

Town of Kensington

Consolidated Financial Statements
December 31, 2015

Management's Report

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

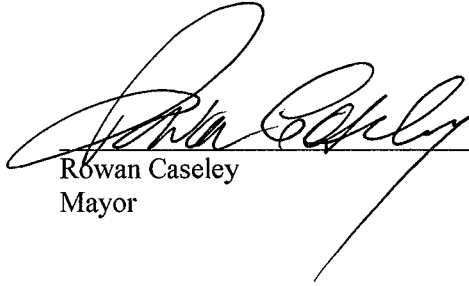
To meet its responsibility, management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available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

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by ArsenaultBestCameronEllis, independent external auditors appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Geoff Baker
Chief Administrative Officer



Rowan Caseley
Mayor



Member of The AC Group of Independent Accounting Firms

March 14, 2016

Independent Auditor's Report

To His Worship the Mayor and the Members of the Council of the Town of Kensington

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Town of Kensington**, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of accumulated surplus, operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 consolidated financial statements. The procedures selected depend on the auditor's 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Town of Kensington** as at December 31, 2015, and the results of its operations, change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

The consolidated financial statements of the **Town of Kensington** for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those consolidated statements on March 24, 2015.

ArsenaultBestCameronEllis

Chartered Professional Accountants


Town of Kensington

Consolidated Statement of Financial Position As at December 31, 2015

	2015	2014
	\$	\$
Assets		
Financial assets		
Cash	315,587	66,898
Accounts receivable	265,388	194,157
Inventory	5,731	6,416
Restricted cash - infrastructure funding (note 2)	252,271	133,828
Total financial assets	838,977	401,299
Liabilities		
Bank indebtedness (note 3)	271,394	240,548
Accounts payable and accrued liabilities (note 7)	173,413	254,760
Deferred revenue (note 4)	23,306	35,155
Deferred revenue - infrastructure funding (note 2)	252,271	133,828
Long-term debt (note 5)	3,871,999	3,833,097
Total liabilities	4,592,383	4,497,388
Net debt	(3,753,406)	(4,096,089)
Non-financial assets		
Prepaid expenses	35,332	35,332
Tangible capital assets (Schedule 2)	8,496,610	8,640,979
	8,531,942	8,676,311
Accumulated surplus (note 6)	4,778,536	4,580,222

On behalf of the Council


Mayor


Councilor

Town of Kensington

Consolidated Statement of Accumulated Surplus For the year ended December 31, 2015

	2015	2014
	\$	\$
Accumulated surplus - Beginning of year	4,580,222	4,679,431
Annual surplus (deficit)	198,314	(99,209)
Accumulated surplus - End of year	<u>4,778,536</u>	<u>4,580,222</u>

Town of Kensington

Consolidated Statement of Operations

For the year ended December 31, 2015

	2015	2015	2014
	Budget (unaudited) \$	Actual \$	Actual \$
Revenue (Schedule 1)			
Property taxes (note 8)	537,012	543,234	529,905
Government transfer			
Municipal Support Grant Program	222,900	220,970	220,970
Equalization	120,000	121,930	121,930
Other	-	-	14,538
Fire dues	202,036	202,471	198,645
Community Gardens Complex	421,100	359,224	394,225
Rental	148,706	114,063	146,584
Sales or services	371,200	370,576	378,856
Police fines	30,000	20,819	35,871
Other revenue	48,950	63,557	113,046
Water & Sewer utility	535,620	509,191	473,988
Gain on disposal of tangible capital assets	-	41,926	-
	2,637,524	2,567,961	2,628,558
Expenses (Schedule 1)			
General government	545,257	508,419	535,664
Protective - police	403,522	410,068	394,766
- fire	202,036	180,557	169,846
Sales of services	184,012	177,306	198,523
Transportation & Public Works	268,599	277,442	247,878
Community Gardens Complex	388,175	421,158	435,469
Parks and recreation	62,710	81,107	164,068
Water & Sewer utility	535,620	599,071	581,553
	2,589,931	2,655,128	2,727,767
	47,593	(87,167)	(99,209)
Other revenue			
Infrastructure funding - water and sewer	-	37,498	-
Infrastructure funding - general	-	247,983	-
	-	285,481	-
Annual surplus (deficit)	47,593	198,314	(99,209)

Town of Kensington

Consolidated Statement of Changes in Net Debt For the year ended December 31, 2015

	Budget (Unaudited) \$	2015 \$	2014 \$
Annual surplus (deficit)	47,593	198,314	(99,209)
Amortization of tangible capital assets - net	343,610	337,329	350,236
Acquisition of tangible capital assets - net	-	(192,960)	(199,788)
	343,610	144,369	150,448
Decrease in net debt	391,203	342,683	51,239
Net debt - Beginning of year	(4,096,089)	(4,096,089)	(4,147,328)
Net debt - End of year	(3,704,886)	(3,753,406)	(4,096,089)

Town of Kensington

Consolidated Statement of Cash Flows

For the year ended December 31, 2015

	2015	2014
	\$	\$
Cash provided by (used in)		
Operating activities		
Annual surplus (deficit)	198,314	(99,209)
Items not affecting cash		
Amortization	362,761	350,236
Gain on sale of tangible capital assets	(41,926)	-
	<u>519,149</u>	<u>251,027</u>
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	(71,231)	31,047
Decrease (increase) in inventory	685	(485)
Decrease in accounts payable and accrued liabilities	(81,347)	(75,684)
Decrease in deferred revenue	(11,849)	(63,761)
Increase in deferred revenue - infrastructure funding	118,443	133,828
	<u>473,850</u>	<u>275,972</u>
Capital activities		
Acquisition of tangible capital assets	(461,466)	(199,788)
Proceeds on disposal of tangible capital assets	285,000	-
	<u>(176,466)</u>	<u>(199,788)</u>
Financing activities		
Issuance of long-term debt	697,270	130,000
Debt repayment	(658,368)	(470,133)
Change in restricted cash - infrastructure funding	(118,443)	(133,828)
	<u>(79,541)</u>	<u>(473,961)</u>
Increase (decrease) in net cash	217,843	(397,777)
Net cash (bank indebtedness) - Beginning of year	<u>(173,650)</u>	<u>224,127</u>
Net cash (bank indebtedness) - End of year	<u>44,193</u>	<u>(173,650)</u>
Net cash consists of		
Cash	315,587	66,898
Bank indebtedness	(271,394)	(240,548)
	<u>44,193</u>	<u>(173,650)</u>

Town of Kensington

Notes to Consolidated Financial Statements
December 31, 2015

1 Summary of significant accounting policies

The consolidated financial statements of Town of Kensington are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

a) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and surplus/deficit of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Town for administration of their financial affairs and resources, and which are owned or controlled by the Town. Interdepartmental and organizational transactions and balances are eliminated.

b) Consolidated entities

The organizations included in the consolidated financial statements are as follows:

Town of Kensington
Water and Pollution Control Corporation

c) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

d) Cash

Cash includes cash on hand and balances with banks.

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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the consolidated change in net debt for the year.

f) 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.

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

g) Management estimates

The presentation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Significant estimates, which include employee benefit liabilities and the estimated useful life of tangible capital assets, are based on management's best information and judgment. Actual results could differ from those reported.

h) Revenue recognition

(i) Tax revenue consists of property tax billings which are received directly from the Province of Prince Edward Island. Taxes are billed based on the assessment rolls provided by the Province of Prince Edward Island at rates established by the Town. Taxation revenue is recorded as it is received in monthly installments from the Province of Prince Edward Island. Assessments and the related property taxes are subject to appeal to the Province of Prince Edward by residents. The Town's revenue is adjusted for any of these appeals using a yearly statement.

(ii) Other revenue is recorded when it is earned and collection is reasonably assured.

i) Government transfers

Revenue from governments without eligibility criteria or stipulations is recognized as revenue by the Town when the transfer is authorized. Revenue with eligibility criteria is recognized as revenue by the Town when the transfer is authorized and all eligibility criteria have been met, unless there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met. Revenue with stipulations is recognized as revenue by the Town when the transfer is authorized and all stipulations have been met.

Transfers to other organizations are recognized as an expense when they are authorized.

j) Financial instruments

Financial instruments consist of cash, accounts receivable, restricted cash, bank indebtedness, accounts payable and accrued liabilities and long-term debt.

k) Fair value of financial instruments

The Town has evaluated the fair value of its financial instruments based on the current interest rate environment, market values, and the actual prices of financial instruments with similar terms. The carrying value of financial instruments is considered to approximate fair value.

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

l) 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 is amortized on a straight-line basis over the estimated useful life as follows:

Sewer system and lagoon	1.2%
Water system	1.2%
Utility vehicle	20.0%
Sewer equipment	20.0%
Water equipment	20.0%
Buildings	2.5%
Fire vehicles	6.67%
Vehicles	20.0%
Electronic equipment	25.0%
Equipment	10.0%
Streets and sidewalks	4.0%
Wind turbine	5.0%

Full amount of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

All costs associated with placing an asset in service, including freight, installation costs, site preparation costs, alterations and professional fees are included in the capitalized value.

2 Deferred revenues - infrastructure funding

	2015	2014
	\$	\$
Deferred - Beginning of year	133,828	133,828
Allocation received	377,674	-
Eligible expenditures incurred	(259,231)	-
Deferred - End of year	<u>252,271</u>	<u>133,828</u>

Under the Agreement on the Transfer of Federal Gas Tax Revenues through the New Deal for Cities and Communities and the Municipal Strategic Component Project, the Town has received funds which are restricted for expenditure on eligible projects. The Town will prepare, for approval by the governmental regulating body, a Capital Investment Plan which details anticipated expenditures.

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

3 Bank indebtedness

Bank indebtedness consists of a bank overdraft of \$11,323 less outstanding transfers and cheques of \$260,071. The Town has an authorized operating line of credit of \$325,000 bearing interest at prime less 0.25% for the general account.

The Town also has an authorized operating line of credit of \$160,000 bearing interest at prime less 0.25% for the water and sewer corporation. At December 31, 2015 the balance was an overdraft of \$135,265 with outstanding deposits of \$239,933. The Town has provided a borrowing resolution, as required by the bank. At December 31, 2015, prime rate was 2.7%.

4 Deferred revenue

	2015	2014
	\$	\$
Balance - Beginning of year	35,155	98,853
Amount received during the year	20,679	-
Amount recognized as revenue during the year	(32,528)	(63,698)
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Balance - End of year	23,306	35,155
	<hr/>	<hr/>
Special projects	2,627	27,455
Ice rentals	20,679	7,700
	<hr/>	<hr/>
	23,306	35,155
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5 Long-term debt

	2015	2014
	\$	\$
The Town of Kensington		
Prime term loan, Bank of Nova Scotia, maturing in 2016, amortized to 2020, repayable in monthly principal installments of \$2,625 plus interest, obtained to finance general capital outlays from fiscal 2013 and 2014. As security, the Town has provided a borrowing resolution.	146,972	-
Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2019, repayable in monthly principal installments of \$2,720 plus interest, obtained to finance a new fire hall. As security, the Town has provided a borrowing resolution.	174,114	206,758

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

Prime plus 0.25% term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2032, repayable in monthly principal installments of \$796 plus interest, obtained to finance the purchase of land. As security, the Town has provided a borrowing resolution.	178,311	187,863
Prime term loan, Bank of Nova Scotia, maturing in and amortized to 2017, repayable in monthly principal installments of \$733 plus interest, obtained to finance a police vehicle. As security, the Town has pledged a vehicle with replacement cost insurance and provided a borrowing resolution.	11,015	19,811
Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2021, repayable in monthly principal installments of \$4,086 plus interest, obtained to finance purchase of property. As security, the Town has provided a borrowing resolution.	323,535	372,564
Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2031, repayable in monthly principal installments of \$1,034 plus interest, obtained to finance the purchase of property. As security, the Town has provided a borrowing resolution.	190,388	202,801
4.25% term loan, Credit Union, maturing in 2017, amortized to 2023, repayable in monthly principal installments of \$1,400 plus interest. As security, the Town has provided a promissory note.	132,000	218,800
Prime term loan, Bank of Nova Scotia, maturing in 2018, amortized to 2018, repayable in annual principal installments of \$142,478 in 2016 and 2017 and \$151,128 in 2018 plus monthly interest payments, obtained to finance various improvements under the 2015-2016 Capital Investment Plan. As security, the Town has provided a borrowing resolution.	436,084	-
Prime term loan, Bank of Nova Scotia, maturing in and amortized to 2018, repayable in monthly principal installments of \$584 plus interest, obtained to assist in the financing of a dehumidifier. As security, the Town has provided a borrowing resolution.	19,816	26,824
5.05% term loan, Bank of Nova Scotia, maturing in 2019, amortized to 2024, repayable in monthly installments of \$251, including principal and interest, obtained to finance repairs to the train station. As security, the Town has provided a borrowing resolution.	27,150	28,631
Prime term loan, Bank of Nova Scotia, maturing in and amortized to 2019, repayable in monthly principal installments of \$917 plus interest, obtained to finance storm sewer upgrades. As security, the Town has provided a borrowing resolution.	41,250	52,250
Prime term loan, Bank of Nova Scotia, maturing in and amortized to 2019, repayable in monthly principal installments of \$833 plus interest, obtained to finance storm sewer upgrades. As security, the Town has provided a borrowing resolution.	37,500	47,500

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

5.05% term loan, Bank of Nova Scotia, maturing in 2020, amortized to 2023, repayable in monthly principal installments of \$2,127, plus interest, obtained to finance a new fire truck. As security, the Town has provided a borrowing resolution.	191,448	206,882
Prime term loan, Bank of Nova Scotia, maturing in 2020, amortized to 2035, repayable in monthly principal installments of \$513 plus interest, obtained to finance street upgrades. As security, the Town has pledged a borrowing resolution.	104,602	109,122
5.44% term loan, Province of Prince Edward Island, maturing in and amortized to 2026, repayable in quarterly installments of \$5,869, including principal and interest, obtained to finance purchase of land. As security, the Town has provided a borrowing resolution.	193,364	205,892
Prime term loan, Bank of Nova Scotia, repaid during the year	-	162,167
Prime term loan, Bank of Nova Scotia, repaid during the year	-	19,631
Prime term loan, Bank of Nova Scotia, repaid during the year	-	21,131
	<u>2,207,549</u>	<u>2,088,627</u>

The Town of Kensington Water and Pollution Control Corporation

Prime term loan, Bank of Nova Scotia, maturing in 2016, amortized to 2020, repayable in monthly principal installments of \$614 plus interest, obtained to finance water and sewer capital outlays from fiscal 2013 and 2014. As security, the Town has provided a borrowing resolution.	34,315	-
Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2022, repayable in monthly principal installments of \$1,944 plus interest, obtained to finance lagoon upgrades. As security, the Town has provided a borrowing resolution.	194,031	204,274
Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2032, repayable in monthly principal installments of \$625 plus interest, obtained to finance water and sewer extensions. As security, the Town has provided a borrowing resolution.	124,570	132,070
Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2018, repayable in monthly principal installments of \$730 plus interest, obtained to purchase generators. As security, the Town has pledged generators with replacement cost insurance and provided a borrowing resolution.	37,211	45,967
Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2023, repayable in monthly principal installments of \$917 plus interest, obtained to finance water and sewer upgrades. As security, the Town has provided a borrowing resolution.	81,614	92,618

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2033, repayable in monthly principal installments of \$2,398 plus interest, obtained to finance water and sewer upgrades. As security, the Town has provided a borrowing resolution.	506,063	534,844
Prime term loan, Bank of Nova Scotia, maturing in 2017, amortized to 2034, repayable in monthly principal installments of \$1,190 plus interest, obtained to finance water and sewer upgrades. As security, the Town has provided a borrowing resolution.	258,328	272,613
Prime term loan, Bank of Nova Scotia, maturing in 2019, amortized to 2036, repayable in monthly principal installments of \$1,142 plus interest, obtained to finance water and sewer extensions. As security, the Town has provided a borrowing resolution.	278,616	289,052
5.05% term loan, Bank of Nova Scotia, maturing in 2020, amortized to 2025, repayable in monthly principal installments of \$1,696 including interest, obtained to finance a wind turbine. As security, the Town has provided a borrowing resolution.	149,702	173,032
	1,664,450	1,744,470
	3,871,999	3,833,097

All Bank of Nova Scotia loans are considered due on demand as the loans are secured by demand promissory notes. For these loans, the Town has assumed the bank will not demand repayments in the current year. Therefore, based on current repayment amounts, principal repayments in each of the next five years are due as follows:

	General \$	Fire Department \$	Water & Sewerage \$	Total \$
2016	435,114	58,172	154,770	648,056
2017	931,035	166,996	1,135,638	2,233,669
2018	200,682	25,527	28,188	254,397
2019	59,291	25,527	252,737	337,555
2020	96,379	89,339	93,119	278,837
Thereafter	119,485	-	-	119,485
	1,841,986	365,561	1,664,452	3,871,999

Bank of Nova Scotia prime rate at December 31, 2015 was 2.7% (2014 - 3%).

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

6 Accumulated surplus

	2015 \$	2014 \$
Municipal position		
Reserve funds	178,621	146,974
Operating funds	4,599,915	4,433,248
	<u>4,778,536</u>	<u>4,580,222</u>
Reserve fund - Fire department		
Balance - Beginning of year	146,974	108,933
Allocation to reserves (net)	31,647	38,041
	<u>178,621</u>	<u>146,974</u>

7 Other employment benefits

Accumulated sick leave

Full time employees accumulate sick leave at the rate of 1.25 days per month. For service prior to January 1, 2013 employees are entitled to carry forward any unused portion of earned sick leave. At December 31, 2015, the recorded liability for unused sick leave, that is required to be paid out upon severance or retirement, amounted to \$34,740 (2014 - \$34,632) and the contingent amount for unused sick leave that is not required to be paid out upon severance or retirement amounted to \$82,592 (2014 - \$90,938). No actuarial valuation has been performed pertaining to this liability. Effective with January 1, 2014, the policy changed to provide for an annual payout of the sick leave earned less any sick days taken in January of the following year.

Accumulated vacation

Full time employees accumulate vacation at the following rates: 0.83 days per month for 1-3 years of service; 1.25 days per month for 3-5 years of service; and 1.67 days per month for greater than 5 years of service. In the event the employee does not use all earned vacation in a given year, the unused portion can be carried forward to a maximum of 10 days. As of December 31, 2015, the liability for unused vacation amounted to \$13,470 (2014 - \$12,503).

RRSP matching

The Town matches employees' RRSP contributions to a maximum of 5% of their wages. The total expense for the Town's portion of the RRSP matching is as follows:

	2015 \$	2014 \$
Plans providing pension benefits	<u>23,819</u>	<u>25,041</u>

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

8 Property taxes

	2015	2014
	\$	\$
Commercial property tax	150,362	147,412
Non-commercial property tax	392,872	382,493
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	543,234	529,905
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9 Rate regulation

The Town is subject to rate regulation on the sewerage and water utility provided to residents in Prince Edward Island under the Island Regulatory Appeals Commission Act. The purpose of this Act, which is administered by the Island Regulatory and Appeal Commission (IRAC), is to regulate the rate municipalities may charge for sewerage and water utility provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for sewerage and water services. Changes in sewerage and water utility rates can only be implemented with the approval from IRAC.

10 Contractual agreement

The Town has entered into an agreement to provide employment security-related services for a private company until 2016. During the year the Town earned \$370,576 (2014 - \$378,856) of revenue from this contract.

11 Comparative figures

Certain comparative figures presented for the 2014 fiscal year have been restated to conform with the financial statement presentation adopted in the current year.

12 Segment disclosure

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This department is responsible for the overall financial and local government administration. Its tasks include accounts payable and receivables, budgets and financial statements, administration and maintenance of bylaws.

Town of Kensington

Notes to Consolidated Financial Statements

December 31, 2015

Police services

This department is responsible for police protection for its residents. This also includes costs related to animal and pest control.

Fire services

This department is responsible for fire protection for its residents and surrounding areas.

Sale of services

This department is responsible for management of a contract to provide employment security-related services for a private company.

Transportation services and public works

This department is responsible for the maintenance of specialized roads within its jurisdiction.

Parks and recreation services

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents.

Community Gardens Complex

This department is responsible for maintenance and operations of the rink, Fitplex, ball fields, summer camps and coordinating special events.

Water and sewer utility

This department is responsible for the maintenance and operations of water and sewer services provided to residents and other customers.

Internally generated revenues and expenses are eliminated on a consolidated basis.

Town of Kensington

Consolidated Schedule of Segment Disclosures

For the year ended December 31, 2015

Schedule 1

	General Government	Police	Fire	Sales of Services	Transportation & Public Works	Parks & Recreation	Community Gardens Complex	Total General	Water and Sewer Utility	Elimination	2015 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues											
Property taxes	543,234	-	-	-	-	-	-	543,234	-	-	543,234
Government transfer	-	-	-	-	-	-	-	-	-	-	-
Municipal Support											
Grant Program	-	90,000	-	-	130,970	-	-	220,970	-	-	220,970
Equalization	121,930	-	-	-	-	-	-	121,930	-	-	121,930
Fire dues	-	-	202,471	-	-	-	-	202,471	-	-	202,471
Community Gardens											
Complex	-	-	-	-	-	-	374,224	374,224	-	(15,000)	359,224
Rental	114,063	-	-	-	-	-	-	114,063	-	-	114,063
Sales of services	-	-	-	370,576	-	-	-	370,576	-	-	370,576
Police fines	-	20,819	-	-	-	-	-	20,819	-	-	20,819
Other revenue	58,080	-	-	-	-	5,477	-	63,557	-	-	63,557
Water & Sewer utility	-	-	-	-	-	-	-	-	565,135	(55,944)	509,191
Gain on disposal of tangible capital assets	41,926	-	-	-	-	-	-	41,926	-	-	41,926
	879,233	110,819	202,471	370,576	130,970	5,477	374,224	2,073,770	565,135	(70,944)	2,567,961
Expenditures											
Salaries and benefits	195,542	340,787	-	173,213	99,966	16,546	203,634	1,029,688	105,139	-	1,134,827
Goods and services	291,913	43,020	93,111	4,093	94,489	39,956	186,846	753,428	334,896	(70,944)	1,017,380
Amortization	49,081	25,824	72,029	-	82,713	8,585	20,529	258,761	103,164	-	361,925
Interest	42,827	437	15,417	-	274	1,530	10,149	70,634	55,872	-	126,506
Other	-	-	-	-	-	14,490	-	14,490	-	-	14,490
	579,363	410,068	180,557	177,306	277,442	81,107	421,158	2,127,001	599,071	(70,944)	2,655,128
	299,870	(299,249)	21,914	193,270	(146,472)	(75,630)	(46,934)	(53,231)	(33,936)	-	(87,167)

Town of Kensington

Consolidated Schedule of Segment Disclosures

For the year ended December 31, 2014

Schedule 1

	General Government \$	Police \$	Fire \$	Sales of Services \$	Transportation & Public Works \$	Parks & Recreation \$	Community Gardens Complex \$	Total General \$	Water and Sewer Utility \$	Elimination \$	2014 Consolidated \$
Revenues											
Property taxes	529,905	-	-	-	-	-	-	529,905	-	-	529,905
Government transfer	-	-	-	-	-	-	-	-	-	-	-
Municipal Support											
Grant Program	-	90,001	-	-	130,969	-	-	220,970	-	-	220,970
Equalization	121,930	-	-	-	-	-	-	121,930	-	-	121,930
Other	14,538	-	-	-	-	-	-	14,538	-	-	14,538
Fire dues	-	-	198,645	-	-	-	-	198,645	-	-	198,645
Community Gardens Complex	-	-	-	-	-	-	409,225	409,225	-	(15,000)	394,225
Rental	146,584	-	-	-	-	-	-	146,584	-	-	146,584
Sales of services	-	-	-	378,856	-	-	-	378,856	-	-	378,856
Police fines	-	35,871	-	-	-	-	-	35,871	-	-	35,871
Other revenue	43,096	-	-	-	-	69,950	-	113,046	-	-	113,046
Water & Sewer utility	-	-	-	-	-	-	-	-	529,938	(55,950)	473,988
	<u>856,053</u>	<u>125,872</u>	<u>198,645</u>	<u>378,856</u>	<u>130,969</u>	<u>69,950</u>	<u>409,225</u>	<u>2,169,570</u>	<u>529,938</u>	<u>(70,950)</u>	<u>2,628,558</u>
Expenditures											
Salaries and benefits	204,022	324,643	-	189,711	70,360	15,224	212,273	1,016,233	130,317	-	1,146,550
Goods and services	298,527	47,647	79,009	8,812	107,918	43,791	191,908	777,612	288,809	(70,950)	995,471
Amortization	56,084	21,648	73,249	-	68,664	7,245	20,033	246,923	103,312	-	350,235
Interest	47,981	828	17,588	-	936	1,368	11,255	79,956	59,115	-	139,071
Other	-	-	-	-	-	96,440	-	96,440	-	-	96,440
	<u>606,614</u>	<u>394,766</u>	<u>169,846</u>	<u>198,523</u>	<u>247,878</u>	<u>164,068</u>	<u>435,469</u>	<u>2,217,164</u>	<u>581,553</u>	<u>(70,950)</u>	<u>2,727,767</u>
	<u>249,439</u>	<u>(268,894)</u>	<u>28,799</u>	<u>180,333</u>	<u>(116,909)</u>	<u>(94,118)</u>	<u>(26,244)</u>	<u>(47,594)</u>	<u>(51,615)</u>	<u>-</u>	<u>(99,209)</u>

Town of Kensington

Schedule of Tangible Capital Assets For the year ended December 31, 2015

Schedule 2

	Cost 2015					Accumulated amortization 2015			2015
	Beginning \$	Additions \$	Disposals/ Transfers \$	Ending \$	Beginning \$	Amortization \$	Disposals/ Transfers	Ending \$	Net book value \$
Land, buildings and wind turbine	4,004,914	67,233	268,506	3,803,641	1,376,795	55,979	25,432	1,407,342	2,396,299
Streets and sidewalks	1,128,634	270,190	-	1,398,824	941,810	122,865	-	1,064,675	334,149
Vehicles	132,303	41,844	-	174,147	100,623	23,155	-	123,778	50,369
Fire vehicles	810,421	-	-	810,421	485,739	39,420	-	525,159	285,262
Signs and equipment	1,127,627	44,146	-	1,171,773	159,363	17,692	-	177,055	994,718
Water & sewer systems and equipment	6,041,984	38,053	-	6,080,037	1,540,574	103,650	-	1,644,224	4,435,813
	13,245,883	461,466	268,506	13,438,843	4,604,904	362,761	25,432	4,942,233	8,496,610

Town of Kensington
 Schedule of Tangible Capital Assets
 For the year ended December 30, 2014

Schedule 2

	Cost 2014				Accumulated amortization 2014			2014	
	Beginning \$	Additions \$	Disposals/Transfers \$	Ending \$	Beginning \$	Amortization \$	Disposals/Transfers \$	Ending \$	Net book Value \$
Land, buildings and wind turbine	3,979,762	25,152	-	4,004,914	1,315,917	60,878	-	1,376,795	2,628,119
Streets and sidewalks	1,092,353	36,281	-	1,128,634	836,782	105,028	-	941,810	186,824
Vehicles	142,211	3,701	13,609	132,303	92,995	21,237	13,609	100,623	31,680
Fire vehicles	810,421	-	-	810,421	446,319	39,420	-	485,739	324,682
Signs and equipment	1,003,496	124,131	-	1,127,627	139,003	20,360	-	159,363	968,264
Water & sewer systems and equipment	6,031,461	10,523	-	6,041,984	1,437,261	103,313	-	1,540,574	4,501,410
	<u>13,059,704</u>	<u>199,788</u>	<u>13,609</u>	<u>13,245,883</u>	<u>4,268,277</u>	<u>350,236</u>	<u>13,609</u>	<u>4,604,904</u>	<u>8,640,979</u>