

**The Corporation of the
Town of Ingersoll**
Consolidated Financial Statements
For the year ended December 31, 2014

**The Corporation of the Town of Ingersoll
Consolidated Financial Statements
For the year ended December 31, 2014**

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Ingersoll

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Ingersoll which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Town Management's Responsibility for the Consolidated 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 Town management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

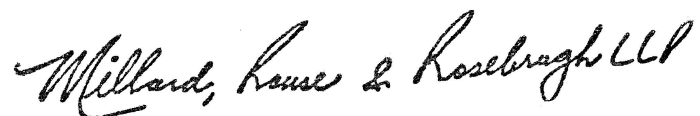
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 Town management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Town of Ingersoll as at December 31, 2014, and the consolidated results of its operations, its consolidated changes in net assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



July 29, 2015
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

The Corporation of the Town of Ingersoll
Consolidated Statement of Financial Position

For the year ended December 31

2014

2013

Financial Assets

Cash and Cash Equivalents	\$ 6,272,177	\$ 2,404,685
Taxes Receivable	1,204,384	1,401,129
Accounts Receivable	929,711	992,704
Land for Resale (Note 1)	1,919,129	1,919,129
Investment in Government Business Enterprise (Note 2)	10,144,869	9,613,312
	20,470,270	16,330,959

Liabilities

Accounts Payable and Accrued Liabilities	1,951,901	1,750,639
Employee Benefits Liability (Note 3)	6,824,392	6,406,244
Deferred Revenue (Note 4)	1,638,832	1,739,041
Net Long-Term Debt (Note 5)	6,988,153	5,889,325
	17,403,278	15,785,249

Net Financial Assets

3,066,992 **545,710**

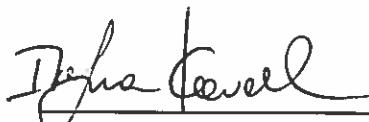
Non-financial Assets

Tangible Capital Assets (Note 6)	62,340,292	61,192,477
Prepaid Expenses and Inventories of Supplies	173,619	179,621
	62,513,911	61,372,098

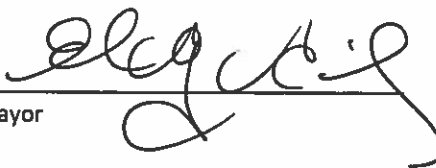
Accumulated Surplus (Note 7)

\$ 65,580,903 **\$ 61,917,808**

Contingent Liabilities (Note 11)



 Treasurer



 Mayor

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

The Corporation of the Town of Ingersoll
Consolidated Statement of Operations

For the year ended December 31	Budget 2014	2014	2013
Revenue			
Taxation	\$ 12,626,034	\$ 12,601,374	\$ 12,248,686
Government Grants - Federal (Note 8)	545,804	651,492	335,581
Government Grants - Provincial (Note 8)	1,106,879	1,135,894	1,280,555
Municipal Transfers	391,895	391,420	434,667
User fees and service charges	1,202,155	1,082,246	1,083,367
Increase from government business enterprise (Note 2)	-	531,557	130,660
Other (Note 9)	2,835,936	3,412,486	1,617,195
	<u>18,708,703</u>	<u>19,806,469</u>	<u>17,130,711</u>
Expenses			
General Government	2,573,577	2,518,251	2,496,930
Protection Services	4,480,836	4,343,054	3,898,476
Transportation Services	4,618,930	4,032,652	3,987,730
Environmental Services	237,449	644,364	597,653
Health Services	117,800	117,252	115,585
Recreational and Cultural Services	4,105,646	4,092,619	4,199,055
Planning and Development	525,216	395,182	580,121
	<u>16,659,454</u>	<u>16,143,374</u>	<u>15,875,550</u>
Annual Surplus	<u>2,049,249</u>	<u>3,663,095</u>	<u>1,255,161</u>
Accumulated Surplus, beginning of year	<u>61,917,808</u>	<u>61,917,808</u>	<u>60,662,647</u>
Accumulated Surplus, end of year	<u>\$ 63,967,057</u>	<u>\$ 65,580,903</u>	<u>\$ 61,917,808</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

The Corporation of the Town of Ingersoll
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2014	2014	2013
Annual surplus	\$ 2,049,249	\$ 3,663,095	\$ 1,255,161
Acquisition of tangible capital assets	(3,780,000)	(4,093,810)	(3,131,304)
Amortization of tangible capital assets	2,300,000	2,626,750	2,557,386
Loss (gain) on disposal of tangible capital assets	200,000	36,566	-59,614
Proceeds on sale of tangible capital assets	-	282,679	57,855
	<u>\$ 769,249</u>	<u>\$ 2,515,280</u>	<u>\$ 679,484</u>
Consumption of prepaid expenses and inventory of supplies	\$ -	\$ 6,002	\$ 12,533
Net change in net financial assets	769,249	2,521,282	692,017
Net financial assets, beginning of year	545,710	545,710	(146,307)
Net financial assets, end of year	<u>\$ 1,314,959</u>	<u>\$ 3,066,992</u>	<u>\$ 545,710</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

The Corporation of the Town of Ingersoll
Consolidated Statement of Cash Flows

For the year ended December 31

2014

2013

Operating Transactions

Annual surplus	\$ 3,663,095	\$ 1,255,161
Items not involving cash		
Change in net equity - ERTH Corporation	(531,557)	(130,660)
Amortization	2,626,750	2,557,386
(Gain) loss on disposal of tangible capital assets	36,566	(59,614)
Changes in non-cash operating balances		
Taxes receivable	196,745	(74,434)
Accounts receivable	62,993	(319,235)
Long-term receivable	-	553,135
Prepaid expenses and inventories of supplies	6,002	12,533
Accounts payable and accrued liabilities	201,262	491,162
Employee benefits liability	418,148	369,836
Deferred Revenue	(100,209)	250,393
	6,579,795	4,905,663

Capital Transactions

Acquisition of tangible capital assets	(4,093,810)	(3,131,304)
Proceeds on sale of tangible capital assets	282,679	57,855
	(3,811,131)	(3,073,449)

Financing transactions

Proceeds from issuance of long-term debt	1,706,000	2,015,000
Repayment of long-term debt	(607,172)	(887,089)
Increase (decrease) in short-term promissory note	-	(1,535,000)
	1,098,828	(407,089)

Net change in cash and cash equivalents	3,867,492	1,425,125
Cash and cash equivalents, beginning of year	2,404,685	979,560
Cash and cash equivalents, end of year	\$ 6,272,177	\$ 2,404,685

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2014

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

The consolidated financial statements of the Corporation of the Town of Ingersoll are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada. The Corporation of the Town of Ingersoll is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. The Corporation of the Town of Ingersoll provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and boards which are owned or controlled by the Corporation of the Town of Ingersoll.

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

Ingersoll Rural Cemetery Board	87.5%
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The investment in a government business enterprise is accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies, which follow Canadian generally accepted accounting principles for publicly accountable enterprises, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated. The following government business enterprise is reflected in the consolidated financial statements:

ERTH Corporation

**Cash and Cash
Equivalents**

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

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2014

Tangible Capital

Assets

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

Land Improvements	20 to 25 years
Facilities	25 to 100 years
Infrastructure	11 to 80 years
Vehicles, machinery and equipment	5 to 20 years

County and School Board

The Corporation of the Town of Ingersoll collects taxation revenue on behalf of the school boards and the County of Oxford. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these entities are not reflected in these financial statements.

Trust Funds

Trust funds held in trust by the Corporation of the Town of Ingersoll, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

Deferred Revenue

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

Government Transfers

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

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2014

**Retirement Benefits and
Other Employee
Benefit Plans**

The Corporation of the Town of Ingersoll's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other retirement benefits that accumulate over the period of service provided by employees are determined using the projected benefit method prorated on services based on management's best estimate.

Revenue Recognition

Taxes are recognized as revenue in the year they are levied. Taxation revenue recognized each year is adjusted for estimates for expected supplementary taxes, appeals and non-collectible taxes.

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.

Sales of services and other revenue are recognized on an accrual basis.

Use of Estimates

The preparation of financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

1. Land for Resale

The Land for resale is zoned for commercial purposes. The land is recorded at net realizable value which is less than cost.

2. Investment in Government Business Enterprise

ERTH Corporation is a corporation incorporated under the laws of the Province of Ontario. The Corporation of the Town of Ingersoll owns 38.91% (2013 - 37.51%) of the outstanding shares. The investment in ERTH Corporation is comprised of the following:

	2014	2013
Promissory note receivable	\$ 4,543,500	\$ 4,543,500
Class A shares	1	1
Class B shares	4,543,499	4,543,499
Share of equity earnings	1,057,869	526,312
	\$ 10,144,869	\$ 9,613,312

The promissory note receivable from ERTH Corporation is unsecured and bears interest at 7.25% (2013 - 7.25%). The term of the note is undefined but no principal repayments are expected within the next twelve months. Interest received in the year and included in other income is \$329,404 (2013 - \$329,404). During the year, ERTH Corporation declared and paid dividends totaling \$175,000 (2013 - \$Nil). The proportionate share of these dividends received by the Corporation of the Town of Ingersoll and included in the municipality's share of retained earnings was \$68,092 (2013 - \$Nil). During the year, ERTH Corporation reclassified redeemable class 'B' shares to share capital and the accumulated accredited amount of interest of \$276,425 (2013 - \$Nil) was reclassified to shareholders' equity. The proportionate share of this transaction included in the municipality's share of retained earnings was \$107,557 (2013 - \$Nil). The following summarizes the financial position and operations of ERTH Corporation which have been reported in these financial statements using the modified equity method:

	2014	2013
Share of equity earnings, beginning of year	\$ 526,312	\$ 395,652
Share in net income 38.91% (2013 - 37.51%)	472,449	130,660
Share in reclassified redeemable class 'B' shares 38.91% (2013 - 37.51%)	107,557	-
Change in ownership 38.91% (2013 - 37.51%)	19,643	-
Less: Dividends	68,092	-
Increase from government business enterprise	531,557	130,660
Share of equity earnings, end of year	\$ 1,057,869	\$ 526,312

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

2. Investment in Government Business Enterprise (continued)

	2014	2013
Financial position		
Current	\$ 18,916,750	\$ 19,945,893
Capital	35,522,905	34,340,702
Regulatory and other assets	16,821,679	13,612,315
Total Assets	\$ 71,261,334	\$ 67,898,910
Liabilities		
Current	\$ 23,301,458	\$ 22,229,255
Long-term debt	29,042,713	27,655,685
Regulatory and other liabilities	3,769,903	5,353,344
Total Liabilities	\$ 56,114,074	\$ 55,238,284
Net assets	\$ 15,147,260	\$ 12,660,626
Results of Operations		
Revenue	\$ 79,024,677	\$ 74,948,373
Expenses	77,810,467	74,599,955
Net income (loss) for the year	\$ 1,214,210	\$ 348,418
Corporation of the Town of Ingersoll's share 38.91% (2013 - 37.51%)	\$ 472,449	\$ 130,660
	2014	2013
Retained earnings, beginning of year	\$ 1,403,124	\$ 1,054,706
Net income	1,214,210	348,418
Reclassified redeemable class 'B' shares	276,425	-
Less: Dividends	175,000	-
Retained earnings, end of year	\$ 2,718,759	\$ 1,403,124
Corporation of the Town of Ingersoll's share 38.91% (2013 - 37.51%)	\$ 1,057,869	\$ 526,312

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

3. Employee Benefits Liability

	Sick Leave Benefits	Post Employment Benefits	Total 2014	Total 2013
Employee Benefit Liability	\$ 60,355	\$ 6,764,037	\$ 6,824,392	\$ 6,406,244

Post-Employment Benefits

The Corporation of the Town of Ingersoll provides life insurance, dental and health care benefits to certain employee groups. These benefits vary, with some groups receiving benefits after retirement until the members reach 65 years of age, where other groups receive the benefits for life. The values are based on actuarial valuation and management estimates as at December 31, 2014. Significant assumptions used in the actuarial valuation are as follows:

	2014	2013
Discount Rate	4.5%	4.5%
Rate of compensation increase	3.0%	3.0%
Healthcare cost increase	6.0%	6.0%

The benefit obligation continuity is as follows:

Accrued benefit obligation, January 1	\$ 6,341,227	\$ 5,939,379
Current period benefit cost	257,143	241,245
Retirement interest expenditure	288,380	270,233
Benefits paid	(122,713)	(109,630)
Liability for post-retirement benefits	\$ 6,764,037	\$ 6,341,227

Post retirement benefits expense is as follows:

Current period benefit cost	\$ 257,143	\$ 241,245
Retirement interest expense	288,380	270,233
Post-retirement benefits expense	\$ 545,523	\$ 511,478

No reserves or reserve funds have been established to provide for this past service liability.

Sick Leave Benefits

The Corporation of the Town of Ingersoll provides paid sick leave that can be carried forward up to a maximum defined by the employee group and may become entitled to cash payment when they leave the Town's employment. The Town has established a reserve to provide for past service liability in the amount of \$60,355 (2013 - \$65,017).

Pension Agreements

The Corporation of the Town of Ingersoll makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of all permanent, full-time 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 their length of service and rates of pay. The Corporation of the Town of Ingersoll paid \$352,212 (2013 - \$405,277) for employer contributions. The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

4. Deferred Revenue

	Opening Balance	Contributions Received	Externally Restricted Investment Income	Revenue Recognized	Ending Balance
Federal Gas Tax	\$ 572,767	\$ 361,330	\$ 8,071	\$ (600,300)	\$ 341,868
Development Charges	320,922	194,246	4,958	(36,224)	483,902
Recreational Land	70,491	1,800	817	(29,152)	43,956
Provincial Gas Tax	532,659	31,451	6,875	(4,268)	566,717
Other	242,202	-	-	(39,813)	202,389
	<u>\$ 1,739,041</u>	<u>\$ 588,827</u>	<u>\$ 20,721</u>	<u>\$ (709,757)</u>	<u>\$ 1,638,832</u>

5. Net Long Term Debt

	<u>2014</u>	<u>2013</u>
Long term liabilities issued by the County of Oxford for which the Town of Ingersoll has assumed responsibility for repayment.	<u>\$ 6,988,153</u>	<u>\$ 5,889,325</u>

Principal repayments relating to net long term debt of \$6,988,153 outstanding are due as follows:

	Principal Repayments
2015	\$ 704,377
2016	716,744
2017	729,590
2018	742,935
2019	659,373
Thereafter	<u>3,435,134</u>
	<u>\$ 6,988,153</u>

The above long-term liabilities have maturity dates and interest rates ranging from 2015 to 2025 and 3.16% to 4.75% respectively.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

6. Tangible Capital Assets

2014

	Land		Facilities	Machinery and		Total
	Land	Improvements		Equipment	Infrastructure	
Cost, beginning of year	\$ 3,683,812	\$ 3,991,259	\$ 15,699,058	\$ 6,228,253	\$ 65,453,364	\$ 95,055,746
Additions	-	163,208	101,088	339,809	3,489,705	4,093,810
Disposals	(162,014)	(199,845)	-	(708,479)	(478,274)	(1,548,612)
Cost, end of year	\$ 3,521,798	\$ 3,954,622	\$ 15,800,146	\$ 5,859,583	\$ 68,464,795	\$ 97,600,944
Accumulated Amortization, beginning of year	\$ -	\$ 2,546,851	\$ 5,623,155	\$ 3,000,274	\$ 22,692,989	\$ 33,863,269
Amortization	-	114,743	387,102	431,482	1,693,423	2,626,750
Disposals	-	(197,162)	-	(708,479)	(323,726)	(1,229,367)
Accumulated Amortization, end of year	\$ -	\$ 2,464,432	\$ 6,010,257	\$ 2,723,277	\$ 24,062,686	\$ 35,260,652
Net carrying amount, end of year	\$ 3,521,798	\$ 1,490,190	\$ 9,789,889	\$ 3,136,306	\$ 44,402,109	\$ 62,340,292

The net book value of tangible capital assets not being amortized because they are under construction or development or have been removed from service is \$125,697 (2013 - \$1,599,439). During the year, contributed capital assets of \$2,140,429 (2013 - \$227,240) were recognized in the financial statements. The Corporation of the Town of Ingersoll holds various historical treasures pertaining to the cheese factory museum. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

2013

	Land		Facilities	Vehicles, Machinery and		Total
	Land	Improvements		Equipment	Infrastructure	
Cost, beginning of year	\$ 3,683,812	\$ 3,979,169	\$ 15,688,596	\$ 5,768,700	\$ 63,214,726	\$ 92,335,003
Additions	-	29,428	35,622	799,008	6,013,851	6,877,909
Disposals	-	(17,338)	(25,160)	(339,455)	(3,775,213)	(4,157,166)
Cost, end of year	\$ 3,683,812	\$ 3,991,259	\$ 15,699,058	\$ 6,228,253	\$ 65,453,364	\$ 95,055,746
Accumulated Amortization, beginning of year	\$ -	\$ 2,444,108	\$ 5,238,421	\$ 2,912,808	\$ 21,122,866	\$ 31,718,203
Amortization	-	118,366	384,734	393,299	1,660,987	2,557,386
Disposals	-	(15,623)	-	(305,833)	(90,864)	(412,320)
Accumulated Amortization, end of year	\$ -	\$ 2,546,851	\$ 5,623,155	\$ 3,000,274	\$ 22,692,989	\$ 33,863,269
Net carrying amount, end of year	\$ 3,683,812	\$ 1,444,408	\$ 10,075,903	\$ 3,227,979	\$ 42,760,375	\$ 61,192,477

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

7. Accumulated Surplus

The Corporation of the Town of Ingersoll segregates its accumulated surplus in the following categories:

	2014	2013
Investment in tangible capital assets	\$ 62,340,292	\$ 61,192,477
Current Funds	(3,812,523)	(6,496,617)
Reserves and Reserve Funds		
Working Funds	192,278	192,278
Capital and current purposes	3,297,449	3,729,813
Industrial development	242,930	92,789
Investment in Government Business	10,144,869	9,613,312
Unfunded employee benefits liability	(6,824,392)	(6,406,244)
	\$ 65,580,903	\$ 61,917,808

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

8. Government Transfers

	Budget 2014	2014	2013
Federal			
Operating			
Conditional	\$ 22,804	\$ 51,192	\$ 15,477
Capital			
Federal Gas Tax Revenue	523,000	600,300	320,104
	\$ 545,804	\$ 651,492	\$ 335,581
Provincial			
Operating			
Ontario Municipal Partnership Fund	\$ 672,500	\$ 672,500	\$ 791,100
Conditional	434,379	463,394	489,455
	\$ 1,106,879	\$ 1,135,894	\$ 1,280,555

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

9. Other Income

	Budget		
	2014	2014	2013
Penalties and interest on taxation	\$ 180,000	\$ 201,682	\$ 213,668
Other fines and penalties	18,200	5,909	28,625
Investment Income	40,300	49,242	37,922
Licences, permits and rents	345,813	381,993	301,582
Donations	125,798	156,820	292,392
Donated assets	2,037,584	2,140,429	227,240
Sales of publications and other	71,285	58,932	1,951
Gain (loss) on disposal of tangible capital assets	(318,244)	(36,566)	59,614
Interest - GBE (Note 2)	329,400	329,404	329,404
Dividends	-	68,092	-
Development Charges	-	36,224	107,797
Other	5,800	20,325	17,000
	\$ 2,835,936	\$ 3,412,486	\$ 1,617,195

10. Expenses by Object

	Budget		
	2014	2014	2013
Salaries, Wages and Employee Benefits	\$ 6,448,118	\$ 6,743,497	\$ 6,608,381
Materials	3,550,189	2,861,953	2,978,793
Contracted Services	4,052,155	3,566,379	3,463,973
Rent and Financial Expenses	35,023	29,238	31,377
Interest on Long-term Debt	214,484	257,910	168,238
Contributions to Others	57,685	57,647	67,402
Amortization	2,301,800	2,626,750	2,557,386
	\$16,659,454	\$ 16,143,374	\$ 15,875,550

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

11. Contingent Liabilities

A significant ratepayer of the Municipality has appealed to the Assessment Review Board (ARB) with respect to the taxation years between 2009 to 2012. These appeals could potentially result in a reduction of taxes which would be distributed between the town, county and school boards. As there is considerable uncertainty surrounding both the hearing process and the potential settlement of reduction in taxation revenue, an estimated amount of \$398,000 (2013 - \$100,000) has been recognized at this time.

12. Funds Held in Trust

The trust funds administered by the municipality amounting to \$ 253,878 (2013 - \$247,733) have not been included in the consolidated financial statements. Certain assets have been conveyed or assigned to the Corporation of the Town of Ingersoll to be administered as directed by agreement or statute. The Corporation of the Town of Ingersoll holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries. The following trust funds and assets are excluded from the Corporation of the Town of Ingersoll's financial statements:

	2014	2013
Carroll	\$ 5,000	\$ 5,000
Cemetery Care and Maintenance	245,278	239,133
W.J. Bickerton	3,600	3,600
	\$ 253,878	\$ 247,733

13. Segmented Information

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

General Government

This category relates to the revenues and expenses of the operations of the Municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection and protective inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. Protective inspection provides services related to the enforcement of building and construction codes.

Transportation

Transportation is responsible for the maintenance and upkeep of the Municipality's roads, winter control, street lighting and sidewalks.

Environmental

Environmental services provide waste disposal services for the Municipality's citizens.

Health

Health services relate to maintaining the Municipality's cemetery.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Municipality's citizens through recreational programs, youth centres and museum services.

Planning and Development

This service area is responsible for the economic development of the Municipality and its merchants.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transaction with other segments, inter-segment transfers have been measured on the basis of the actual cost of services provided.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

13. Segmented Information

For the year ended December 31, 2014	General government	Protection to persons and property	Transportation	Environmental	Health services	Recreation and cultural services	Planning and development	2014 Total
Revenue								
Taxation	\$ 12,601,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,601,374
Grants	872,612	120,395	800,610	114,621	-	184,179	86,389	2,178,806
User fees and service charges	60,023	20,159	76,379	-	23,392	879,426	22,867	1,082,246
Other	896,440	283,155	1,798,597	6,792	16,135	327,755	15,520	3,344,394
	14,430,449	423,709	2,675,586	121,413	39,527	1,391,360	124,776	19,206,820
Expenses								
Salaries and wages	1,511,475	833,413	1,480,697	110,956	90,632	2,529,911	186,413	6,743,497
Goods and services	799,980	3,195,276	1,080,193	86,939	24,817	1,120,990	207,022	6,515,217
Interest	35,857	-	210,889	-	-	11,164	-	257,910
Amortization	172,687	118,088	1,903,618	-	1,803	430,554	-	2,626,750
	2,519,999	4,146,777	4,675,397	197,895	117,252	4,092,619	393,435	16,143,374
Income from government business enterprise	599,649	-	-	-	-	-	-	599,649
Net surplus (deficit)	\$ 12,510,099	\$ (3,723,068)	\$ (1,999,811)	\$ (76,482)	\$ (77,725)	\$ (2,701,259)	\$ (268,659)	\$ 3,663,095

The Corporation of the Town of Ingersoll

Notes to Consolidated Financial Statements December 31, 2013

13. Segmented Information

For the year ended December 31, 2013	General government	Protection to persons and property	Transportation	Environmental	Health services	Recreation and cultural services	Planning and development	2013 Total
Revenue								
Taxation	\$ 12,248,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,248,686
Grants	931,050	100,580	513,112	110,241	0	147,324	248,496	2,050,803
User fees and service charges	37,377	67,099	49,390	0	26,417	869,476	33,608	1,083,367
Other	632,818	211,916	523,244	5,949	5,485	237,783	-	1,617,195
	<u>13,849,931</u>	<u>379,595</u>	<u>1,085,746</u>	<u>116,190</u>	<u>31,902</u>	<u>1,254,583</u>	<u>282,104</u>	<u>17,000,051</u>
Expenses								
Salaries and wages	1,348,860	1,011,886	1,340,313	119,926	84,266	2,571,871	131,259	6,608,381
Goods and services	953,456	2,787,836	948,747	195,794	29,580	1,177,270	448,862	6,541,545
Interest	32,367	-	123,205	-	-	12,666	-	168,238
Amortization	162,247	98,754	1,575,465	281,933	1,739	437,248	-	2,557,386
	<u>2,496,930</u>	<u>3,898,476</u>	<u>3,987,730</u>	<u>597,653</u>	<u>115,585</u>	<u>4,199,055</u>	<u>580,121</u>	<u>15,875,550</u>
Income from government business enterprise	130,660	-	-	-	-	-	-	130,660
Net surplus (deficit)	\$ 11,483,661	\$ (3,518,881)	\$ (2,901,984)	\$ (481,463)	\$ (83,683)	\$ (2,944,472)	\$ (298,017)	\$ 1,255,161