

**TOWN OF TILLSONBURG**  
**CONSOLIDATED FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**TOWN OF TILLSONBURG  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

**To the Members of Council, Inhabitants and Ratepayers of the Town of Tillsonburg:**

I have audited the accompanying consolidated financial statements of Town of Tillsonburg, which comprise the Consolidated Statement of Financial Position as at December 31, 2015 and the Consolidated Statements of Operations and Accumulated Surplus, Cash Flows, and Change in Net Financial Assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Tillsonburg as at December 31, 2015 and its financial performance and its changes in cash flows and net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

**May 24, 2016**  
**London, Canada**

*Scrimgeour & Company*  
**LICENSED PUBLIC ACCOUNTANT**

**TOWN OF TILLSONBURG**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash	\$ 2,511,209	\$ 2,915,224
Investments (note 7)	31,931	32,259
Taxes receivable	1,045,270	1,154,761
Accounts receivable	2,176,724	2,767,210
Due from unconsolidated entities (note 15)	1,073,562	574,799
Other long-term assets (note 5)	1,856,267	1,860,197
Investment in Tillsonburg Hydro Inc. (note 12)	9,204,634	8,659,867
	<b>17,899,597</b>	<b>17,964,317</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,956,155	2,964,024
Other current liabilities	1,402,560	1,012,541
Accrued employee benefits (notes 8, 13 and 14)	703,307	861,042
Deferred revenue (note 9)	1,849,196	2,045,017
Long-term debt (note 10)	10,030,541	10,928,893
	<b>16,941,759</b>	<b>17,811,517</b>
<b>NET FINANCIAL ASSETS</b>	<b>957,838</b>	<b>152,800</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - Schedule 1	53,178,924	52,712,458
Capital work in progress	478,296	1,307,479
Inventories	26,591	33,505
Prepaid expenditures	462,928	33,748
	<b>54,146,739</b>	<b>54,087,190</b>
<b>ACCUMULATED SURPLUS (page 3)</b>	<b>\$55,104,577</b>	<b>\$54,239,990</b>

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



**TOWN OF TILLSONBURG**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget 2015	Actual 2015	Actual 2014
<b>REVENUE</b>			
Property taxation	\$13,149,475	\$13,223,917	\$13,041,470
User charges	3,677,352	4,005,258	4,208,266
Government grants	657,119	694,020	482,748
Investment income	190,000	215,277	247,742
Penalty and interest on taxes	168,000	180,412	174,170
Donations	25,500	23,387	30,076
	<b>17,867,446</b>	<b>18,342,271</b>	<b>18,184,472</b>
<b>EXPENDITURES</b>			
General government	2,180,691	2,949,758	2,712,245
Protection to persons and property	5,340,490	5,347,301	5,659,066
Transportation services	3,209,542	4,586,646	4,640,670
Environmental services	539,618	557,830	530,040
Health services	260,928	293,175	304,112
Recreation and cultural development	4,171,020	4,731,322	4,441,856
Planning and development	422,290	707,039	780,006
	<b>16,124,579</b>	<b>19,173,071</b>	<b>19,067,995</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)</b>	<b>1,742,867</b>	<b>(830,800)</b>	<b>(883,523)</b>
<b>OTHER</b>			
Gain (loss) on disposal of tangible capital assets	-	(628,968)	(13,846)
Equity acquired in Tillsonburg Hydro Inc. (note 12)	-	544,767	457,286
Government transfers related to capital	254,870	964,532	112,103
Donations and other revenue related to capital	257,250	800,036	182,768
Developer contributions-in-kind related to capital	60,000	15,020	186,526
	<b>572,120</b>	<b>1,695,387</b>	<b>924,837</b>
Excess of revenue over expenditures	<b>2,314,987</b>	<b>864,587</b>	<b>41,314</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>54,239,990</b>	<b>54,239,990</b>	<b>54,198,676</b>
<b>ACCUMULATED SURPLUS, END OF YEAR (note 11)</b>	<b>\$56,554,977</b>	<b>\$55,104,577</b>	<b>\$54,239,990</b>

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

**TOWN OF TILLSONBURG**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenue over expenditures (page 3)	\$ 864,587	\$ 41,314
Non-cash changes to operations		
Amortization	2,446,252	2,393,308
Loss on disposal of tangible capital assets	721,794	82,251
Net change in non-cash operating balances (A)	233,738	131,338
Net change in cash from operating activities	4,266,371	2,648,211
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(3,634,512)	(1,189,620)
Decrease (increase) in work in progress	829,183	(1,130,316)
(Increase) decrease in other non-financial assets	(422,266)	294,579
Net change in cash from capital activities	(3,227,595)	(2,025,357)
<b>INVESTING</b>		
Net change in investment in Tillsonburg Hydro Inc. (note 12)	(544,767)	(457,286)
<b>FINANCING</b>		
Net change in long-term debt (note 10)	(898,352)	(1,009,156)
Net change in cash and cash equivalents during the year	(404,343)	(843,588)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	2,947,483	3,791,071
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 2,543,140	\$ 2,947,483
<b>COMPRISED OF:</b>		
Cash	\$ 2,511,209	\$ 2,915,224
Investments	31,931	32,259
	\$ 2,543,140	\$ 2,947,483

(A) Non-cash operating balances includes taxes and accounts receivable, due from unconsolidated entities, other long-term assets, accounts payable and accrued liabilities, other current liabilities, accrued employee benefits and deferred revenue.

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

**TOWN OF TILLSONBURG**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
Excess of revenue over expenditures (page 3)	\$ 864,587	\$ 41,314
Amortization of tangible capital assets	2,446,252	2,393,308
Acquisition of tangible capital assets	(3,634,512)	(1,189,620)
Loss on sale of tangible capital assets	721,794	82,251
Decrease (increase) in work in progress	829,183	(1,130,316)
Disposal of (acquisition of) supplies inventory	6,914	(5,069)
(Acquisition of) disposal of prepaid expenditures	(429,180)	299,649
Increase in net financial assets	805,038	491,517
<b>NET FINANCIAL ASSETS (LIABILITIES), BEGINNING OF YEAR</b>	<b>152,800</b>	<b>(338,717)</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 957,838</b>	<b>\$ 152,800</b>

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



**TOWN OF TILLSONBURG  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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The Town of Tillsonburg (the Town), is a Town 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. Significant accounting policies**

The consolidated financial statements of the Corporation of the Town of Tillsonburg are prepared by management in accordance with Canadian public sector accounting standards.

The focus of these consolidated financial statements is on the financial position of the Town and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net financial assets represent the financial position of the Town and is the difference between financial assets and liabilities. This information presents the Town's overall future revenue requirements and its ability to finance activities and meet its obligations.

The following outlines the significant accounting policies:

**a. Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenue, expenditures and accumulated surplus and changes in investment in non-financial assets of the Town. The reporting entity includes the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Tillsonburg Business Improvement Area Board of Management

All interfund assets and liabilities and revenue and expenditures have been eliminated.

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

Tillsonburg Waterworks Department

Tillsonburg Sanitary Sewer Department

Government business enterprises are separate legal entities that do not rely on the Town for funding. Investments in government business enterprises are accounted for using the modified equity method. Tillsonburg Hydro Inc. is a government business enterprise and the Town's investment in this corporation is reflected in these consolidated financial statements.



**TOWN OF TILLSONBURG  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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**1. Significant accounting policies continued**

**b. Accounting for County and School Board transactions**

The taxation, other revenue, expenditures, assets and liabilities with respect to the operations of the School Boards, and the Town of Tillsonburg are not reflected in the operations in these consolidated financial statements.

**c. Trust funds**

Trust funds and their related operations administered by the Town are not consolidated, but are reported separately on the Trust Funds Statements of Financial Position and Statement of Operations.

**d. Accrual accounting**

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

**e. 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 revenue over expense, provides the Consolidated Change in Net Financial Assets for the year.

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 costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	25-50 years
Buildings and structures	30-70 years
Leasehold improvements	term of lease
Vehicles	3-20 years
Information technology	3-10 years
Equipment	5-40 years
Roads	20-50 years
Bridges and other structures	40-50 years

**TOWN OF TILLSONBURG  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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**1. Significant accounting policies continued**

**e. Non-financial assets continued**

The Town has a capitalization threshold of \$5,000 to \$25,000, depending on the nature of the assets, so that individual assets of lesser value are expensed unless they are pooled because collectively they have a significant value.

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 expense as incurred.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The fair value is also recorded as contributed revenue.

**f. Inventories**

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

**g. Revenue recognition**

Government grants and transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

**h. Deferred revenue**

Grants, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenditures are incurred, services performed, or the tangible capital assets are acquired.

**i. Financial instruments**

Financial instruments of the Town consist mainly of cash, investments, accounts and taxes receivable. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

**j. Use of estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

**TOWN OF TILLSONBURG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**2. Tax revenue**

Property tax billings are prepared by the Town based on an assessment roll prepared by the Ontario Property Assessment Corporation. All assessed property values in the Town were reviewed and new values established based on a common valuation date which was used by the Town in computing the 2015 property tax bills. Property tax revenue and tax receivables are subject to appeals which may not have been heard yet. Any supplementary billing adjustments, made necessary by the determination of such appeals, will be recognized in the fiscal year they are determined and the effect shared with the Town and the appropriate School Boards.

**3. Trust funds**

Trust funds administered by the Town amounting to **\$1,165,374** (2014 - \$1,187,875) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

**4. Operations of School Boards and the County of Oxford**

Further to note 1, the taxation revenue of the School Boards and Town are comprised of the following:

	<b>School Boards</b>	<b>County</b>
Taxation	\$ 5,500,761	\$ 7,724,591
Requisitions	\$ 5,500,761	\$ 7,724,591

**5. Other long-term assets**

Included in other long-term assets as at December 31, 2015, is land held for resale of \$1,830,055 (2014 - \$1,827,011). Certain of these lands are included in the assets of the reserve funds in note 11.



**TOWN OF TILLSONBURG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**6. Pension agreements**

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2015 was \$650,057 (2014 - \$568,688) for current service and is included as an expenditure on the Consolidated Statement of Operations.

**7. Investments**

Investments of \$31,931 (2014 - \$32,259) are recorded at their market value and are short-term in nature. Investments consist of money market funds, which have a market value approximating cost.

**8. Liability for vested sick leave benefits**

Effective January 1, 2000, the sick leave benefit plan was replaced by a short-term protection plan. Accumulation of sick leave benefits ceased December 31, 1999. Employees with accumulated sick leave benefits are entitled to receive payment of a maximum of fifty percent of their accumulated sick leave benefit as of December 31, 1999. Payments cannot be made in excess of 130 days.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by the employee, approximated \$14,475 (2014 - \$41,416) at the end of the year. The full amount of this liability has been accrued on the Consolidated Statement of Financial Position.

The anticipated payments in subsequent years are not determinable at this time.

**9. Deferred revenue**

A requirement of the 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 balances in the obligatory reserve funds of the Town are summarized as follows:

	2015	2014
Development charges	\$ 1,358,965	\$ 1,147,602
Federal gas tax	204,356	649,754
Building	149,924	178,990
Deferred operating revenue	135,951	68,671
	<b>\$ 1,849,196</b>	<b>\$ 2,045,017</b>



**TOWN OF TILLSONBURG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**10. Long-term debt**

	2015	2014
a. Long-term debt outstanding, end of the year	<b>\$10,030,541</b>	\$10,928,893

- b. Of the net term liabilities reported in a. of this note, \$4,891,836 in principal payments are payable from 2016 to 2020, \$2,682,805 is payable in 2021 to 2025 and \$2,455,900 is payable thereafter.
- c. Approval of the Ontario Municipal Board has been obtained for the long-term liabilities and commitments to be financed by revenue beyond the term of Council and approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The principal and interest payments required to service these pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.
- d. The Town is not contingently liable for any long-term debt with respect to an unconsolidated local board at December 31, 2015.
- e. Included in the long-term debt is a capital lease of \$49,446 (2014 - \$69,798) incurred to finance capital equipment. The lease expires in 2018.
- f. Interest, for the year, for net long-term debt which is reported on the Consolidated Statement of Operations and Accumulated Surplus is as follows:

	2015	2014
	<b>\$ 469,900</b>	\$ 528,517

**TOWN OF TILLSONBURG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**11. Accumulated surplus**

The accumulated surplus on the Consolidated Statement of Financial Position at the end of the year are comprised of the following:

	2015	2014
Operating surplus (deficits)		
- Revenue fund	\$ 88,486	\$ 62,671
Invested in tangible capital assets	42,561,124	41,447,503
Investment in Tillsonburg Hydro Inc. (note 12)	9,204,634	8,659,867
Unfunded liability for unused vacation (note 14)	(134,797)	(269,797)
Reserves set aside for specific purpose		
- for acquisition of capital assets and general purposes	3,385,130	4,339,746
<b>Accumulated surplus</b>	<b>\$55,104,577</b>	<b>\$54,239,990</b>

**12. Investment in Tillsonburg Hydro Inc.**

The Town accounts for its 100% investment in Tillsonburg Hydro Inc. using the modified equity method. Under this method, the accounting policies of Tillsonburg Hydro Inc. are not adjusted to conform to those of the Town. In subsequent years, the cost of this investment is increased by the earnings or decreased by the losses of Tillsonburg Hydro Inc.

Tillsonburg Hydro Inc. prepares their financial statements in accordance with International Financial Reporting Standards ("IFRS").

Condensed financial information of Tillsonburg Hydro Inc. is as follows:

	2015	2014
Statement of Financial Position as at December 31:		
Current assets	\$ 6,551,543	\$ 5,481,801
Property, plant and equipment	9,913,580	9,646,971
Regulatory assets	212,035	222,315
Non-regulatory assets	89,109	103,882
	<b>\$16,766,267</b>	<b>\$15,454,969</b>
Current liabilities	\$ 3,688,269	\$ 3,049,207
Long-term liabilities	2,682,977	2,555,508
Equity	10,395,021	9,850,254
	<b>\$16,766,267</b>	<b>\$ 15,454,969</b>

**TOWN OF TILLSONBURG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**12. Investment in Tillsonburg Hydro Inc. continued**

Statements of Comprehensive Income and Retained Earnings:

	2015	2014
Power revenue	\$23,698,378	\$22,080,572
Cost of power	23,698,378	22,080,572
Gross margin	-	-
Distribution revenue	3,651,920	3,545,666
Net non-utility revenue	32,762	15,127
Expenditures	2,871,415	2,894,117
Net operating revenue	813,267	666,676
Provision for taxes	118,500	59,390
Net earnings for the year, before dividends	694,767	607,286
Dividends	150,000	150,000
Return of capital	-	-
Net change in investment in Tillsonburg Hydro Inc.	\$ 544,767	\$ 457,286
Opening, Investment in Tillsonburg Hydro Inc.	\$ 8,659,867	\$ 8,202,581
Net change in investment in Tillsonburg Hydro Inc.	544,767	457,286
Closing, Investment in Tillsonburg Hydro Inc.	\$ 9,204,634	\$ 8,659,867

**13. Post-employment benefit liability**

Included in the accrued employee benefits is an amount for post-employment benefits of \$56,305 (2014 - \$77,474). The Town provides certain employee benefits which will require funding in future periods. An internal estimate of future liabilities was completed and forms the basis for the estimated liability reported in these consolidated financial statements.



**TOWN OF TILLSONBURG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**14. Liability for vacation credits**

During 2014, the Town determined that under their vacation plan, some vacation credits are earned as at December 31 of each year, but are generally not utilized until a later date. These credits are available to employees to take in future periods. The approximate value of these credits at December 31, 2015 are \$134,797 (2014 - \$269,797). This amount will be funded in future periods.

**15. Due from unconsolidated entities**

The banking activities of the following entities are administered by the Town. Accordingly, the amount due from these entities represents the net working capital position between the Town and the entity as follows:

	2015	2014
Tillsonburg Hydro Inc.	\$ 740,651	\$ 304,949
Town of Tillsonburg - Waterworks Department	211,360	185,589
Town of Tillsonburg - Sanitary Sewer Department	121,551	84,261
	<b>\$ 1,073,562</b>	<b>\$ 574,799</b>

**16. Budget figures**

The Town's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2015 is reflected on the Consolidated Statement of Operations and Accumulated Surplus. For capital spending, budgets are set for individual projects and funding for these activities is determined annually and made by transfers from reserve funds and by the application of applicable grants or other funds available to apply to capital projects.

**17. Contingent liabilities**

The Public Sector Accounting Board of CPA Canada released a standard, 3510, related to contaminated sites. This standard requires municipalities to evaluate sites owned by the municipality and the associated costs, if any, to remediate such sites, as well as financial statement presentation and criteria to recognize these costs.

The Town received an order from the Ministry of Natural Resources to clean up the discharge from a failing abandoned oil well. The source well is under an existing road embankment, however, the exact location is not apparent. The responsibility for the cost to clean up and plug the abandoned oil well is in dispute. The matter has been referred to legal counsel and the outcome is not determinable at this time.

The Town is not aware of any other contaminated sites.



**TOWN OF TILLSONBURG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**18. Contingent liability**

The Town received correspondence from the Ontario Workplace Safety and Insurance Board (WSIB) which estimates the cost to the Town of future benefits payable under presumptive cancer legislation for volunteer firefighters of \$92,832. This estimate was prepared by WSIB using Province wide estimates based on actuarial assumptions. This liability has not been accrued in the financial statements.

**19. Public sector salary disclosure**

There were ten employees in 2015 paid a salary, as defined in the Public Sector Disclosure Act, 1996, of \$100,000 or more.

**20. Comparative balances**

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

**21. Segmented information**

Segmented information is presented on Schedule 2. The Town is a diversified municipality and provides a wide range of services to its citizens including police, fire, transportation and community services, including recreation and planning. The general government segment includes such functions as finance and information services, council and administrative offices.

TOWN OF TILLSONBURG  
CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Land	Buildings and Fixtures	Furniture and Equipment	Computer Hardware	Transportation Equipment	Roads and Bridges	Communication Equipment	Other Equipment	2015 Total	2014 Total
<b>COST</b>										
Balance, beginning of year	\$ 1,881,721	\$ 21,177,120	\$ 125,004	\$ 1,027,967	\$ 5,427,255	\$ 55,438,676	\$ 1,564,176	\$ 3,098,337	\$ 89,740,256	\$ 88,913,885
Add:										
Additions during the year	-	453,694	-	65,144	1,001,943	1,944,272	-	169,459	3,634,512	1,189,620
Less:										
Disposals during the year	-	(8,648)	-	-	(343,224)	(902,124)	-	(164,915)	(1,418,911)	(363,249)
Balance, end of year	1,881,721	21,622,166	125,004	1,093,111	6,085,974	56,480,824	1,564,176	3,102,881	91,955,857	89,740,256
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	7,205,591	83,790	707,568	3,810,305	22,610,377	185,025	2,425,142	37,027,798	34,915,487
Add:										
Amortization during the year	-	454,194	8,517	109,047	361,591	1,253,703	95,707	163,493	2,446,252	2,393,308
Less:										
Disposals during the year	-	(6,370)	-	-	(343,224)	(209,820)	-	(137,703)	(697,117)	(280,997)
Balance, end of year	-	7,653,415	92,307	816,615	3,828,672	23,654,260	280,732	2,450,932	38,776,933	37,027,798
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ 1,881,721	\$ 13,968,751	\$ 32,697	\$ 276,496	\$ 2,257,302	\$ 32,826,564	\$ 1,283,444	\$ 651,949	\$ 53,178,924	\$ 52,712,458

This schedule is provided for information purposes only.

TOWN OF TILLSONBURG  
CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Government	Protective Services	Transportation	Environmental	Health Services	Recreation and Culture	Planning and Development	Total
<b>REVENUE</b>								
Property taxation	\$ 12,974,284	\$ -	\$ 138,332	\$ -	\$ -	\$ -	\$ 111,301	\$ 13,223,917
User charges	686,236	893,471	536,234	120,121	132,034	1,446,025	191,137	4,005,258
Government grants	188,936	141,053	85,989	148,600	-	119,787	9,655	694,020
Investment income	206,867	-	-	-	8,208	-	202	215,277
Penalties and interest on taxes	180,412	-	-	-	-	-	-	180,412
Donations	-	945	-	-	25	15,016	7,401	23,387
	14,236,735	1,035,469	760,555	268,721	140,267	1,580,828	319,696	18,342,271
<b>EXPENDITURES</b>								
Salaries and benefits	2,359,498	1,514,378	1,506,012	143,925	128,385	2,428,832	272,094	8,353,124
Materials and supplies	666,829	186,453	943,765	112,888	37,146	1,004,860	20,219	2,972,160
Contracted expenditures	755,511	3,230,692	227,101	152,483	8,209	313,849	93,792	4,781,637
Other	407,550	176,490	191,919	102	16,172	380,394	160,004	1,332,631
Interfunctional transfers	(1,917,847)	180,235	260,692	138,346	101,105	54,837	-	(1,182,632)
Debt interest	51,417	100	169,189	1,394	-	172,195	75,604	469,899
Amortization	626,800	58,953	1,287,968	8,692	2,158	376,355	85,326	2,446,252
	2,949,758	5,347,301	4,586,646	557,830	293,175	4,731,322	707,039	19,173,071
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>								
(EXPENDITURES OVER REVENUE)	11,286,977	(4,311,832)	(3,826,091)	(289,109)	(152,908)	(3,150,494)	(387,343)	(830,800)
<b>OTHER</b>								
Gain (loss) on disposal	55,183	-	(692,304)	-	-	(6,720)	14,873	(628,968)
Equity in Tillsonburg Hydro	544,767	-	-	-	-	-	-	544,767
Government transfers related to capital	-	-	888,445	-	5,000	71,087	-	964,532
Donations and other revenue related to capital	-	-	758,195	-	15,080	26,761	-	800,036
Developer contributions related to capital	-	15,020	-	-	-	-	-	15,020
	599,950	15,020	954,336	-	20,080	91,128	14,873	1,695,387
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>								
(EXPENDITURES OVER REVENUE) \$	11,886,927	\$ (4,296,812)	\$ (2,871,755)	\$ (289,109)	\$ (132,828)	\$ (3,059,366)	\$ (372,470)	\$ 864,587

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