposals during the year	-	-	204,544	-	-	-	-	-	-	204,544	95,651
Balance, end of year	1,895,664	11,401,882	6,084,900	1,688,596	61,165,711	18,272,791	7,743,636	5,431,571	1,614,665	115,299,416	113,703,179
Accumulated amortization											
Balance, beginning of year	177,144	3,039,621	3,319,007	1,005,968	5,161,860	5,114,003	2,835,120	1,702,989	-	22,355,712	20,252,495
Amortization during the year	8,610	301,153	290,696	104,094	522,554	469,395	369,067	78,642	-	2,144,211	2,170,313
Amortization on disposals	-	-	178,044	-	-	-	-	-	-	178,044	67,096
Balance, end of year	185,754	3,340,774	3,431,659	1,110,062	5,684,414	5,583,398	3,204,187	1,781,631	-	24,321,879	22,355,712
Net book value	\$ 1,709,910	\$ 8,061,108	\$ 2,653,241	\$ 578,534	\$ 55,481,297	\$ 12,689,393	\$ 4,539,449	\$ 3,649,940	\$ 1,614,665	\$ 90,977,537	\$ 91,347,467

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2016

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Recreation	Planning and Development	2016	2015
Cost								
Balance, beginning of year	\$ 6,271,863	\$ 3,571,577	\$ 28,961,672	\$ 69,310,119	\$ 4,872,925	\$ 47,881	\$ 113,036,037	\$ 109,783,678
Additions during the year	-	-	666,097	67,735	119,426	-	853,258	3,348,010
Disposals during the year	-	-	204,544	-	-	-	204,544	95,651
Assets in service, end of year	6,271,863	3,571,577	29,423,225	69,377,854	4,992,351	47,881	113,684,751	113,036,037
Assets under construction	-	-	150,477	176,923	291,901	995,364	1,614,665	667,142
Balance, end of year	6,271,863	3,571,577	29,573,702	69,554,777	5,284,252	1,043,245	115,299,416	113,703,179
Accumulated Amortization								
Balance, beginning of year	576,413	2,131,922	9,710,672	8,142,407	1,762,912	31,386	22,355,712	20,252,495
Amortization during the year	138,414	112,658	785,759	940,824	158,576	7,980	2,144,211	2,170,313
Amortization on disposals	-	-	178,044	-	-	-	178,044	67,096
Balance, end of year	714,827	2,244,580	10,318,387	9,083,231	1,921,488	39,366	24,321,879	22,355,712
Net book value	\$ 5,557,036	\$ 1,326,997	\$ 19,104,838	\$ 60,471,546	\$ 3,362,764	\$ 1,003,879	\$ 90,977,537	\$ 91,347,467

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

SCHEDULE OF ACCUMULATED SURPLUS

For the year ended December 31, 2016

	2016	2015
Operating (deficits) surpluses		
Operating surplus (Note 9)	\$ -	\$ -
Water and sewer surplus (Note 10)	-	-
Local board surplus, Morrisburg Business Improvement Area	10,984	11,378
Unfunded capital projects	(1,961,918)	(1,351,157)
Investment in Rideau St. Lawrence Holdings Inc.	1,871,762	1,874,972
Liabilities to be recovered from future revenues (Note 11)		
Accrued interest on municipal debt	(61,499)	(66,404)
Future employment benefits payable	-	(6,318)
Accrued landfill closure and post closure	(1,009,575)	(974,500)
Total operating (deficit) surplus	(1,150,246)	(512,029)
Reserves and reserve funds (Note 14)		
Reserves	6,568,478	6,178,753
Reserve funds	3,868,547	3,292,522
Total reserves and reserve funds	10,437,025	9,471,275
Invested in tangible capital assets		
Tangible capital assets	90,977,537	91,347,467
Less: related municipal debt	(6,832,106)	(7,292,788)
Total invested in tangible capital assets	84,145,431	84,054,679
ACCUMULATED SURPLUS	\$ 93,432,210	\$ 93,013,925

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS

For the year ended December 31, 2016

	Operating (Deficits) Surpluses	Reserves and Reserve Funds	Invested in Tangible Capital Assets	2016	2015
Balance, beginning of year	\$ (512,029)	\$ 9,471,275	\$ 84,054,679	\$ 93,013,925	\$ 91,049,935
Annual surplus	300,617	117,668	-	418,285	1,963,990
Operating funds transferred to reserves and reserve funds	(2,005,566)	2,005,566	-	-	-
Reserves and reserve funds transferred to operating	631,812	(631,812)	-	-	-
Reserves and reserve funds transferred for tangible capital assets	-	(525,672)	525,672	-	-
Operating funds used for tangible capital assets	(1,275,109)	-	1,275,109	-	-
Disposal of tangible capital assets	26,500	-	(26,500)	-	-
Annual amortization expense	2,144,211	-	(2,144,211)	-	-
Repayment of municipal debt related to capital	(460,682)	-	460,682	-	-
Change in accumulated surplus	(638,217)	965,750	90,752	418,285	1,963,990
Balance, end of year	\$ (1,150,246)	\$ 10,437,025	\$ 84,145,431	\$ 93,432,210	\$ 93,013,925

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

SCHEDULE OF SEGMENTED DISCLOSURE

For the year ended December 31, 2016

	General Government	Protection Services	Transportation Services	Environmental Services	Water and Sewer Services	Health Services	Recreation and Cultural Services	Planning and Development	2016	2015
REVENUE										
Taxation	\$ 1,167,559	\$ 866,507	\$ 1,937,304	\$ 828,420	\$ 42,600	\$ 124,454	\$ 987,262	\$ 347,259	\$ 6,301,365	\$ 5,870,760
Fees and service charges	217,877	63,547	34,511	162,734	2,251,136	71,944	438,577	133,184	3,373,510	3,259,092
Grants	193,722	118,100	327,528	208,587	66,890	24,049	198,830	132,240	1,269,946	2,165,379
Investment income	398,594	-	-	-	-	-	-	-	398,594	437,267
Permits and licenses	64,383	21,985	7,750	-	-	-	-	88,785	182,903	199,159
Donations and sale of property	-	-	-	-	-	-	2,737	-	2,737	24,510
Equity (loss) income	(3,210)	-	-	-	-	-	-	-	(3,210)	90,259
	2,038,925	1,070,139	2,307,093	1,199,741	2,360,626	220,447	1,627,406	701,468	11,525,845	12,046,426
EXPENSES										
Wages and benefits	714,933	614,755	1,044,920	110,610	512,991	-	617,723	262,724	3,878,656	3,669,904
Interest on municipal debt	122,360	-	-	-	128,539	35,552	-	18,335	304,786	320,527
Materials and services	342,915	299,297	955,991	168,733	968,584	-	785,883	319,092	3,840,495	3,587,737
Contracted services	37,637	19,693	281,306	509,856	95,958	-	97,313	39,459	1,081,222	1,035,432
Insurance and financial costs	161,762	53,022	37,489	-	138,131	-	34,486	2,165	427,055	402,654
Third party transfers	-	74,326	-	-	-	-	100	-	74,426	72,924
Amortization	138,414	112,658	785,759	-	940,824	-	158,576	7,980	2,144,211	2,170,313
	1,518,021	1,173,751	3,105,465	789,199	2,785,027	35,552	1,694,081	649,755	11,750,851	11,259,491
SURPLUS (DEFICIT)										
BEFORE OTHER ITEMS	520,904	(103,612)	(798,372)	410,542	(424,401)	184,895	(66,675)	51,713	(225,006)	786,935
OTHER REVENUE FOR CAPITAL PURPOSES										
Deferred revenue earned	-	-	326,081	-	33,845	-	-	-	359,926	436,202
Grants	-	-	76,610	-	33,846	-	-	-	110,456	568,947
Donations and other	-	-	65,674	-	-	-	46,600	-	112,274	181,015
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	-	60,635	60,635	(9,109)
	-	-	402,691	-	67,691	-	46,600	60,635	643,291	1,177,055
ANNUAL SURPLUS (DEFICIT)	\$ 520,904	\$ (103,612)	\$ (395,681)	\$ 410,542	\$ (356,710)	\$ 184,895	\$ (20,075)	\$ 112,348	\$ 418,285	\$ 1,963,990

See Accompanying Notes



CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

DESCRIPTION OF ORGANIZATION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

(a) Basis of consolidation

(i) Consolidated entities

These financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund and reserves and include the activities of all committees of Council and the following local boards:

Iroquois Golf Course Municipal Service Board

Morrisburg Business Improvement Area

Galop Canal Iroquois Landing Marina

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

These financial statements reflect the investment in any government business enterprises and are consolidated using the modified equity method. Under the modified equity basis, the enterprises accounting principles are not adjusted to conform with those of the Municipality and intergovernmental transactions and balances are not eliminated. The following government business enterprise is consolidated based on the Municipality's share of ownership.

Rideau St. Lawrence Holdings Inc.

(ii) Non-consolidated entities

There are no non-consolidated entities.

(iii) Accounting for United Counties and school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the United Counties of Stormont, Dundas and Glengarry are not reflected in the municipal fund balances of these financial statements.

(iv) Trust funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the trust funds' statement of financial position and statement of continuity.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Fund accounting

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

(c) Taxation and related revenues

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

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

(d) Government grants

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

(e) Government transfer payments

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

(f) Fees and services and other revenues

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

(g) Investment income

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

(h) Cash and cash equivalents

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

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Long-term investments

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

(j) Deferred revenue

Deferred revenue represents government transfers that have been received for specific purposes, but the respective expenditure has not been incurred to date. These amounts will be recognized as revenues in the fiscal year the expenditure incurred.

(k) Deferred revenue, obligatory reserve funds

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

(l) Future employee benefits payable

Employee benefits include vacation entitlement and sick leave benefits. Vacation and sick leave benefits are accrued in accordance with the Municipality's policy. The Municipality accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), as a defined contribution plan.

(m) Accrued landfill closure and post closure costs

The Municipality accrues landfill closure costs which includes final covering and landscaping of the site, pumping of ground water and leachates from the site and ongoing environmental monitoring, site inspection and maintenance. The reported liabilities have been recognized based on the landfill site's capacity usage, management's best estimate of future expenditures, long-term inflation rates and discount rates.

(n) Reserves and reserve funds

Reserves and reserve funds are comprised of funds set aside for specific purposes by Council. Reserve funds and reserves are presented as part of the Municipality's accumulated surplus. Transfers to and from reserves and reserve funds are an adjustment to the respective fund when approved.

(o) Amounts to be recovered from future revenues

Amounts to be recovered from future revenues represents the outstanding principal portion of unmaturing long-term liabilities for expenditures, accrued interest on long-term liabilities and future employment benefits payable that will be financed through future revenues of the Municipality and is reported on the statement of financial position.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires administration to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant items subject to such estimates and assumptions include the estimated useful life of tangible capital assets, the valuation of allowances for doubtful taxes and accounts receivable, the valuation of inventories, the estimated future landfill closure and post closure costs, and the estimated liability for remediation of contaminated sites. Actual results could differ from these estimates.

(q) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(i) Tangible capital assets

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

Land improvements	25 to 40 years
Buildings	20 to 40 years
Machinery and equipment	15 years
Vehicles	5 to 20 years
Water and waste plants and networks	
underground networks	75 to 100 years
sewage treatment plants	75 years
water pumping stations and reservoirs	75 years
flood stations and other infrastructure	75 years
Transportation	
roads	10 to 40 years
bridges and structures	25 to 75 years

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

The Municipality has a capitalization threshold of \$25,000 so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively they have significant value, or for operational reasons. Examples of pooled assets are desktop computer systems, utility poles and defibrillators.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Non-financial assets (continued)

(ii) Contributions of tangible capital assets

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

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(iv) Inventory

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

(r) Liability for contaminated sites

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

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

2. LONG-TERM INVESTMENTS

	2016	2015
Promissory note, Rideau St. Lawrence Holdings Inc., 4.49% interest, no specific terms of repayment, unsecured	\$ 938,352	\$ 938,352
South Dundas Water Plant debentures, 5.5% interest, repayable in annual payments of \$23,889, due 2026, secured by property	180,064	193,320
South Dundas Water Plant, long-term growth receivable, 5% interest no specific terms of repayment, unsecured	1,217,000	1,244,000
	\$ 2,335,416	\$ 2,375,672

3. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC.

	2016	2015
Investment, beginning of year	\$ 1,874,972	\$ 1,784,713
Equity change due to conversion to International Financial Reporting Standards ("IFRS")	-	58,673
Share of net income for the year	50,600	85,396
Dividends received	(53,810)	(53,810)
Investment, end of year	\$ 1,871,762	\$ 1,874,972

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

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

Financial Position

	2016	2015
Current assets	\$ 5,195,986	\$ 4,404,156
Deferred taxes	145,508	172,923
Capital	7,095,357	6,875,202
Regulatory deferrals	322,926	575,960
Total Assets	12,759,777	12,028,241
Current liabilities	5,437,534	4,773,134
Long-term portion of customer deposits	272,341	262,561
Contributions in aid of construction	131,427	34,722
Long-term debt	878,817	1,090,169
Regulatory deferrals	473,905	292,358
Total Liabilities	7,194,024	6,452,944
Shareholders' Equity	\$ 5,565,753	\$ 5,575,297

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

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

Financial Activities

	2016	2015
Total revenue	\$ 17,570,445	\$ 16,630,827
Total expenses	17,419,989	16,376,899
Net Income	\$ 150,456	\$ 253,928
Municipality share of net income (33.63%)	\$ 50,600	\$ 85,396

4. DEFERRED REVENUE

Deferred revenue represents funds received from the Province of Ontario that were allocated to its separate bank accounts as directed by Council. Deferred revenue consists of the Ontario Small Town and Rural Development Infrastructure Initiative ("OSTAR") that were deferred to finance the future long-term debt payments resulting from the financing of the South Dundas Water Treatment Plant in 2008. Deferred revenue also consists of the Green Infrastructure Fund ("GIF") to finance the provincial portion of construction costs of the Iroquois Waste Water Treatment Plant. The balances and transactions are summarized as follows:

	OSTAR	GIF	2016	2015
Balance, beginning of year	\$ 206,431	\$ 1,090,903	\$ 1,297,334	\$ 1,435,973
Interest earned	5,362	4,001	9,363	9,456
Utilized for operating purposes	(66,890)	-	(66,890)	(78,842)
Utilized for capital acquisitions	-	(33,845)	(33,845)	(69,253)
Balance, end of year	\$ 144,903	\$ 1,061,059	\$ 1,205,962	\$ 1,297,334

5. DEFERRED REVENUE, OBLIGATORY RESERVE FUNDS

A requirement of Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The obligatory reserve funds consist of the gas tax and parkland reserve fund. The balance and transactions are summarized as follows:

	Gas Tax	Parkland	2016	2015
Balance, beginning of year	\$ 180,456	\$ 141,390	\$ 321,846	\$ 377,445
Grants received	328,172	-	328,172	312,545
Prepaid special charges	-	48,450	48,450	14,100
Interest earned	670	696	1,366	1,699
Utilized for operating purposes	-	-	-	(16,994)
Utilized for capital acquisitions	(326,081)	-	(326,081)	(366,949)
Balance, end of year	\$ 183,217	\$ 190,536	\$ 373,753	\$ 321,846

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

6. FUTURE EMPLOYMENT BENEFITS PAYABLE

The Municipality provides employee benefits that will require funding in future periods. Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment. With respect to responsibilities under the Workplace Safety and Insurance Board ("WSIB") Act the Municipality has elected to be a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. There is no liability recorded in these financial statements with respects to any WSIB liability. The Municipality has established a Reserve for Sick Leave to mitigate the future impact of these obligations in the amount of \$nil (2015 - \$6,374).

7. MUNICIPAL DEBT

	2016	2015
Loan Payable, 3.35% interest, repayable in monthly payments of \$16,667 plus interest, due September 2034, South Dundas Municipal Centre	\$ 3,550,000	\$ 3,750,000
Loan payable, 3.9% interest, repayable in semi-annual payments of \$25,841 plus interest, due November 2033, Iroquois Medical Centre	878,606	930,288
Loan payable, 4.75% interest, repayable in semi-annual payments of \$104,500 plus interest, due 2028, South Dundas Municipal Water Plant	2,403,500	2,612,500
Tile drain loans, 6% interest, repayable over a ten years in blended annual payments between \$163 and \$6,263, due between one year and ten years	204,434	265,461
	\$ 7,036,540	\$ 7,558,249

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

	2017	\$	492,832
	2018		484,788
	2019		482,770
	2020		482,370
	2021		482,489
	Thereafter		4,611,291
		\$	7,036,540

Principal payments are payable from the following sources as follows:

	2017 to 2021	2022 to 2036
General municipal revenues	\$ 775,000	\$ 1,740,000
Rental revenues	483,414	1,430,192
User charges	1,045,000	1,358,500
Tile drain loans receivable	121,835	82,599
	\$ 2,425,249	\$ 4,611,291

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

8. ACCRUED LANDFILL CLOSURE AND POST CLOSURE COSTS

The Municipality operates two solid waste landfill sites. The estimated remaining useful lives range between three and six years. The estimate associated with closure and post-closure include costs such as clay, topsoil, hydro seed, site preparation, equipment, ditching, drainage, fencing and post closure monitoring estimated for five years. The total estimated closure and post closure costs for both sites is \$1,201,300 with \$1,009,575 (2015 - \$974,500) being accrued at the end of the current fiscal year. These costs are to be recovered from future taxation revenue and reserves.

9. OPERATING SURPLUS

The unaudited budget figures presented in these financial statements are based upon the 2016 operating and capital budgets that have been approved by Council of the Corporation of the Municipality of South Dundas. The following schedule reconciles the budget and actual results presented in these financial statements to the approved operating budget for the year.

	(Unaudited) BUDGET 2016	ACTUAL 2016	ACTUAL 2015
Annual Surplus	\$ 539,180	\$ 418,285	\$ 1,963,990
Change in local board surpluses for the year	-	394	8,311
Proceeds from the issue of municipal debt	2,500,000	-	-
Operating funds transferred to reserves and reserve funds	(619,172)	(1,416,662)	(2,071,985)
Reserves and reserve funds transferred for tangible capital assets	1,746,519	525,672	1,449,014
Reserve fund interest	-	(117,664)	(132,421)
Acquisition of tangible capital assets	(6,168,397)	(1,800,781)	(3,684,514)
Amortization of tangible capital assets	2,331,976	2,144,211	2,170,313
Principal repayments on municipal debt	(460,683)	(460,683)	(460,683)
Change in surplus for future capital acquisitions	130,577	610,759	1,027,744
Equity decrease (increase) of Rideau St. Lawrence Holdings Inc.	-	3,210	(90,259)
Accrued landfill closure and post closure costs	-	35,075	35,075
Retirement benefits and accrued interest	-	(11,224)	(4,961)
Proceeds on disposal of tangible capital assets	-	87,135	19,446
(Gain) loss on disposal of tangible capital assets	-	(60,635)	9,109
Surplus for the year before year-end transfers	-	(42,908)	238,179
Transfer (to) from water and sewer reserves and reserve funds	-	(72,552)	4,852
Transfer from (to) reserves to fund operating deficit (surplus)	-	115,460	(243,031)
	\$ -	\$ -	\$ -

The operating deficit for the fiscal year ending December 31, 2016 was \$115,460 of which \$5,776 was financed from the fire reserve, \$73,195 was financed from the winter control reserve and \$36,489 was financed from the working capital reserve.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

9. OPERATING SURPLUS (Continued)

The water and sewer operations are made up of four local areas, the respective (deficits) surpluses for the fiscal year ended December 31, 2016 are listed below. Any surpluses are transferred to and deficits are funded by the respective local area reserve or reserve fund.

	2016	2015
South Dundas municipal water	\$ (29,128)	\$ 55,090
Iroquois sewer	(3,122)	(58,850)
Morrisburg sewer	100,969	(19,421)
Williamsburg sewer	3,833	18,329
Total water and sewer surplus (deficit)	\$ 72,552	\$ (4,852)

10. WATER AND SEWER OPERATIONS

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

	(Unaudited) BUDGET 2016	ACTUAL 2016	ACTUAL 2015
Revenues			
Taxation and local improvement charges	\$ 42,600	\$ 42,600	\$ 42,600
Fees and service charges	2,259,105	2,251,136	2,203,758
Grants	42,303	66,890	78,842
	2,344,008	2,360,626	2,325,200
Expenditures, excluding amortization	1,866,799	1,848,255	2,016,367
Surplus for the year	477,209	512,371	308,833
Financing and transfers			
Transfers (to) from reserve and reserve funds	(34,654)	(233,695)	249,001
Funds used for capital asset acquisitions and expenditures	(233,555)	(69,676)	(348,834)
Net change in municipal debt	(209,000)	(209,000)	(209,000)
	(477,209)	(512,371)	(308,833)
Water and sewer surplus for the year	\$ -	\$ -	\$ -

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

11. AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES

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

	2016	2015
Municipal debt	\$ 7,036,540	\$ 7,558,249
Accrued interest on municipal debt	61,499	66,404
Future employment benefits payable	-	6,318
Accrued landfill closure and post-closure	1,009,575	974,500
	\$ 8,107,614	\$ 8,605,471

Amounts are to be recovered from the following sources:

Reserves and reserve funds	\$ 487,443	\$ 339,487
General municipal revenues	2,515,000	2,560,000
User charges	4,900,737	5,440,523
Tile drain loans receivable	204,434	265,461
	\$ 8,107,614	\$ 8,605,471

12. PENSION AGREEMENTS

The Municipality is a member of the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer retirement plan. The plan is a contributory defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates pay. Employers and employee contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Municipality does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The employer amount contributed to OMERS for 2016 in the amount of \$219,156 (2015 - \$213,516) for current service and is included as an expenditure on the statement of financial activities.

13. EXPENDITURES BY OBJECT

	(Unaudited) BUDGET 2016	ACTUAL 2016	ACTUAL 2015
Wages and benefits	\$ 3,768,135	\$ 3,878,656	\$ 3,669,904
Interest on municipal debt	330,723	304,786	320,527
Materials and services	3,409,746	3,840,495	3,587,737
Contracted services	1,219,563	1,081,222	1,035,432
Insurance and other financial costs	432,959	427,055	402,654
Third party transfers	75,561	74,426	72,924
Amortization	2,331,976	2,144,211	2,170,313
	\$ 11,568,663	\$ 11,750,851	\$ 11,259,491

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

14. RESERVES AND RESERVE FUNDS

	2016	2015
Reserves set aside for specific purposes by Council are as follows:		
Working capital	\$ 2,740,230	\$ 2,895,622
Water	357,298	196,155
Waste water	945,972	848,125
Sick leave and employment benefits	3,334	8,508
Planning and development	65,105	53,037
Recreation and facilities	484,500	284,005
Cemeteries and funeral assistance program	11,564	4,433
Social housing	2,390	2,857
Roads	695,916	638,371
Landfill	487,443	333,169
Tax stabilization	63,806	77,373
Winter control	-	148,269
Elections	20,828	8,328
Treasury	52,380	52,380
Protection to persons and property	103,331	112,694
Future debenture payments	524,381	510,427
Accessibility	10,000	5,000
	6,568,478	6,178,753
Reserve funds set aside for specific purpose by legislation, regulation or agreement:		
Equipment replacement	663,495	269,094
Water	83,604	109,828
Waste water	392,400	370,344
Infrastructure	2,192,988	2,089,782
Fire	231,694	220,828
Other	302,174	213,210
EDP community benefits	2,192	19,436
	3,868,547	3,292,522
Total reserves and reserve funds	\$ 10,437,025	\$ 9,471,275

15. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$70,307 (2015 - \$69,317) have not been included in the Statement of Financial Activities.

16. BUDGET FIGURES

Budgets established for capital funds, reserves and reserve funds are based on a project-oriented basis, the costs of which may be carried out over one or more years.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

17. CONTINGENCIES

Legal action

The Municipality is involved in various legal actions in the normal course of business. The Municipality and its insurers are defending all actions against the Municipality. In the opinion of management, the aggregate amount of any potential liability is not expected to have a material adverse effect on the Municipality's financial position. Losses, if any, will be accounted for in the period they become determinable.

Contaminated sites

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

WSIB disability

As a result of recent changes to the Workplace Safety and Insurance Act, the Municipality would be responsible to reimburse WSIB for disability payments under the revised regulations for work-related disabilities for firefighters. The estimated future benefit and administrative costs if claims are made is \$752,400. As at December 31, 2016, no claims have been filed. The WSIB has calculated a provision for benefits not yet awarded based on the current benefits liability. The amount with administration costs is estimated at \$798,296, which would only become a liability if awarded by the WSIB.

18. SEGMENTED INFORMATION

The Municipality is responsible for providing a range of services to its citizens. For management reporting purposes the Municipality's operations and activities are organized and reported by department. These departments are reported by functional area in the body of the financial statements similar to reporting reflected in the Ontario Financial Information Return. These functional areas represent segments for the Municipality and expended disclosure by object has been reflected in the schedule of segmented disclosure.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

A brief description of each segment follows:

(a) General government

General government includes corporate services and governance of the Municipality. Administration as a segment includes operating and maintaining municipal owned buildings, human resource management, legal, communications, information systems and technology, support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status as well as frontline reception and customer service.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

18. SEGMENTED INFORMATION (Continued)

(b) Protection services

Protection services include fire protection, conservation authority, protective inspection and control, and emergency measures. Fire protection includes inspection, extinguishing and suppression services, emergency medical first response, and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and dog control services.

(c) Transportation services

Transportation services include administration and operation of traffic and parking services for the Municipality. In addition, services are provided for the winter and summer road maintenance along with the repair and construction of the municipal roads system including bridges and culverts, as well as operation and maintenance of a fleet of vehicles and equipment for use in providing services to the Municipality.

(d) Environmental services

Environmental services include waste collection, disposal and recycling services, the operation of landfill sites and water and waste water facilities and the related infrastructure for the collection and distribution of both water and sewer services within the Municipality.

(e) Health and recreation

Health and recreation provides services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure programs and facilities including community halls, libraries, parks, recreation fields, and arenas.

(f) Planning and development

Planning and development manages development for business interests, environmental concerns, heritage matters, local neighbourhoods and community development. It also facilitates economic development by providing services for the approval of all land development plans and the application and enforcement of the zoning by-law and official plan.

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2016

FINANCIAL ACTIVITIES (000's)

	2016	2015	2014	2013	2012
Revenues					
Taxation	\$ 6,301	\$ 5,871	\$ 5,598	\$ 5,407	\$ 5,645
Fees and service charges	3,374	3,259	3,277	2,957	2,675
Grants	1,270	2,165	1,256	1,421	1,538
Investment income	399	437	464	430	369
Permits and licenses	183	199	140	174	155
Donations and other revenue	3	25	58	7	65
Equity income	(3)	90	58	94	22
	11,527	12,046	10,851	10,490	10,469
Expenses					
General government	1,518	1,555	1,417	1,332	1,055
Protection to persons and property	1,174	1,098	1,228	1,104	1,091
Transportation services	3,105	2,722	2,690	2,173	2,408
Environmental	3,574	3,761	3,524	3,110	2,998
Health services	35	37	33	13	79
Recreation and cultural services	1,694	1,559	1,656	1,478	1,339
Planning and development	650	527	511	643	544
	11,750	11,259	11,059	9,853	9,514
Annual surplus (deficit) before other items	(223)	787	(208)	637	955
Other revenue for capital purposes					
Deferred revenue earned	360	436	1,337	4,518	2,707
Grants	110	569	1,778	6,838	4,498
Donations and other	112	181	-	-	-
Disposal of tangible capital assets	61	(9)	(135)	(258)	85
	643	1,177	2,980	11,098	7,290
Annual surplus	\$ 420	\$ 1,964	\$ 2,772	\$ 11,735	\$ 8,245

PROPERTY TAXES BILLED (000's)

	2016	2015	2014	2013	2012
Own purposes	\$ 6,301	\$ 5,871	\$ 5,598	\$ 5,407	\$ 5,645
Upper-Tier Municipality	7,457	7,258	7,072	6,932	6,761
School Boards	6,046	5,883	5,740	5,701	5,628
	\$ 19,804	\$ 19,012	\$ 18,410	\$ 18,040	\$ 18,034

CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS

FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2016

TAXABLE ASSESSMENT (000's)

	2016	2015	2014	2013	2012
Residential and farm	\$ 1,185,964	\$ 1,118,171	\$ 1,042,949	\$ 973,115	\$ 893,829
Commercial and industrial	174,076	167,482	158,057	152,761	144,384
	1,360,040	1,285,653	1,201,006	1,125,876	1,038,213
Exempt	42,803	39,301	36,244	33,830	33,290
	\$ 1,402,843	\$ 1,324,954	\$ 1,237,250	\$ 1,159,706	\$ 1,071,503
Commercial and industrial	12.80%	13.03%	13.16%	13.57%	13.91%
Municipal residential tax rate	0.471%	0.462%	0.460%	0.476%	0.487%

FINANCIAL INDICATORS

	2016	2015	2014	2013	2012
Tax arrears					
Percentage of own levy	18 %	18 %	25 %	25 %	20 %
Percentage of total levy	6 %	5 %	7 %	7 %	6 %
Municipal debt	\$ 7,036,540	\$ 7,558,249	\$ 5,335,043	\$ 6,920,003	\$ 3,563,051
Long-term debt charges	\$ 765,469	\$ 781,210	\$ 550,647	\$ 481,155	\$ 721,655
Sustainability					
Financial assets to liabilities	1.21	1.13	0.64	0.61	0.42
Financial assets to liabilities excluding long-term debt	2.92	2.81	2.45	1.73	1.73
Long-term debt to tangible capital assets	7.73 %	8.27 %	8.84 %	7.92 %	5.04 %
Flexibility					
Debt charges to total operating revenue	6.64 %	6.49 %	5.07 %	4.59 %	6.89 %
Total operating revenue to taxable assessment	8.22 %	9.09 %	8.42 %	8.76 %	9.44 %
Vulnerability					
Operating grants to operating revenue	11.02 %	17.98 %	12.06 %	14.00 %	15.21 %
Total grants to total revenues	14.30 %	23.97 %	31.60 %	59.19 %	49.23 %
Reserve coverage					
Reserves	\$ 6,568,478	\$ 6,178,753	\$ 4,954,508	\$ 4,005,753	\$ 4,631,063
Reserves to operating expenses	56 %	55 %	45 %	41 %	49 %
Reserves to working capital	1.13	1.01	0.82	0.84	1.44