



Year End Report for
Municipality of Meaford
December 31, 2016

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Financial Report 2016

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We have audited the consolidated financial statements of the Municipality of Meaford which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated July 10, 2017.

The audit was performed to form an opinion on the consolidated financial statements as a whole. The information in this year-end report is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The information was derived from the underlying accounting and other records used to prepare the consolidated financial statements. The information in this year-end report has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

The year-end report is prepared to provide Council with more detailed financial information and graphical analysis of the consolidated financial statements. As a result, the year-end report may not be suitable for other purposes. Our year-end report is intended solely for the use of Council and should not be distributed to or used by parties other than Council in conjunction with the audited consolidated financial statements.

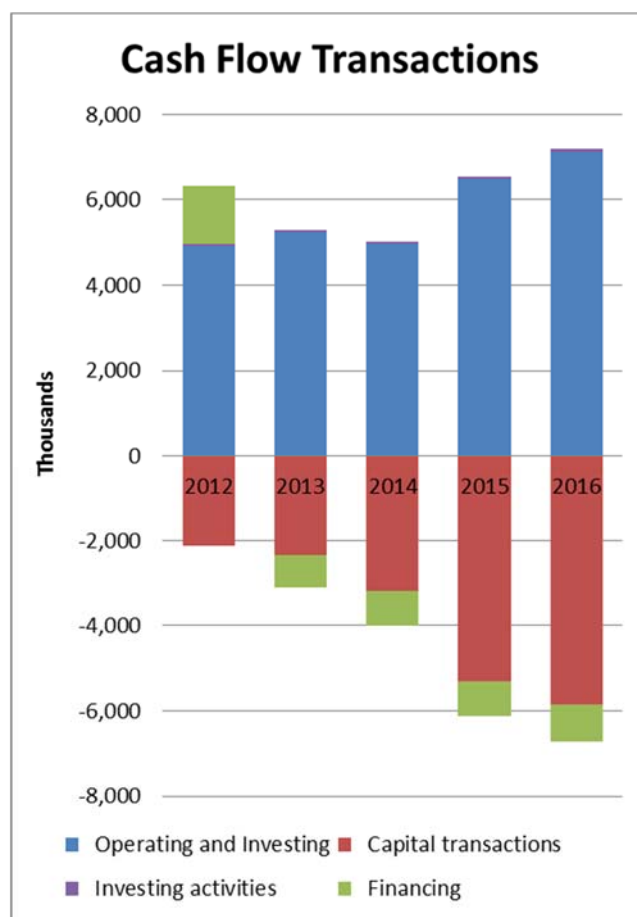
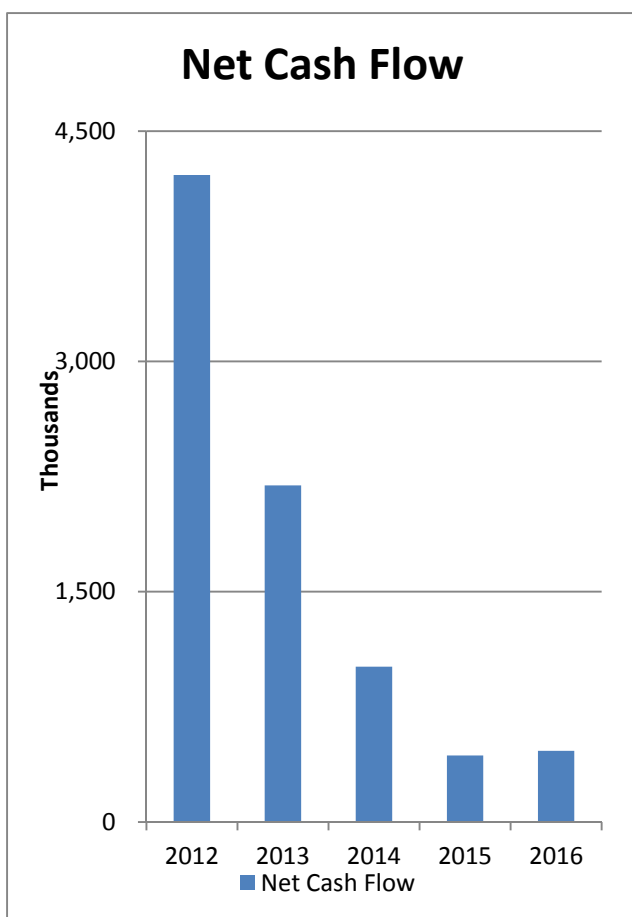
The information in this year-end report pertaining to comparative information to other municipalities is derived from Financial Information Returns that are made publicly available online by the Ministry of Municipal Affairs and Housing and we have not audited those numbers. Any references to other municipalities should be taken for discussion purposes only and as a starting point for additional analysis as the amounts may be classified differently in each municipality. Comparative information is based on the 2015 Financial Information Returns, as the 2016 Financial Information Returns are not yet available.

WHERE ARE YOU TODAY?

	2016	2015	2014	2013	2012
Cash	756,204	732,063	764,857	877,780	4,743,614
Temporary investments	4,375,648	4,689,800	4,622,458	3,538,046	43,225
Long-term investments	3,755,073	3,002,032	2,603,876	2,563,553	-
	<u>8,886,925</u>	<u>8,423,895</u>	<u>7,991,191</u>	<u>6,979,379</u>	<u>4,786,839</u>
Long term debt					
Meaford Hall	2,307,008	2,443,140	2,572,537	2,695,527	2,812,434
Capital roads projects	1,015,878	1,092,630	1,168,824	1,240,667	1,300,096
Capital water projects	2,096,613	2,232,430	2,357,775	2,480,995	2,593,424
Capital sewer projects	541,819	582,627	622,565	661,689	693,385
Meaford waste pollution control plant	582,836	628,007	672,017	714,896	756,673
Leith capital and water project	364,727	411,704	456,960	498,826	539,717
Meaford fire truck	55,634	86,231	116,007	144,907	171,229
Other	-	-	-	-	-
Various capital projects	393,673	721,273	1,040,405	1,351,165	1,653,804
	<u>7,358,188</u>	<u>8,198,042</u>	<u>9,007,090</u>	<u>9,788,672</u>	<u>10,520,762</u>
Tile drainage loans	33,173	81,055	99,231	118,275	138,867
	<u>7,391,361</u>	<u>8,279,097</u>	<u>9,106,321</u>	<u>9,906,947</u>	<u>10,659,629</u>
Capital lease obligations	-	-	-	-	27,715
Net debt	<u>(1,046,488)</u>	<u>(3,498,601)</u>	<u>(4,268,726)</u>	<u>(5,962,276)</u>	<u>(9,228,137)</u>
Accumulated surplus					
Invested in tangible capital assets					
Tangible capital assets at cost less amortization	70,652,327	66,872,650	66,872,650	67,414,566	69,096,623
Unfinanced capital	(377,089)	(357,189)	-	-	(9,900)
Capital assets financed by long-term liabilities and to be funded in future years	<u>(7,358,188)</u>	<u>(8,198,042)</u>	<u>(9,007,090)</u>	<u>(9,788,672)</u>	<u>(10,548,477)</u>
Total invested in capital assets	<u>62,917,050</u>	<u>58,317,419</u>	<u>57,865,560</u>	<u>57,625,894</u>	<u>58,538,246</u>
Unfunded post-employment benefits	(1,998,300)	(2,062,600)	(2,048,115)	(2,060,058)	(2,069,813)
Unfunded solid waste post-closure costs	(144,290)	(150,913)	(163,610)	(96,616)	-
Unfunded liability	(150,000)	(175,000)	(200,000)	-	-
General surplus (deficit)	420,209	-	29,167	-	-
Water	-	-	-	-	(189,000)
Sewer	-	-	-	-	502,301
Library	-	-	-	-	43,177
Cemetery	-	-	-	-	2,036
Georgian Trail Board of Management	20,013	47,754	43,700	38,984	33,718
Bognor Community Centre	16,526	19,272	16,390	-	-
Riverside Community Centre	16,966	17,500	14,384	-	-
Business Improvement Area	35,060	26,680	19,393	19,490	18,575
Unfinanced legal costs	-	-	-	-	(73,637)
	<u>61,133,234</u>	<u>56,040,112</u>	<u>55,576,869</u>	<u>55,527,694</u>	<u>56,805,603</u>
Reserves and discretionary reserve funds	8,855,679	7,787,674	7,421,502	6,307,236	3,400,539
	<u>69,988,913</u>	<u>63,827,786</u>	<u>62,998,371</u>	<u>61,834,930</u>	<u>60,206,142</u>

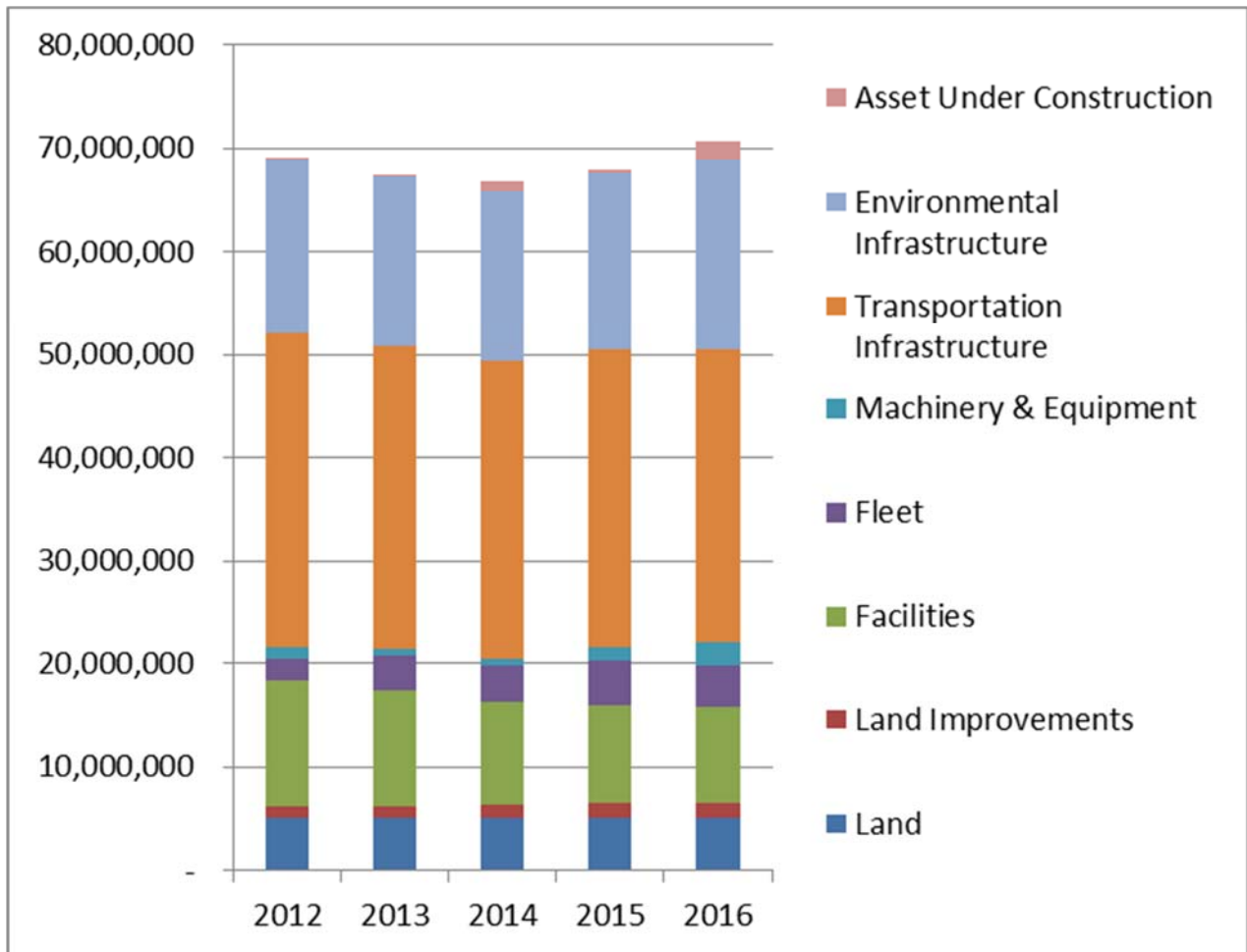
CASH FLOWS

	2016	2015	2014	2013	2012
Cash	\$ 756,204	\$ 732,063	\$ 764,857	\$ 877,780	\$ 4,743,614
Investments	8,130,721	7,691,832	7,226,334	6,101,599	43,225
	\$ 8,886,925	\$ 8,423,895	\$ 7,991,191	\$ 6,979,379	\$ 4,786,839
Cash Flows					
Operating and Investing	\$ 7,119,605	\$ 6,497,632	\$ 4,957,770	\$ 5,243,727	\$ 4,906,173
Capital transactions	(5,841,124)	(5,292,626)	(3,195,950)	(2,330,370)	(2,121,473)
Investing activities	72,285	54,922	50,618	59,580	67,444
Financing	(887,736)	(827,224)	(800,626)	(780,397)	1,361,744
Increase (decrease) in cash and investments	\$ 463,030	\$ 432,704	\$ 1,011,812	\$ 2,192,540	\$ 4,213,888



TANGIBLE CAPITAL ASSETS

	2016	2015	2014	2013	2012
Tangible capital assets					
Beginning of year	68,038,257	66,872,650	67,414,566	69,096,623	70,908,967
Purchases	6,018,230	5,577,666	3,766,460	2,396,397	2,130,848
Disposals	(166,810)	(295,509)	(282,850)	(137,630)	(13,763)
Amortization	(3,237,350)	(4,116,550)	(4,025,526)	(3,940,824)	(3,929,429)
End of year	70,652,327	68,038,257	66,872,650	67,414,566	69,096,623



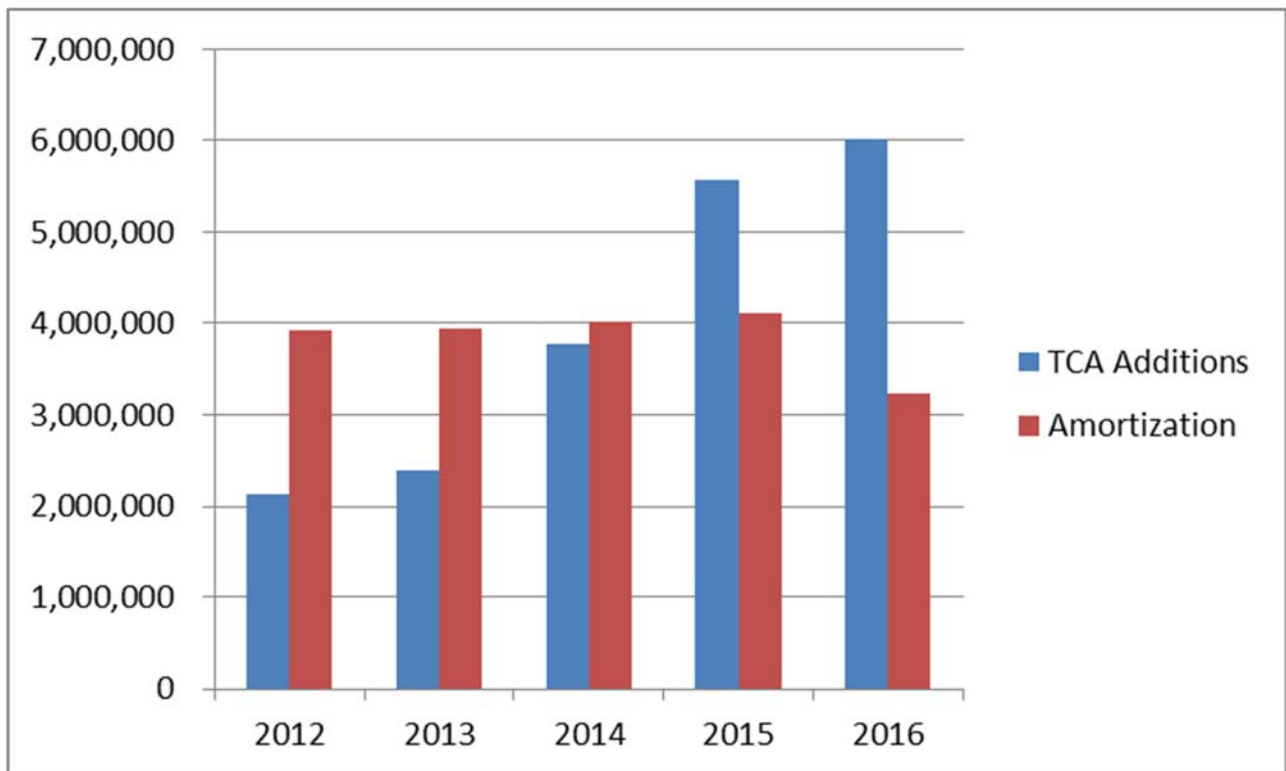
TANGIBLE CAPITAL ASSETS

As assets age, the TCA Financial Indicator percentage will decrease. The newer the assets, the longer the remaining life of the asset and the higher the percentage.

Using information from the 2015 Financial Information Return, it was noted that the average Age of TCA Indicator for municipalities within Grey, Bruce, Dufferin and Simcoe Counties was 62% (low 34%, high 84%).

Age of TCA Financial Indicator $\frac{\text{Net Book Value of TCA}}{\text{Historical Cost of TCA}}$

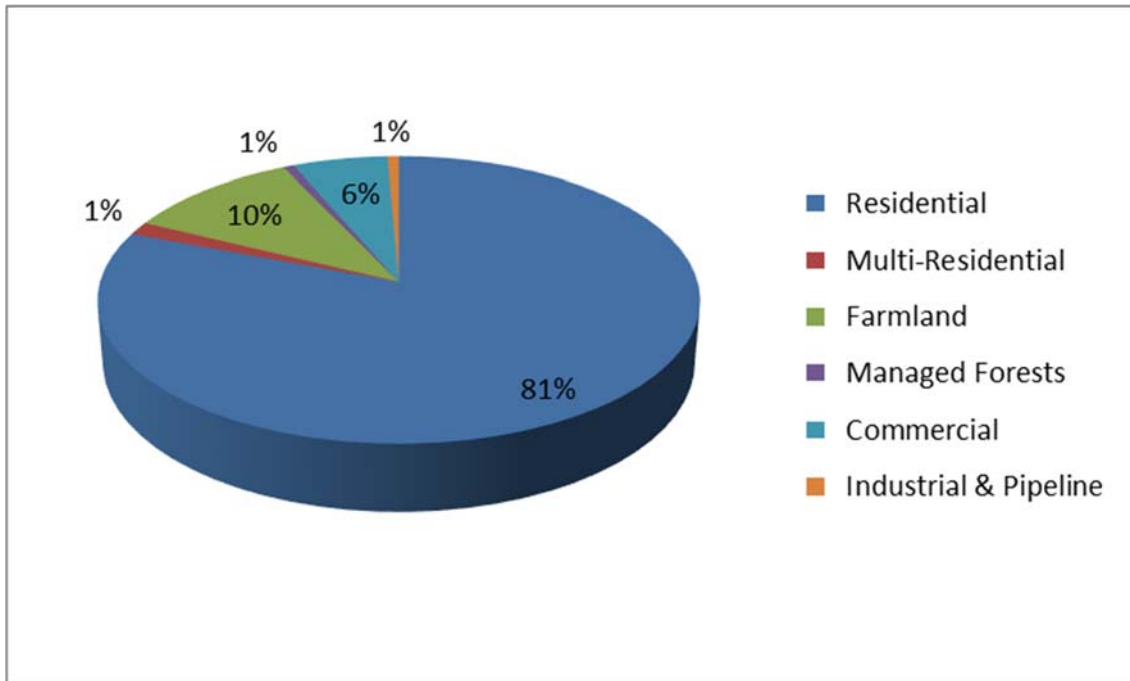
2012	2013	2014	2015	2016
52.09%	50.52%	49.54%	48.82%	49.11%



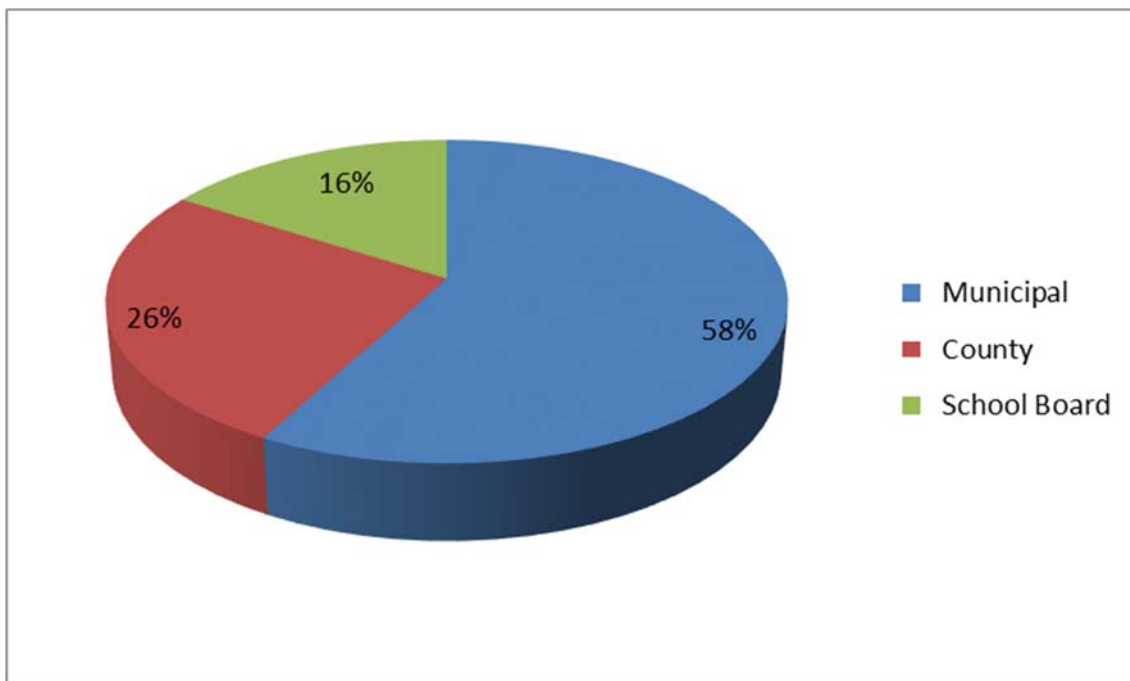
TAXATION

	2016	% Change	2015	% Change	2014	% Change	2013	% Change	2012
Residential Tax Rate-Meaford									
Municipal	0.752769%	-2.0%	0.768265%	-3.1%	0.792839%	-14.4%	0.926039%	-1.9%	0.944043%
County	0.357563%	-1.7%	0.363835%	-5.7%	0.385762%	-2.8%	0.396898%	-2.4%	0.406654%
School Board	0.188000%	-3.6%	0.195000%	-3.9%	0.203000%	-4.2%	0.212000%	-4.1%	0.221000%
	<u>1.298332%</u>	<u>-2.2%</u>	<u>1.327100%</u>	<u>-3.9%</u>	<u>1.381601%</u>	<u>-10.0%</u>	<u>1.534937%</u>	<u>-2.3%</u>	<u>1.571697%</u>
Residential Tax Rate-St. Vincent									
Municipal							0.763530%	6.8%	0.714747%
County							0.396898%	-2.4%	0.406654%
School Board							0.212000%	-4.1%	0.221000%
							<u>1.372428%</u>	<u>2.2%</u>	<u>1.342401%</u>
Residential Tax Rate-Sydenham									
Municipal							0.730765%	8.0%	0.676598%
County							0.406654%	-2.0%	0.415091%
School Board							0.221000%	-4.3%	0.231000%
							<u>1.358419%</u>	<u>2.7%</u>	<u>1.322689%</u>
Assessments (Including Payments-In-Lieu)									
Residential	1,470,788,998	4.1%	1,413,231,452	5.0%	1,345,390,529	5.2%	1,278,805,743	5.1%	1,217,169,762
Multi-Residential	27,252,000	1.8%	26,770,750	6.1%	25,237,500	5.3%	23,977,250	7.3%	22,349,000
Farmland	193,833,100	9.2%	177,581,202	6.8%	166,209,456	10.1%	150,924,229	12.5%	134,147,950
Managed Forests	11,972,100	12.1%	10,678,791	18.7%	8,995,985	19.6%	7,522,800	6.8%	7,045,400
Commercial	104,993,375	2.5%	102,407,196	3.9%	98,588,494	3.3%	95,414,752	2.2%	93,350,309
Industrial & Pipeline	12,473,046	3.6%	12,036,857	2.1%	11,784,051	2.0%	11,553,258	13.0%	10,224,824
	<u>1,821,312,619</u>	<u>4.5%</u>	<u>1,742,706,248</u>	<u>5.2%</u>	<u>1,656,206,015</u>	<u>5.6%</u>	<u>1,568,198,032</u>	<u>5.7%</u>	<u>1,484,287,245</u>
Tax Levies									
Municipal	13,508,043	2.4%	13,192,987	0.9%	13,073,579	0.9%	12,956,939	5.2%	12,315,191
County	6,106,580	2.5%	5,954,749	-1.6%	6,051,202	1.7%	5,951,685	3.2%	5,766,126
School Board	3,741,621	1.0%	3,704,339	0.7%	3,680,267	0.6%	3,658,740	2.2%	3,581,309
	<u>23,356,244</u>	<u>2.2%</u>	<u>22,852,075</u>	<u>0.2%</u>	<u>22,805,048</u>	<u>1.1%</u>	<u>22,567,364</u>	<u>4.2%</u>	<u>21,662,626</u>
Tax Arrears									
Current	887,715		908,496		966,151		784,121		778,940
Previous	463,172		506,651		434,546		324,239		344,319
Prior	155,525		212,698		168,991		110,795		131,117
Interest	101,904		132,483		136,193		94,144		95,405
Tax Accrual	38,604		9,111		35,533		39,832		0
	<u>1,646,920</u>		<u>1,769,439</u>		<u>1,741,414</u>		<u>1,353,131</u>		<u>1,349,781</u>
Collection % of									
Current year Taxes	<u>96.2%</u>		<u>96.0%</u>		<u>95.8%</u>		<u>96.5%</u>		<u>96.4%</u>

ASSESSMENT



TAX LEVY



TAXATION

Net Municipal Levy Per Capita

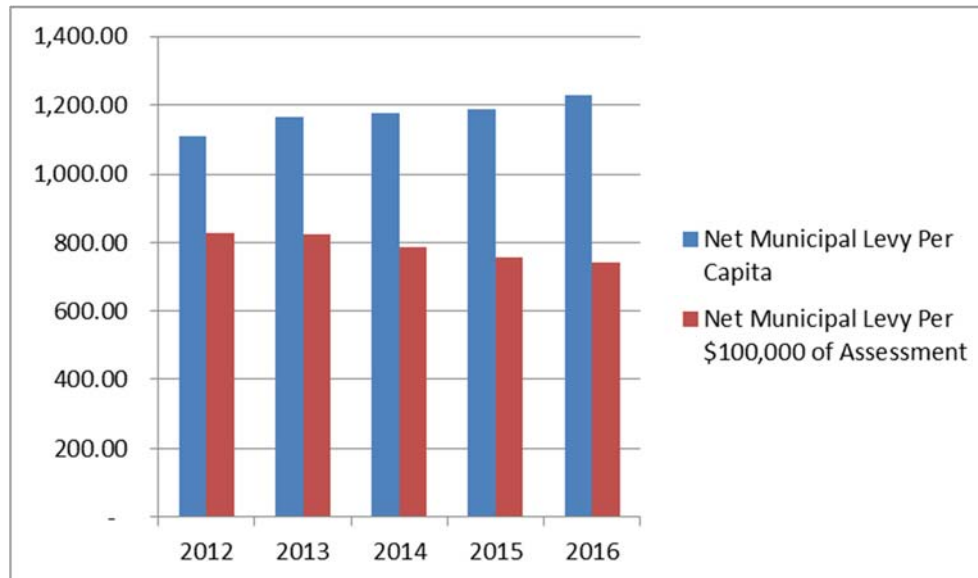
Net Municipal Levy Municipal Population

	2016	2015	2014	2013	2012
Net Municipal Levy (per Financial Statements)	13,508,043	13,192,987	13,073,579	12,956,939	12,315,191
Municipal Population	10,991	11,100	11,100	11,100	11,100
Net Municipal Levy Per Capita	1,229.01	1,188.56	1,177.80	1,167.29	1,109.48

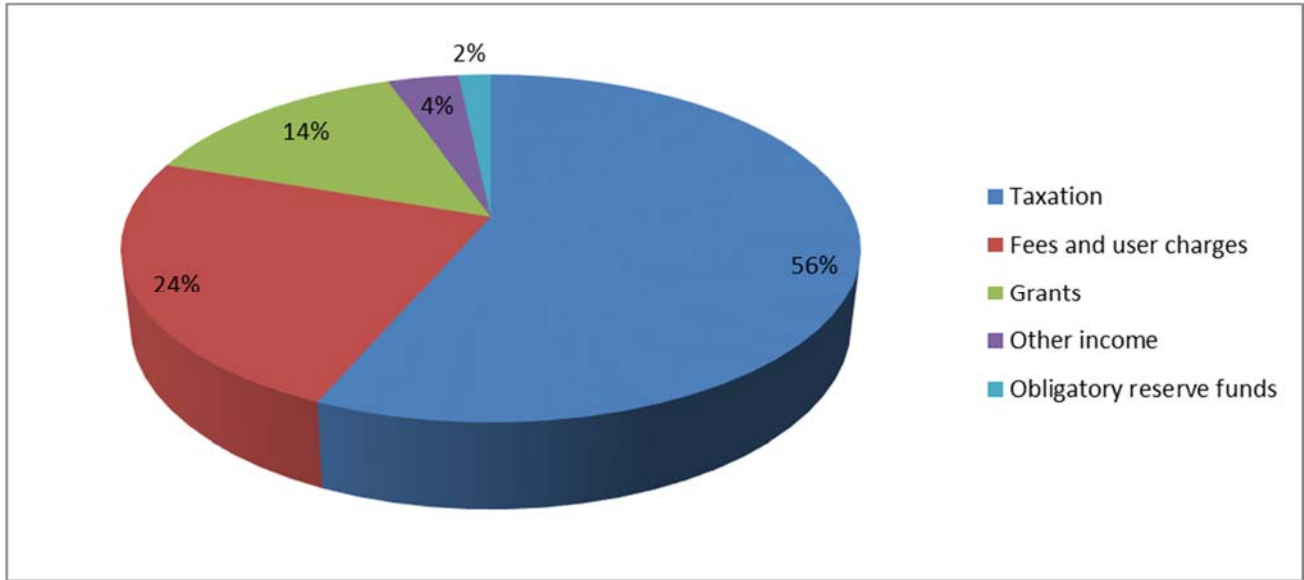
Net Municipal Levy Per \$100,000 of Assessment

Net Municipal Levy x \$100,000 Assessment

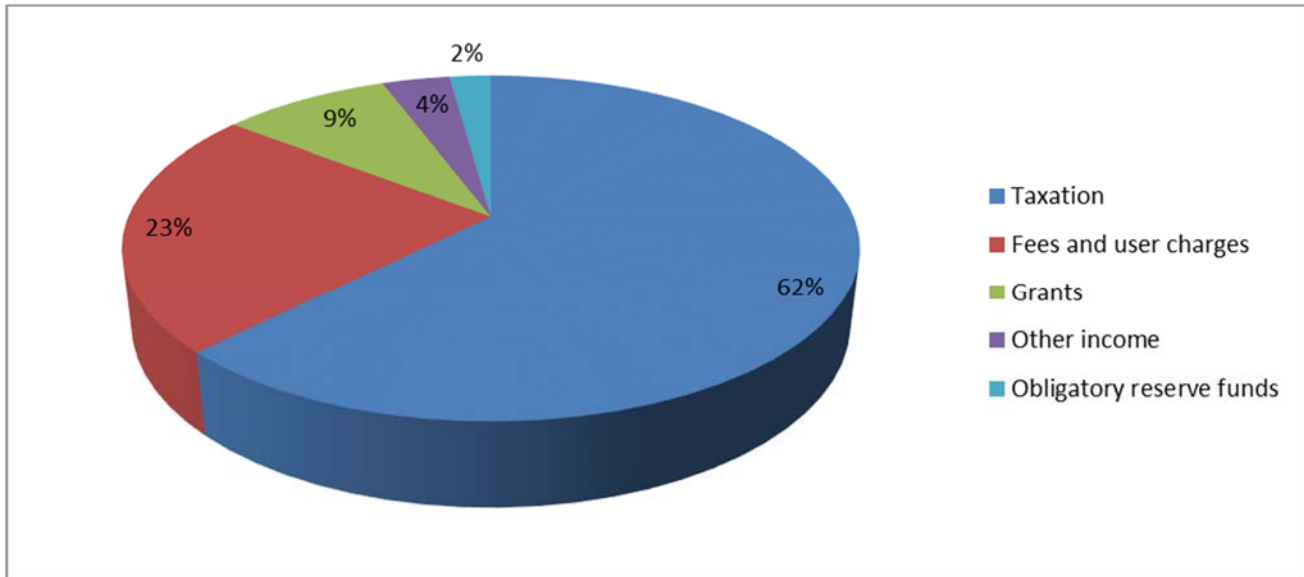
	2016	2015	2014	2013	2012
Net Municipal Levy (per Financial Statements)	13,508,043	13,192,987	13,073,579	12,956,939	12,315,191
Assessment	1,821,312,619	1,742,706,248	1,656,206,015	1,568,198,032	1,484,287,245
Net Municipal Levy Per \$100,000 of Assessment	741.67	757.04	789.37	826.23	829.70



2016 TOTAL REVENUE



2012 TOTAL REVENUE

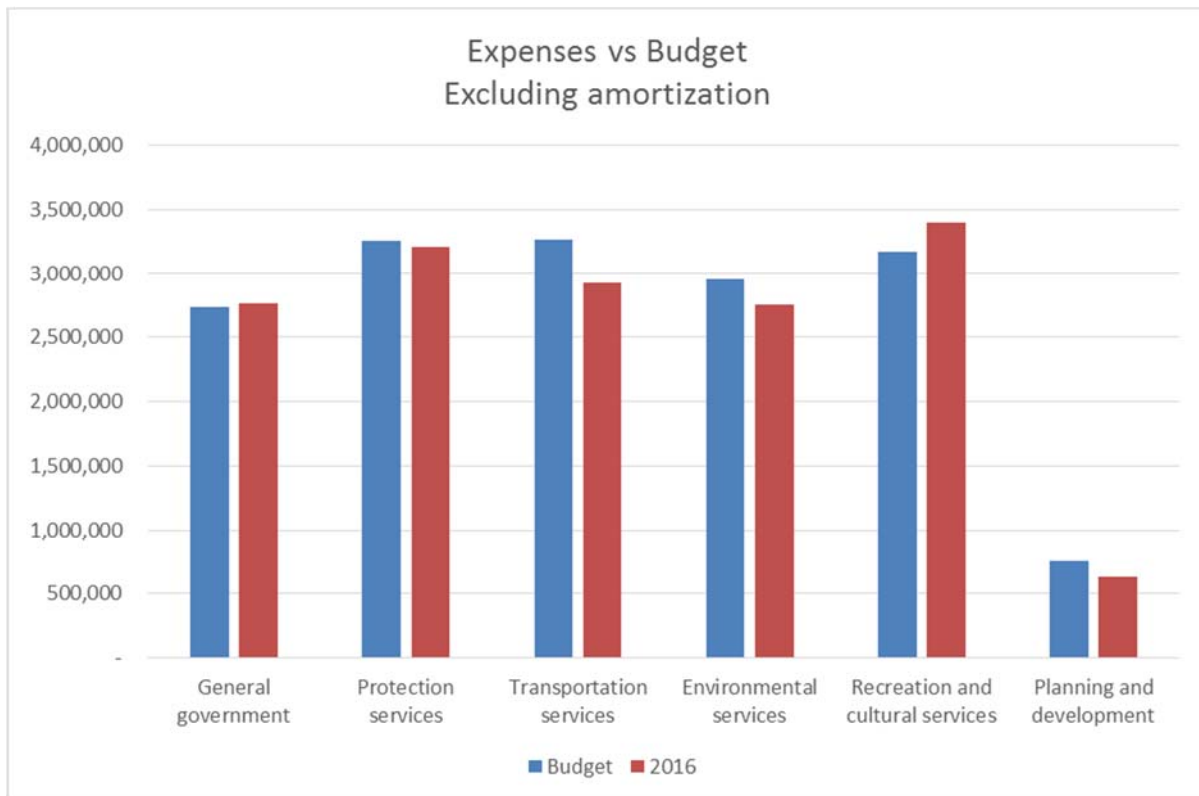


FOUR YEAR COMPARISON OF EXPENSES AND BUDGET (excluding amortization)

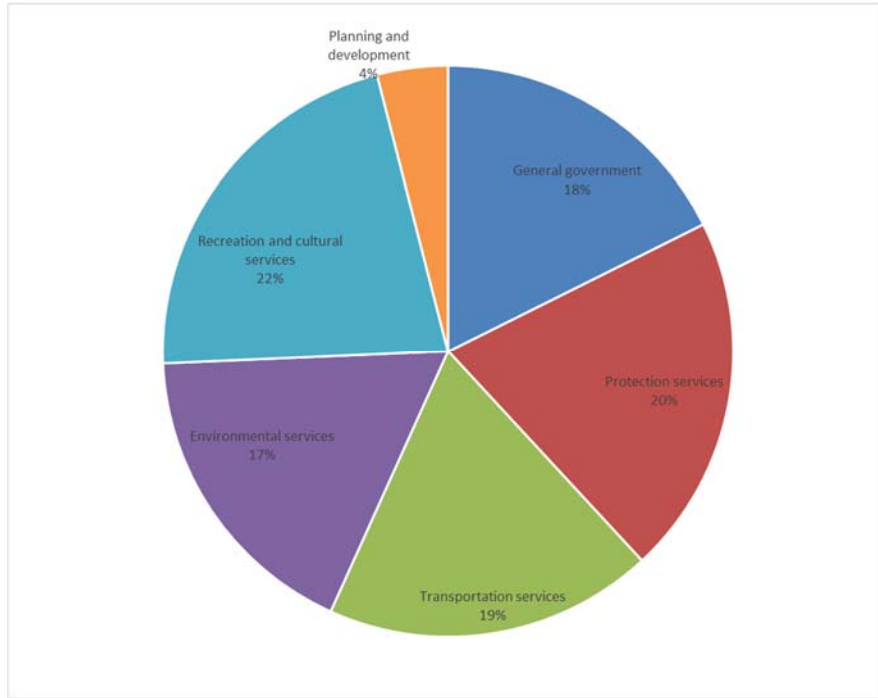
	Budget	2016	2015	2014	2013
General government	2,734,205	2,767,358	2,532,572	2,982,735	2,357,731
Protection services	3,260,200	3,209,944	3,113,426	2,834,782	2,903,729
Transportation services	3,266,200	2,925,075	3,376,256	3,488,067	3,185,462
Environmental services	2,951,850	2,754,771	2,885,033	2,744,576	2,763,681
Recreation and cultural services	3,172,610	3,400,363	3,164,695	3,007,271	2,894,756
Planning and development	751,800	629,419	568,021	549,571	646,469
	16,136,865	15,686,930	15,640,003	15,607,002	14,751,828

By Object

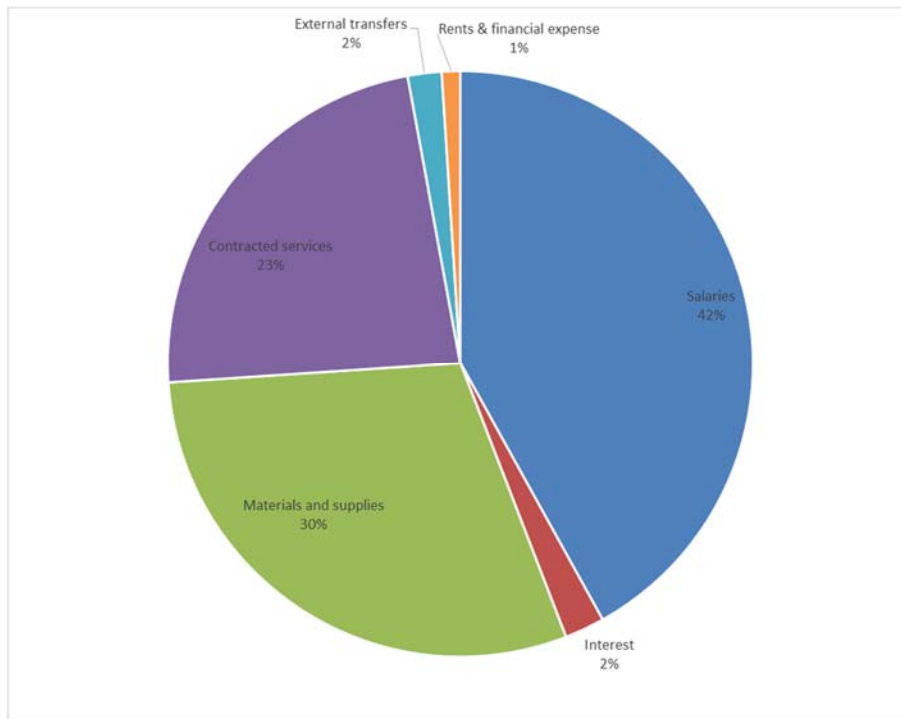
Salaries	6,477,600	6,574,611	6,440,938	6,403,818	6,172,440
Interest	357,975	345,663	377,468	406,377	483,687
Materials and supplies	4,761,780	4,678,722	4,699,511	4,650,327	4,341,061
Contracted services	3,821,650	3,634,984	3,608,995	3,518,216	3,233,347
External transfers	575,750	292,862	298,725	383,106	302,865
Rents & financial expense	142,110	160,088	214,366	245,158	218,428
	16,136,865	15,686,930	15,640,003	15,607,002	14,751,828



2016 OPERATING EXPENSES BY SEGMENT



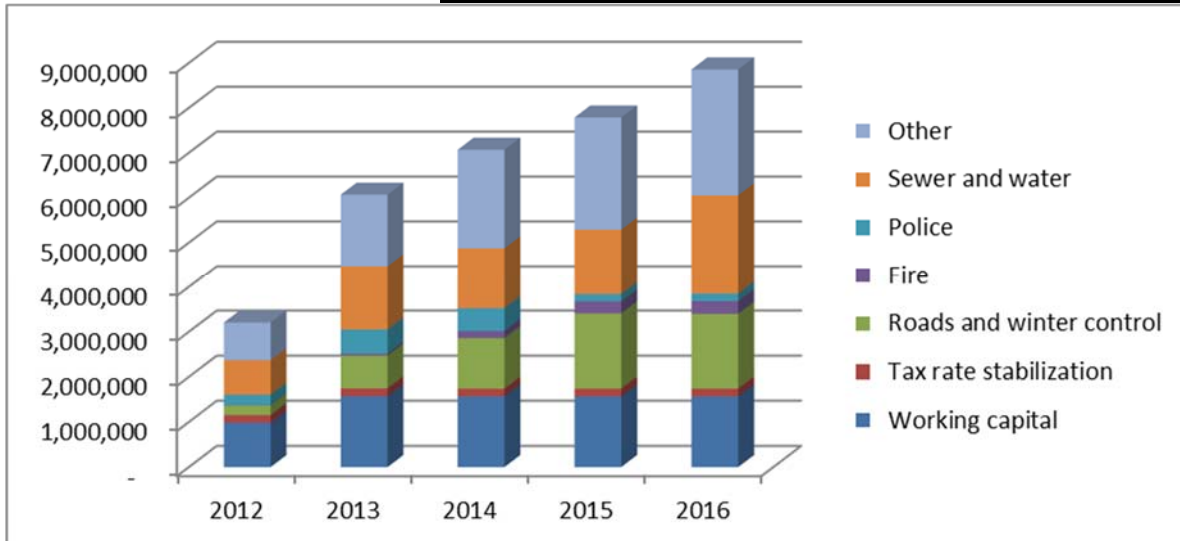
2016 OPERATING EXPENSES BY OBJECT



WHAT DO YOU HAVE FOR THE FUTURE?

	2016	2015	2014	2013	2012
Obligatory Reserve Funds					
Development charges	1,825,866	1,390,535	1,106,311	1,086,187	952,626
Recreational land	140,989	121,292	98,367	99,697	161,927
Gas tax	731,980	663,101	591,298	589,347	597,000
	2,698,835	2,174,928	1,795,976	1,775,231	1,711,553

	2016	2015	2014	2013	2012
Reserves and discretionary reserve funds					
Working capital	1,565,613	1,565,614	1,565,614	1,572,470	981,070
Tax rate stabilization	173,893	173,893	173,893	173,893	173,893
Roads and winter control	1,661,869	1,672,119	1,120,659	726,697	212,319
Fire	281,407	261,158	157,603	41,436	7,843
Police	164,245	164,245	508,062	534,774	230,249
Sewer and water	2,206,434	1,452,202	1,344,390	1,421,687	765,195
Other	2,802,218	2,498,444	2,198,467	1,598,059	837,264
	8,855,679	7,787,674	7,421,502	6,307,236	3,400,539



	2016	2015	2014	2013	2012
Reserves as a % of Total Expenses	46.80%	39.42%	37.80%	33.74%	17.84%
Reserves as a % of Taxation	65.56%	59.03%	56.77%	48.68%	27.61%

The Municipality of Meaford held reserves equivalent to 46.8% of 2016 (2015- 39.42%) expenses or 65.56% of 2016 (2015 - 59.03%) own purpose taxation. Using information from the Financial Information Return, for all municipalities within Grey, Bruce, Dufferin and Simcoe, the average reserve level was 56.73% of 2015 expenses or 99.69% of 2015 own purpose taxation revenues.