

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD



**AGENDA**

**MEETING DATE:** Thursday, July 25, 2013  
**TIME:** 3:00 p.m.  
**LOCATION:** 2<sup>nd</sup> Floor Training Room  
**Schomberg Fire Department** Station No.3-6  
91 Proctor Road, Schomberg, ON.

		<i>Action by:</i>
1.	<b><u>Call to Order</u></b>  "That this meeting of the Holland Marsh Drainage System Joint Municipal Services Board come to order at _____ p.m."	<i>Dan Sopuch</i>
2.	<b><u>Declaration of Pecuniary Interest</u></b>  Chairman Sopuch to remind Members of the Board of the Municipal Conflict of Interest legislation and requirements thereunder.	<i>Dan Sopuch</i>
3.	<b><u>Approval of Agenda / Changes</u></b>	<i>Dan Sopuch</i>
3.1	"That the Board approve the Agenda dated Thursday, July 25, 2013, as printed and circulated."  Pgs 1 - 2	
4.	<b><u>Adoption of Board Minutes</u></b>	<i>Dan Sopuch</i>
4.1	"That the Minutes of the Holland Marsh Drainage System Joint Municipal Services Board meeting held Thursday, July 11, 2013 at 7:00 p.m., be approved, as printed and circulated."  Pgs 3 - 9	
5.	<b><u>Comments by the Chairman</u></b>	<i>Dan Sopuch</i>
6.	<b><u>Presentations / Deputations</u></b>	
6.1	<b>2012 Financial Statement Presentation</b>  "That the draft 2012 Financial Statements prepared by BDO Dunwoody LLP dated July 2, 2013, be approved, as printed and circulated."  Pgs 10 - 25	<i>Glenn Ventrcek / Nathalie Carrier</i>
7.	<b><u>Correspondence / Reports</u></b>	
8.	<b><u>New Business</u></b>	

**HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD**

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**9. Future Meeting Schedule**

**9.1** “The next meeting of the Holland Marsh Drainage System Joint Municipal Services Board be scheduled for: Thursday \_\_\_\_\_ at \_\_\_\_\_ at the Schomberg Fire Station, Schomberg, Ontario

*Dan Sopuch*

**10. Adjournment**

**10.1** “That this meeting of the Holland Marsh Drainage System Joint Municipal Services Board adjourn at \_\_\_\_\_ p.m.”

*Dan Sopuch*

# HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD

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## **MINUTES**

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**MEETING DATE:** Thursday, July 11, 2013  
**TIME:** 7:00 p.m.  
**LOCATION:** Schomberg Fire Hall  
91 Proctor Road, Schomberg, Ontario

ATTENDANCE RECORD:

MEMBERS PRESENT: William Eek, Vice Chairman  
Dan Sopuch, Chairman  
Steve Pellegrini, Mayor – TOK  
Brian Visser, Appointee  
Doug White, Mayor – BWG  
Jim Verkaik, Member-at-large

REGRETS: Cleve Mortelliti, Ward 1 – TOK  
Gary Lamb, Ward 3 Councilor - BWG  
George Hoving, Appointee

STAFF PRESENT: Frank Jonkman, Drainage Superintendent  
Sarah Murray, Secretary  
Dave Van Veen – TOK Engineering

REGRETS: Nathalie Carrier, Deputy Treasurer - BWG  
Rob Flindall, Dir. Engineering – TOK  
Jay Currier, Town Manager – BWG  
Ian Goodfellow, Treasurer – BWG  
Jeff Schmidt, Treasurer – TOK  
Michael Brinkos, Assistant to the Dr. Supt.

OTHERS:

# HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD

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1.	<b><u>Call to Order</u></b>	<i>Dan Sopuch</i>
1.1	<b>HM-2012-032</b> Moved by: D. White Seconded by: S. Pellegrini  "That this meeting of the Holland Marsh Drainage System Joint Municipal Services Board come to order at 7.11 p.m." CARRIED.	
2.	<b><u>Declaration of Pecuniary Interest</u></b>	<i>Dan Sopuch</i>
2.1	Chairman Sopuch reminded Members of the Board of the Municipal Conflict of Interest legislation and requirements thereunder.	
3.	<b><u>Approval of Agenda / Changes</u></b>	<i>Dan Sopuch</i>
3.1	Chairman Sopuch asked if there were any errors or omissions to the Agenda and there were none noted.  Amendments to the Agenda were required to include receipt of the Board's 2012 Financial Statements.  <b>HM-2012-033</b> Moved by: B. Eek Seconded by: D. White  "That the Board approve the Agenda, dated Thursday, July 11, 2013, as amended." CARRIED.	
4.	<b><u>Adoption of Board Minutes</u></b>	<i>Dan Sopuch</i>
4.1	Chairman Sopuch asked if there were any errors or omissions to the Minutes and there were none.  <b>HM-2011-034</b> Moved by: J. Verkaik Seconded by: B. Eek  "That the Minutes of the Holland Marsh Drainage System Joint Municipal Services Board meeting held on Thursday, June 13, 2013, be approved, as printed and circulated." CARRIED.	
5.	<b><u>Comments by the Chairman</u></b>	<i>Dan Sopuch</i>
	Chairman Sopuch welcomed everyone to the second board meeting of 2013 but also took the opportunity to acknowledge the	

flooding that took place in Toronto earlier this week, noting that the Holland Marsh and surrounding area is not the only landscape susceptible to excessive flooding.

As member Verkaik was present for this meeting, he took this opportunity to address the members, and acknowledged his absence for the past four meetings. He also recognized the Board's governance model which requires a member ceases to hold a seat on the Board after three consecutive absences. Since no authorization was sought on Mr. Verkaik's behalf prior to the consecutive absences he advised that he is aware of the issue and accepting of the potential outcome.

Members present acknowledged this but also noted that Mr. Verkaik's knowledge, and experience with the former Commission as well as the current Board is highly regarded and further that the Board's future meeting schedule would accommodate member Verkaik's schedule going forward, Although no motion was made on the matter at this time,. a motion will be prepared for the next Board meeting in order to record this decision.

6. **Deputations/Presentations**

*Dan Sopuch*

7. **Correspondence / Reports**

7.1 **Report of the Drainage Superintendent/Project Manager dated July 8, 2013.**

*Frank Jonkman*

Points to highlight:

- 1) The Drainage Superintendent reiterated the Ministry of Agriculture and Food's interest in pursuing a buffer strip project along the main channel, through a Growing Forward funding initiative. The goal would be to implement between 5 and 10 feet of buffer between the land and river to preserve land from erosion and eventual loss.

There are three options immediately visible which include:

- I. voluntary buffer implementation but this requires 100% participation in order for it to work cohesively;
- II. a new Drainage report to incorporate a buffer and which will legally protect and preserve the existence of said buffer; or
- III. measures of a firmer nature, which may

include the Ministry denying grant on drainage works undertaken in the main channel. This however, is not the preferred method.

- 2) Morris Road meeting completed on June 25<sup>th</sup> and went relative well, with the main concerns revolving around historically residential flooding in the area that abuts the Morris Rd drain.
- 3) LSRCA is developing a working group to address dyke elevations in light of the high lake levels in an effort to protect the farm lands which abut the River.
- 4) The (Former) Horlings Drain was approved for emergency repair work under S.124 the Drainage Act and some work has commenced, mainly discussions to determine access and the logistical issues for construction methodologies.

Also, the Town's request for aid through the Ontario Disaster Relief Assistance Program (ODRAP) was denied.

However, for the construction component, the project intends to collect a tipping fee for the stockpiled material received in an effort to significantly offset the expenses incurred through construction.

Tree clearing for work ahead to commence as early as two weeks from now.

- 5) A member raised the issue of the current levels of the berm along the north side, stating it is significantly higher than the south in comparison.

In response to this inquiry, it was noted that the south side experienced constant and significant consolidation of material over a 12 months period. In trying to mitigate any further damage to the road, additional material is being placed on the north side, in anticipating the same issue to occur.

The road is likely to require rehabilitation once this work is complete. The logic being that the road need only undergo impact from the truck traffic over a singular and consecutive period of time, rather than have similar truck traffic occur again in 12 months or sooner which will impact the condition of the road, after it undergoes rehabilitation.

The alternative; bringing in more material at a later

date seems only redundant if an effort is being made to preserve the road once it is rehabilitated.

- 6) The Drainage Superintendent also noted that the canal system will never require another entire cleanout so long as the maintenance regimen prescribed in the drainage report is carried out as specified.

Access is a non-issue for the areas that were previously highly saturated with sediment and tree overgrowth. Deep pools are accessible and the locations for each are identified by GPS for ease of access.

The deep pools (designed to trap sediment) are constructed and placed strategic to the source locations of high sedimentation such as the Kettleby Creek tributary and other significant tributary areas.

- 7) As excavation comes to a completion, thought needs to be into how to acknowledge the successful finalization of this enormously precedent setting project (i.e. ribbon cutting, acknowledge significant and contributing individuals, etc.)
- 8) Interval 18 will undergo maintenance at a rate of every 3-5 years.
- 9) The Dufferin Street Bridge is still in the midst of the Environmental Assessment process and shall commence once this work is successfully completed.
- 10) Discussion took place on the fragmented ownership of the canal/road/berm along the abutting landowners from prior to excavation and the current state. Transport Canada and the *Navigable Waters Act* may have an interest in this area once it is completed.

**HM-2012-035**

Moved by: B. Visser  
Seconded by: B. Eek

“That the written report “HMDSJMSB-2013-006” prepared by the Drainage Superintendent/Project Manager dated July 8, 2013, be received, for information.”

CARRIED.

7.1

**Proposed HMDS CIP Policy Recommendations**

*Frank Jonkman*

Members present were advised to review the excerpts taken from the HMDS CIP Drainage Report, provided in their agenda

package and prepare to make comment in the near future. The intent being to establish and adopt said policies for various items of concern as stated in the drainage report in regards to the new canal system, and its preservation in the future.

**HM-2012-036**

Moved by: D. White

Seconded by: S. Pellegrini

“That the proposed HMDS CIP policy recommendations, be received, for information.”

CARRIED.

7.2

**Financial Statements & BDO Dunwoody, LLP**

*Dan Sopuch*

Discussion on the recently submitted 2012 audited financial statements dated July 2, 2013 in draft followed.

The board members present decided to wait until the next scheduled board meeting to approve the draft statements provided as some members and staff were absent.

**HM-2012-037**

Moved by: B. Eek

Seconded by: J. Verkaik

“That the 2012 audited financial statements dated July 2, 2013, be received, for information.”

CARRIED.

8.

**New Business**

8.1

**Status on Weed Harvester**

*Dan Copuch*

The Chairman inquired as to the status of the construction of the aquatic weed harvester. Redesign initiatives are being implemented but it is still in production.

8.2

**Arts Society King**

*Frank Jonkman*

Arts Society King held an event this past weekend which included scheduled tours of the perimeter canal system by barge. The Drainage Superintendent undertook the operation of the barge during this time, advising the turnout was good and thoroughly enjoyed by participants.

9.

**Future Meeting Schedule**

*Dan Sopuch*

**HM-2011-038**

Moved by: D. White

Seconded by: S. Pellegrini



HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD

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“That the next meeting of the HMDSJMSB be scheduled for Thursday, July 25, 2013 at 3:00 p.m., at the Schomberg Fire Hall.”

CARRIED.

10.

**Adjournment**

*Dan Sopuch*

10.1

**HM-2011-039**

Moved by: D. White

Seconded by: B. Eek

“That this meeting of the Holland Marsh Drainage System Joint Municipal Services Board adjourn at 8:39 p.m.”

CARRIED.

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Sarah Murray, Secretary

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Dan Sopuch, Chairman

**Holland Marsh Drainage System  
Joint Municipal Services Board**

**Financial Statements**  
For the year ended December 31, 2012

DRAFT - July 2, 2013

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Financial Statements  
For the year ended December 31, 2012**

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## Independent Auditor's Report

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To the Members of the  
Holland Marsh Drainage System Joint Municipal Services Board

We have audited the accompanying financial statements of Holland Marsh Drainage System Joint Municipal Services Board, which comprise the statement of financial position as at December 31, 2012, and the statements of operations and accumulated surplus and cash flows 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 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

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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Holland Marsh Drainage System Joint Municipal Services Board as at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

Alliston, Ontario  
June 28, 2013

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Statement of Financial Position**

December 31	2012	2011
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 7,523,727	\$ 6,491,441
Accounts receivable	2,144	-
Due from Province	140,330	141,114
Due from King Township - Mill grant	219,999	217,904
Due from King Township - Other	176,275	70,754
Due from Section 78 Canal Improvement Project (Note 7)	3,782,991	2,418,868
	11,845,466	9,340,081
 <b>Liabilities</b>		
Accounts payable and accrued liabilities	866,661	749,179
Due to Town of BWG	7,012,067	2,788,928
Deferred revenue - Mill grants	2,935,955	4,905,900
	10,814,683	8,444,007
<b>Net financial assets</b>	<b>1,030,783</b>	<b>896,074</b>
 <b>Non-financial assets</b>		
Tangible capital assets (Note 5)	1,754,340	1,811,482
Prepaid expenses	17,624	18,591
	1,771,964	1,830,073
<b>Accumulated surplus (Note 8)</b>	<b>\$ 2,802,747</b>	<b>\$ 2,726,147</b>

On behalf of the Board:

Director \_\_\_\_\_

Director \_\_\_\_\_

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Statement of Operations and Accumulated Surplus**

<b>For the year ended December 31</b>	Budget 2012	2012	2011
	(Note 6)		
<b>Revenues</b>			
Municipal contributions - Town of BWG (Note 4) \$	177,930	\$ 187,765	\$ 179,671
Municipal contributions - Township of King (Note 4)	234,720	245,895	234,128
Section 78 and canal reconstruction (Note 3)	3,470,000	5,545,441	5,669,763
Town of BWG drains and small scheme	17,670	18,397	22,718
Township of King drains	2,710	19,550	61,619
Other	4,270	5,282	80,582
Government grants	78,860	84,166	100,891
	<u>3,986,160</u>	<u>6,106,496</u>	<u>6,349,372</u>
<b>Expenses</b>			
Amortization of tangible capital assets	-	60,195	59,114
Communications	2,950	3,146	2,768
Equipment maintenance and rentals	33,500	39,937	25,992
Insurance	31,000	35,156	32,231
Interest and financing charges	-	24	116
Memberships	1,850	2,436	2,383
Other	12,400	24,946	15,617
Professional	32,500	9,926	8,670
Salaries and benefits	198,500	230,289	246,286
Section 78 and canal reconstruction	3,470,000	5,545,441	5,669,763
Supplies, materials and subcontract	12,000	4,346	7,771
Town of BWG drains	10,400	16,117	10,335
Township of King drains	14,335	19,550	29,332
Utilities	42,850	38,387	30,770
Loss on disposal of tangible capital assets	-	-	18,305
	<u>3,862,285</u>	<u>6,029,896</u>	<u>6,159,453</u>
<b>Annual surplus</b>	123,875	76,600	189,919
<b>Accumulated surplus, beginning of year</b>	2,726,147	2,726,147	2,536,228
<b>Accumulated surplus, end of year</b>	<u>\$ 2,850,022</u>	<u>\$ 2,802,747</u>	<u>\$ 2,726,147</u>

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Statement of Change in Net Financial Assets**

<b>For the year ended December 31</b>	Budget 2012	Actual 2012	Actual 2011
	(Note 6)		
<b>Annual surplus</b>	\$ 123,875	\$ 76,600	\$ 189,919
Acquisition of tangible capital assets	-	(3,053)	(102,544)
Amortization of tangible capital assets	-	60,195	59,114
Loss on disposal of tangible capital assets	-	-	18,305
Prepaid expenses	-	967	(18,591)
Change in net financial assets	123,875	134,709	146,203
<b>Net financial assets, beginning of year</b>	896,074	896,074	749,871
<b>Net financial assets, end of year</b>	\$ 1,019,949	\$ 1,030,783	\$ 896,074

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2012</b>	<b>2011</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus	\$ 76,600	\$ 189,919
Non-cash items		
Amortization of tangible capital assets	60,195	59,114
Loss on disposal of tangible capital assets	-	18,305
	<b>136,795</b>	<b>267,338</b>
Changes in:		
Accounts receivable	(2,144)	-
Due from Province	784	(6,268)
Due from Township of King - Mill grant	(2,095)	2,802,751
Due from Township of King - Other	(105,521)	22,629
Accounts payable and accrued liabilities	117,482	360,446
Due to Town of BWG - Other	4,223,139	1,097,136
Due from Section 78 Canal Improvement Project	(1,364,123)	(110,192)
Deferred revenue - Mill grants	(1,969,945)	(2,723,104)
Prepaid expenses	967	(18,591)
<b>Cash provided by operating activities</b>	<b>1,035,339</b>	<b>1,692,145</b>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(3,053)	(102,544)
<b>Net change in cash position</b>	<b>1,032,286</b>	<b>1,589,601</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,491,441</b>	<b>4,901,840</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 7,523,727</b>	<b>\$ 6,491,441</b>



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# Holland Marsh Drainage System Joint Municipal Services Board Notes to Financial Statements

For the year ended December 31, 2012

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## 1. Significant Accounting Policies

### Nature and Purpose of Organization

The Holland Marsh Drainage System Joint Municipal Services Board was established on June 25, 2007. As of January 1, 2008 the Board assumed responsibility for the Holland Marsh Drainage System (previously overseen by the Holland Marsh Drainage Commission), interior drains for the Town of Bradford West Gwillimbury (BWG) and the Township of King and small scheme for BWG. The Township of King and BWG have joint control of the Holland Marsh Drainage System Joint Municipal Services Board and they are the main contributors to all projects administered by the Services Board.

### Management Responsibility

The financial statements of the board are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the board and the changes thereto. The statement of financial position includes all the assets and liabilities of the board. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the board's overall future revenue requirements and its ability to finance activities and meet its obligations.

### Accrual Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

### Deferred Revenue

Deferred revenue represents funds which have been applied for and collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

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**Holland Marsh Drainage System Joint  
Municipal Services Board  
Notes to Financial Statements**

**For the year ended December 31, 2012**

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**2. Significant Accounting Policies (continued)**

**Revenue Recognition**

Revenues are recognized as follows:

- a) Interest income is recognized when earned
- b) Government grants are recognized as revenues 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.
- c) Section 78 and canal reconstruction - Contributions from municipalities and other governments are based on the annual cost of the Canal Improvement Project less government transfers. Contributions are made based on the annual assessment schedules prepared by the engineers of the Services Board.

**Tangible Capital Assets**

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

Land improvements	-37 to 55 years
Buildings	-55 years
Vehicles, machinery and equipment	-10 to 52 years

A full year of amortization is charged in the year of acquisition and no amortization is taken in the year of disposal.

Land improvements include boat ramps and sluice gates.

Buildings include pumphouses.

Vehicles, machinery and equipment include a dredger and trailer, aqua barriers, excavator and a barge.

**Use of Estimates**

The preparation of financial statements in accordance 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates have been made of historical cost and useful lives of tangible capital assets, accrued liabilities and deferred revenue. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Notes to Financial Statements**

**For the year ended December 31, 2012**

**2. Cash and Cash Equivalents**

	2012	2011
Unrestricted	\$ 5,023,778	\$ 4,022,602
Restricted	2,499,949	2,468,839
Cash and cash equivalents	\$ 7,523,727	\$ 6,491,441

The restricted cash is in a Royal Bank of Canada bank account earning interest at prime minus 1.75%.

The organization has a \$2,700,000 revolving demand facility from the Royal Bank of Canada with an interest rate of prime less 0.25%. At year end, the organization has not utilized this facility.

**3. Revenue - Section 78 and Canal Reconstruction**

	2012	2011
MIII	\$ 1,372,277	\$ 1,441,473
OMAFRA	-	780,883
Contributions from municipalities and other governments	4,173,164	3,447,407
	\$ 5,545,441	\$ 5,669,763

MIII funds have been utilized and recognized as revenue as dictated by the engineers of the Services Board in their annual assessment schedules.

OMAFRA revenues represent government transfers that have been authorized by the transferring government at year end.

Contributions from municipalities and other governments are based on the annual cost of the Canal Improvement Project less government transfers. Contributions are made based on the annual assessment schedules prepared by the engineers of the Services Board.

**4. Municipal Contributions**

	Town of BWG 2012	Township of King 2012	Town of BWG 2011	Township of King 2011
Annual operating contributions	\$ 82,500	\$ 82,500	\$ 82,500	\$ 82,500
Drainage superintendent	31,876	46,161	24,068	34,854
Road levy	3,512	4,884	3,988	5,545
Land levy	69,877	112,350	69,115	111,229
	\$ 187,765	\$ 245,895	\$ 179,671	\$ 234,128

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Notes to Financial Statements**

**December 31, 2012**

**5. Tangible Capital Assets**

				2012	2011
	Land Improvements	Buildings	Vehicles, Machinery and Equipment	Total	Total
Cost, beginning of year	\$ 97,215	\$ 1,984,034	\$ 493,197	\$ 2,574,446	\$ 2,490,207
Additions	-	-	3,053	3,053	102,544
Disposals	-	-	-	-	(18,305)
Cost, end of year	97,215	1,984,034	496,250	2,577,499	2,574,446
Accumulated amortization, beginning of year	54,548	545,518	162,898	762,964	703,850
Amortization	1,820	35,694	22,681	60,195	59,114
Accumulated amortization, end of year	56,368	581,212	185,579	823,159	762,964
Net carrying amount, end of year	\$ 40,847	\$ 1,402,822	\$ 310,671	\$ 1,754,340	\$ 1,811,482

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**Holland Marsh Drainage System  
Joint Municipal Services Board  
Notes to Financial Statements**

**For the year ended December 31, 2012**

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**6. Budget Amounts**

The operating budget approved by the board for 2012 is reflected on the statement of operations. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year's actual expenditure amounts.

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**7. Due from Section 78 Canal Improvement Project**

The Section 78 Canal Improvement Project is a joint effort between the Town of Bradford West Gwillimbury and Township of King. The Project involves reconstruction of the Holland Marsh Drainage System including total or partial canal relocation, bottom cleanouts, and structure improvement in select areas.

At the end of the current year, the Section 78 Canal Improvement Project has accumulated costs less government transfers and contributions from municipalities as authorized by the engineers of the Services Board. The \$3,782,991 (2011 - \$2,418,868) will be collected through future government transfers and municipal contributions.

The balance is non-interest bearing and has no set terms of repayment.

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DRAFT - July 2, 2013

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Notes to Financial Statements**

**For the year ended December 31, 2012**

**8. Accumulated Surplus**

	2012	2011
<b>Invested in tangible capital assets</b>	<b>\$ 1,754,340</b>	<b>\$ 1,811,482</b>
<b>Holland Marsh</b> (See Schedule 1):		
Town of Bradford West Gwillimbury (40.85%)	419,919	368,380
Township of King (59.15%)	598,013	533,470
	<b>1,017,932</b>	901,850
<b>Town of Bradford West Gwillimbury</b> (See Schedule 2):		
Small scheme	13,930	12,920
Drains	1,269	-
General government	7,638	(48)
Drainage superintendent	-	(4)
	<b>22,837</b>	12,868
<b>Township of King</b> (See Schedule 3):		
General government	7,638	(48)
Drainage superintendent	-	(5)
	<b>7,638</b>	(53)
<b>Accumulated surplus</b>	<b>\$ 2,802,747</b>	<b>\$ 2,726,147</b>

DRAFT - July 2, 2013

**Holland Marsh Drainage System  
Joint Municipal Services Board  
Schedule 1 - Schedule of Surplus**

**For the year ended December 31**

	Town of BWG	Township of King	2012	2011
<b>Surplus, beginning of year</b>	\$ 368,380	\$ 533,470	\$ 901,850	\$ 794,104
<b>Revenues</b>	2,355,529	3,411,155	5,766,684	5,968,005
<b>Expenses</b>	(2,303,990)	(3,346,612)	(5,650,602)	(5,860,259)
<b>Surplus, end of year</b>	\$ 419,919	\$ 598,013	\$ 1,017,932	\$ 901,850

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**Holland Marsh Drainage System  
Joint Municipal Services Board**

**Schedule 2**

**Schedule of Surplus (Deficit) for the Town of Bradford West Gwillimbury  
Small Scheme, Drains, Drainage Superintendent and General Government**

**For the year ended December 31**

	<b>Small Scheme</b>	<b>Drains</b>	<b>Drainage Superintendent</b>	<b>General Government</b>	<b>2012</b>	<b>2011</b>
<b>Surplus (deficit),</b>						
beginning of year	\$ 12,920	\$ -	\$ (4)	\$ (48)	\$ 12,868	\$ (4,209)
<b>Revenues</b>	11,744	6,653	55,909	82,500	156,806	159,197
<b>Expenses</b>	(10,734)	(5,384)	(55,905)	(74,814)	(146,837)	(142,120)
<b>Surplus,</b>						
end of year	\$ 13,930	\$ 1,269	\$ -	\$ 7,638	\$ 22,837	\$ 12,868

DRAFT - July 2, 2013



**Holland Marsh Drainage System  
Joint Municipal Services Board  
Schedule 3  
Schedule of Surplus (Deficit) for the Township of King Drains,  
Drainage Superintendent and General Government**

**For the year ended December 31**

	Drains	Drainage Superintendent	General Government	2012	2011
<b>Surplus (deficit), beginning of year \$</b>	-	\$ (5)	\$ (48)	\$ (53)	\$ (40,024)
<b>Revenues</b>	19,550	55,910	82,500	157,960	222,172
<b>Expenses</b>	(19,550)	(55,905)	(74,814)	(150,269)	(182,201)
<b>Surplus (deficit), end of year</b>	\$ -	\$ -	\$ 7,638	\$ 7,638	\$ (53)

DRAFT - July 2013