

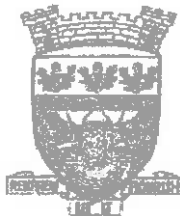
Town of Renfrew

Financial Statements

For the year ended 31 December 2015

MACKILLCAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS



TOWN OF RENFREW

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Town of Renfrew (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is contained in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's 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 meets with management and the external auditors to review the consolidated financial statements and discuss 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 MacKillican & Associates, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.


Keray O'Reilly
Treasurer

Town of Renfrew
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For the year ended 31 December 2015

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**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the accompanying consolidated financial statements of the Corporation of the Town of Renfrew which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of operations, changes in net financial assets (liabilities) 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 consolidated financial statements in accordance with Canadian Public Sector Accounting Standards for local governments, and for such internal control as management determines is necessary to enable the preparation of the 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 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 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 the Corporation of the Town of Renfrew and its local boards as at 31 December 2015, and the results of their operations, changes in net financial assets (liabilities) and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKillican & Associates

RENFREW, Ontario.
9 August 2016.

Chartered Professional Accountants,
Licensed Public Accountants.

Town of Renfrew
Consolidated Statement of Financial Position
As at 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash	\$ 5,266,444	\$ 5,505,883
Taxes receivable	1,029,144	962,421
Accounts receivable	1,159,091	522,624
User charges receivable	1,178,165	1,093,497
Other assets	5,306	4,917
Investment in government business enterprises (Note 5)	<u>10,246,234</u>	<u>9,876,583</u>
	<u>\$ 18,884,384</u>	<u>\$ 17,965,925</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,936,642	\$ 1,373,566
Deferred revenue - obligatory reserve funds (Note 7 (a))	1,817,236	1,688,127
- other (Note 7 (b))	1,557,703	1,518,107
Net long term liabilities (Note 13)	11,266,250	11,833,750
Landfill closure and post closure costs (Note 8)	1,320,711	1,235,369
Employee future benefits	<u>187,800</u>	<u>146,942</u>
	<u>\$ 18,086,342</u>	<u>\$ 17,795,861</u>
Net financial assets (liabilities)	<u>\$ 798,042</u>	<u>\$ 170,064</u>
Non-financial assets:		
Tangible capital assets (net) (Note 11)	\$ 97,705,967	\$ 99,495,419
Inventory of supplies	145,568	176,839
Prepaid expenses	<u>384,791</u>	<u>126,764</u>
	<u>\$ 98,236,326</u>	<u>\$ 99,799,022</u>
Accumulated surplus	<u>\$ 99,034,368</u>	<u>\$ 99,969,086</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 15)	\$ 85,066,716	\$ 87,120,916
Reserves	5,940,674	5,072,171
General	(718,920)	(718,920)
Renfrew Downtown Business Association	8,175	647
Equity in government business enterprises (Note 5)	10,246,234	9,876,583
Unfunded - employee future benefit costs (Note 3)	(187,800)	(146,942)
Unfunded - landfill closure and post closure costs (Note 3)	<u>(1,320,711)</u>	<u>(1,235,369)</u>
Total accumulated surplus	<u>\$ 99,034,368</u>	<u>\$ 99,969,086</u>

(See accompanying notes)

Town of Renfrew
Consolidated Statement of Operations
For the year ended 31 December 2015
(with 2015 budget and 2014 actual figures for comparison)

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Revenue:			
Taxation	\$ 7,413,050	\$ 7,476,319	\$ 7,190,633
Government transfers:			
Ontario	4,450,295	4,286,725	2,170,583
Canada	460,610	216,350	185,970
Other municipalities	174,390	178,877	191,891
Other	6,745,300	6,923,299	6,845,723
Loss on disposal of capital assets		(1,407,681)	(275,440)
Landfill closure cost adjustment (Note 8)		(85,342)	833,683
	<u>\$ 19,243,645</u>	<u>\$ 17,588,547</u>	<u>\$ 17,143,043</u>
Expenses:			
General government	\$ 1,683,538	\$ 1,488,821	\$ 1,531,613
Protection to persons and property	3,903,143	3,932,430	4,095,655
Transportation services	5,270,611	5,044,006	5,093,630
Environmental services	6,235,282	5,714,224	5,755,034
Recreation and cultural services	2,154,769	2,118,425	2,171,910
Planning and development	269,580	225,359	222,181
	<u>\$ 19,516,923</u>	<u>\$ 18,523,265</u>	<u>\$ 18,870,023</u>
Shortfall of revenue over expenses	\$ (273,278)	\$ (934,718)	\$ (1,726,980)
Prior period restatement (Note 5)			66,427
Prior period restatement (Note 19)			939,771
	<u>\$ (273,278)</u>	<u>\$ (934,718)</u>	<u>\$ (720,782)</u>
Accumulated surplus at the beginning of the year	<u>99,969,086</u>	<u>99,969,086</u>	<u>100,689,868</u>
Accumulated surplus at the end of the year	<u>\$ 99,969,086</u>	<u>\$ 99,034,368</u>	<u>\$ 99,969,086</u>

(See accompanying notes)

Town of Renfrew

Consolidated Statement of Changes in Net Financial Assets (Liabilities)

For the year ended 31 December 2015
(with 2015 budget and 2014 actual figures for comparison)

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Shortfall of revenue over expenses	\$ (273,278)	\$ (934,718)	\$ (1,726,980)
Amortization of tangible capital assets	4,721,459	4,728,284	4,792,415
Acquisition of tangible capital assets and construction in progress	(4,295,605)	(4,346,512)	(984,474)
Prior period restatement (Note 5)			66,427
Prior period restatement (Note 19)			694,071
Loss on disposal of capital assets		1,407,680	275,440
Use of (acquisition of) prepaid expenses		(258,027)	(14,803)
Use of (acquisition of) inventory		<u>31,271</u>	<u>(16,013)</u>
Increase in net financial assets	\$ 152,576	\$ 627,978	\$ 3,086,083
Net financial assets (liabilities) at the beginning of the year	<u>170,064</u>	<u>170,064</u>	<u>(2,916,019)</u>
Net financial assets (liabilities) at the end of the year	<u>\$ 322,640</u>	<u>\$ 798,042</u>	<u>\$ 170,064</u>

(See accompanying notes)

Town of Repfrew
Consolidated Statement of Cash Flows
For the year ended 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Shortfall of revenue over expenses	\$ (934,718)	\$ (1,726,980)
Add non-cash items - amortization	4,728,284	4,792,415
- loss on disposal of assets	<u>1,407,680</u>	<u>275,440</u>
	\$ <u>5,201,246</u>	\$ <u>3,340,875</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (66,723)	\$ (26,643)
- decrease (increase) in other assets	(389)	(1,007)
- decrease (increase) in accounts receivable	(636,467)	(218,643)
- decrease (increase) in prepaid expenses	(258,027)	(14,803)
- decrease (increase) in user charges receivable	(84,668)	105,464
- decrease (increase) in inventory	31,271	(16,013)
- increase (decrease) in accounts payable and accrued liabilities	563,076	(178,479)
- increase (decrease) in landfill closure and post closure costs	85,342	(833,683)
- increase (decrease) in employee future benefits	<u>40,858</u>	<u>4,783</u>
	\$ <u>(325,727)</u>	\$ <u>(1,179,024)</u>
Cash flows from operating activities	\$ <u>4,875,519</u>	\$ <u>2,161,851</u>
Cash flows from financing activities:		
Decrease in long term debt	\$ (567,500)	\$ (567,500)
Increase in deferred revenue - obligatory reserve funds	129,109	122,703
Increase (decrease) in deferred revenue - other	<u>39,596</u>	<u>1,087,012</u>
Cash flows from (used for) financing activities	\$ <u>(398,795)</u>	\$ <u>642,215</u>
Cash flows used for investing activities:		
Additions to tangible capital assets:		
General government	\$ (917,788)	\$ (10,882)
Protection services	(69,226)	(21,633)
Development and works	(3,237,862)	(703,772)
Recreation and culture	(121,636)	(248,187)
Additions to investment in government business enterprises	<u>(369,651)</u>	<u>(288,061)</u>
Cash flows used for investing activities	\$ <u>(4,716,163)</u>	\$ <u>(1,272,535)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ (239,439)	\$ 1,531,531
Cash and cash equivalents at the beginning of the year	<u>5,505,883</u>	<u>3,974,352</u>
Cash and cash equivalents at the end of the year	\$ <u>5,266,444</u>	\$ <u>5,505,883</u>

(See accompanying notes)

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Town of Renfrew are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

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

(a) Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Town. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. Interdepartmental and organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Town of Renfrew Waterworks
- Town of Renfrew Wastewater System
- Renfrew Public Library Board
- Renfrew Downtown Business Association

(ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

- (iii) Trust funds and their related operations administered by the Town are not included in these financial statements but are reported separately.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

(c) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(d) Tangible Capital Assets

- (i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI). Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. 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	20 - 30 years
Facilities	15 - 95 years
Equipment	5 - 30 years
Rolling stock	7 - 25 years
Infrastructure	10 - 100 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Town has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) 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.

(iv) Inventories

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

(e) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

(f) Government Transfers

Government transfers are the transfers of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are the result of a direct financial return.

Government transfers are recognized in the financial statements in the period in which the 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.

(g) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(h) Deferred Revenue - Obligatory Reserve Funds

The Town receives restricted contributions under the authority of provincial and federal legislation and Town by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(i) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(j) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable, user charges receivable, accounts payable and accrued liabilities and net long term liabilities. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash, accounts receivable, user charges receivable and accounts payable and accrued liabilities, approximate their fair values, due to the immediate and short term maturities of these financial instruments.

The fair value of net long term liabilities, including the current portion, is based on rates currently available to the Town with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

3. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Town to raise funds in subsequent periods to finance unfunded liabilities, comprised of the landfill closure and post closure liabilities and employee future benefit costs.

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

4. TRUST FUNDS

Trust funds administered by the Town, totaling \$ 246,392 (2014 - \$ 238,670) are presented in separate financial statements of trust fund financial position and operations. As such, balances held in trust by the Town for the benefit of others have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Renfrew Hydro Inc. (RHI) (100%), Renfrew Power Generation Inc. (RPGI) (100%) and the Renfrew Innovation Centre (100%) are government business enterprises or partnerships in which the Town owns the percentage interest as noted and accounted for on a modified equity basis in these financial statements.

The principal business of RHI is to distribute electric power to the Town of Renfrew and manage the electric distribution system. RPGI's principal business is the generation of electric power for the benefit of the Town of Renfrew's residents. The Renfrew Innovation Centre's principal business is commercial rental.

The following tables provide condensed supplementary financial information setting out the Town's share for the three entities for the year ended 31 December as well as information on 2014 restatement of RHI due to IFRS 1, First Time Adoption of International Financial Reporting Standards.

Renfrew Hydro Inc. (100%)	<u>2015</u>	<u>2014 Restated</u>	<u>2014 as Previously Stated</u>
Financial position:			
Current and other assets	\$ 4,171,766	\$ 4,126,275	\$ 3,389,312
Capital assets	<u>5,361,141</u>	<u>5,080,369</u>	<u>5,031,603</u>
	<u>\$ 9,532,907</u>	<u>\$ 9,206,644</u>	<u>\$ 8,420,915</u>
Current liabilities	\$ 2,224,586	\$ 1,878,929	\$ 1,878,929
Long term debt	<u>3,043,740</u>	<u>3,086,747</u>	<u>2,897,577</u>
	<u>\$ 5,268,326</u>	<u>\$ 4,965,676</u>	<u>\$ 4,776,506</u>
Net assets	<u>\$ 4,264,581</u>	<u>\$ 4,240,968</u>	<u>\$ 3,644,409</u>
Results of operations:			
Revenues	\$ 12,830,310	\$ 11,617,363	\$ 11,617,363
Operating expenses	<u>12,846,075</u>	<u>11,574,930</u>	<u>11,528,290</u>
Net income	<u>\$ (15,765)</u>	<u>\$ 42,433</u>	<u>\$ 89,073</u>
Dividends declared and paid	<u>\$ (22,268)</u>	<u>\$ (28,230)</u>	<u>\$ (28,230)</u>
Renfrew Power Generation Inc. (100%)	<u>2015</u>	<u>2014</u>	
Financial position:			
Current and other assets	\$ 1,447,274	\$ 724,661	
Capital assets	<u>26,260,202</u>	<u>24,738,959</u>	
	<u>\$ 27,707,476</u>	<u>\$ 25,463,620</u>	
Current liabilities	\$ 1,035,986	\$ 1,668,931	
Long term debt	<u>24,382,068</u>	<u>21,790,300</u>	
	<u>\$ 25,418,054</u>	<u>\$ 23,459,231</u>	
Net assets	<u>\$ 2,289,422</u>	<u>\$ 2,004,389</u>	

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

Renfrew Power Generation Inc. (100%)	<u>2015</u>	<u>2014</u>
Results of operations:		
Revenues	\$ 1,912,392	\$ 813,137
Operating expenses	<u>1,627,359</u>	<u>722,484</u>
Net income	<u>\$ 285,033</u>	<u>\$ 90,653</u>
Renfrew Innovation Centre (100%)	<u>2015</u>	<u>2014</u>
Financial position:		
Current and other assets	\$ 310,060	\$ 298,980
Capital assets	<u>1,177,830</u>	<u>1,234,706</u>
	<u>\$ 1,487,890</u>	<u>\$ 1,533,686</u>
Current liabilities	<u>\$ 746,103</u>	<u>\$ 914,550</u>
Net assets	<u>\$ 741,787</u>	<u>\$ 619,136</u>
Results of operations:		
Revenues	\$ 687,865	\$ 683,393
Operating expenses	<u>565,214</u>	<u>546,828</u>
Net income	<u>\$ 122,651</u>	<u>\$ 136,565</u>

6. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 2,724,063	\$ 2,791,613
Payments in lieu		<u>124,140</u>
	<u>\$ 2,724,063</u>	<u>\$ 2,915,753</u>

7. DEFERRED REVENUE

a) Obligatory Reserve Funds:

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Professional Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place because federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Town are summarized below:

- (i) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	<u>2015</u>	<u>2014</u>
Lot development charges	\$ 920,509	\$ 903,606
Gasoline tax rebates - Provincial	230,804	152,699
Gasoline tax rebates - Federal	<u>665,923</u>	<u>631,822</u>
	<u>\$ 1,817,236</u>	<u>\$ 1,688,127</u>

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

(ii) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

	<u>2015</u>	<u>2014</u>
Balance at the beginning of the year	\$ 1,688,127	\$ 1,565,424
Gas tax revenues received	466,369	360,930
Development charges	55,708	139,300
Interest earned	<u>19,762</u>	<u>20,751</u>
	\$ <u>2,229,966</u>	\$ <u>2,086,405</u>
Used to purchase capital assets	\$ (210,966)	\$ (180,295)
Used in operations	(49,065)	(22,337)
Transferred to other enterprises	<u>(152,699)</u>	<u>(195,646)</u>
	\$ <u>(412,730)</u>	\$ <u>(398,278)</u>
Balance at the end of the year	<u>\$ 1,817,236</u>	<u>\$ 1,688,127</u>

(b) Other Deferred Revenue:

Other deferred revenue consists of advances from the Province of Ontario \$ 1,374,178 (2014- \$ 1,127,480), Canada \$ 96,510 (2014 - \$ Nil) and private developers \$ 87,015 (2014 - \$ 390,627) to complete infrastructure projects within the Town, as well as advances on recreation and other programs which will be completed in 2016.

8. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. Some closure costs are incurred on an ongoing basis and are included in the yearly fiscal operating budget. All remaining expected closure and post closure costs have been discounted at the Average Ontario Non-residential Building Construction Price Index. There is currently \$ 140,000 set aside in reserves for either closure or post closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the useful life and estimated post closure care period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

	<u>2015</u>	<u>2014</u>
Landfill site's estimated remaining capacity in cubic metres	805,916	822,916
Landfill site's remaining useful life in years	23	24
Expected years of post closure care	25	25

9. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Town of Renfrew is currently involved in various liability claims. Because the outcome of these matters cannot yet be determined, no amounts have been recorded in the accounts. The Town of Renfrew has agreed to guarantee a loan for Renfrew Power Generation Inc. There were advances of \$ 23,453,883 (2014 - \$ 20,854,274) on the loan.

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

The Corporation of the Town of Renfrew, the Corporation of the Township of Horton, the Corporation of the Township of Greater Madawaska and the Corporation of the Township of Admaston/Bromley, hereby collectively referred to as the "Municipalities" have entered into an Agreement with the Renfrew and Area Health Service Village Inc. to guarantee in a fair and equitable manner the cost (\$ 2,100,000) to fund the program to recruit doctors for the Renfrew Area.

10. BUDGET FIGURES

The operating budget approved by the Town of Renfrew for 2015 is reflected on the Consolidated Statement of Operations. The budget established for capital investment in tangible capital assets is 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 current year's actual expenditure amounts. As well, the Town does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budgeted figures have not been audited.

11. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Town by major asset class and by function, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets:

The Town records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. Contributed tangible capital assets amounted to Nil in 2015 (Nil in 2014).

(ii) Tangible Capital Assets Recognized at Nominal Value:

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Town's road allowances. The 2015 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

12. EXPENDITURES BY OBJECT

The Consolidated Statement of Operations presents the consolidated expenditures by function. The following listing classifies the expenditures by object:

	<u>2015</u>	<u>2014</u>
Salaries, wages and employee benefits	\$ 5,418,008	\$ 5,212,531
Interest on long term debt	499,739	521,538
Operating materials and supplies	2,837,686	2,846,744
Contracted services	4,731,566	5,153,203
Rents and financial expense	58,281	52,586
External transfers	249,701	291,006
Amortization	<u>4,728,284</u>	<u>4,792,415</u>
Total expenditures by object	<u>\$ 18,523,265</u>	<u>\$ 18,870,023</u>

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

13. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 11,266,250 (2014 - \$ 11,833,750) reported on the "Consolidated Statement of Financial Position" is made up of long term liabilities incurred by the Town and includes those incurred on behalf of municipal enterprises.

	<u>2015</u>	<u>2014</u>
(b) Serial debenture loan payable, interest at 4.79%, \$ 123,750 principal plus interest payable semi-annually, maturing April 2051	\$ 8,786,250	\$ 9,033,750
Serial debenture loan payable, interest at 2.38%, \$ 100,000 principal plus interest payable semi-annually, maturing January 2027	2,300,000	2,500,000
Serial debenture loan payable, interest at 4.32%, \$ 60,000 principal plus interest payable semi-annually, maturing January 2017	<u>180,000</u>	<u>300,000</u>
Net long term liabilities at the end of the year	<u>\$ 11,266,250</u>	<u>\$ 11,833,750</u>

- (c) Principal and interest payments required on the long term liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 567,500	\$ 479,251	\$ 1,046,751
2017	507,500	456,141	963,641
2018	447,500	438,219	885,719
2019	447,500	421,603	869,103
2020	447,500	406,103	853,603
2021 to 2025	2,237,500	1,776,645	4,014,145
2026 onward	<u>6,611,250</u>	<u>3,939,594</u>	<u>10,550,844</u>
	<u>\$ 11,266,250</u>	<u>\$ 7,917,556</u>	<u>\$ 19,183,806</u>

14. CHARGES FOR NET LONG TERM LIABILITIES

- (a) Total charges for the year for net long term liabilities are as follows:

	<u>2015</u>	<u>2014</u>
Principal	\$ 567,500	\$ 567,500
Interest	<u>499,739</u>	<u>521,538</u>
	<u>\$ 1,067,239</u>	<u>\$ 1,089,038</u>

These payments are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing under Ontario Regulation 403/02.

- (b) The interest charges shown in (a) above are reported on the Consolidated Statement of Operations under the appropriate functional expenditure heading.

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

15. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
Tangible capital assets - net	\$ 97,705,967	\$ 99,495,419
Net long term liabilities	(11,266,250)	(11,833,750)
Amounts to be funded in future years	<u>(1,373,001)</u>	<u>(540,753)</u>
Equity in tangible capital assets	<u>\$ 85,066,716</u>	<u>\$ 87,120,916</u>

16. PENSION CONTRIBUTIONS

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. During the year ended 31 December 2015, the Municipality contributed \$ 360,419 (2014 - \$ 373,252) to the plan and is included as an expense in the consolidated statement of operations.

17. CONTRACTUAL OBLIGATIONS

In 2011, the Town entered into a five year contract with the Ministry of Community Safety and Correctional Services for the provision of policing services by the Ontario Provincial Police. The contract was to run from 1 May 2011 to 30 April 2016; in December 2013 the Ministry of Community Safety and Correctional Services provided the required one year written notice of its intention to terminate the Agreement effective 31 December 2014. In February 2015, the Town entered into a new three year agreement with the Ministry of Community Safety and Correctional Services for the years 2015 to 2017. The cost of this contract for 2015 was \$ 1,991,816 (2014 - \$ 2,087,001).

In 2011, the Town entered into a five year contract with Beauman Waste Management Systems Limited for the curbside pickup collection and disposal of recyclable materials. The contract is for a period from 1 September 2011 to 31 August 2016. Annual charges are determined by reference to the number of households in the Town. The cost of this contract for 2015 was \$ 191,566 (2014 - \$ 187,161).

In 2011, the Town entered into a five year contract with Canadian Waste Management Inc. for the collection of curbside garbage. The contract is for a period from 1 September 2011 to 31 August 2016. Annual charges are determined by reference to the number of households in the Town. The cost of this contract for 2015 was \$ 160,384 (2014 - \$ 160,468).

In 2015, the Town entered into a ten and a half year contract with Ontario Clean Water Agency for water treatment and wastewater treatment services. The contract price is based on annual operating costs plus a fixed management fee, indexed annually by the change in the Consumer Price Index. The cost of this contract for 2015 was \$ 1,309,438 (2014 - \$ 1,300,006).

In 2013, the Town entered into a three year contract with Municipal Law Enforcement Services for the provision of by-law enforcement services. The fixed price contract is for a period from 1 July 2013 to 30 June 2016. The cost of this contract for 2015 was \$ 87,310 (2014 - \$ 87,310).

In 2013, the Town entered into a five year contract with Beauman Waste Management Systems Limited for the operation of the Renfrew Landfill Site. The fixed price contract is for a period from 2014 to 2018. The cost of this contract for 2015 was \$ 205,378 (2014 - 202,670).

18. NON ACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had the provision been made, the reserve balance at 31 December 2015 would have decreased by \$ 133,873 (2014 - \$ 143,221).

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

19. PRIOR PERIOD RESTATEMENT

The investment in the Renfrew Innovation Centre was previously accounted for using the cost method. As the Renfrew Innovation Centre is a government business partnership, it should have been accounted for using the modified equity method. The prior period financial statements have been restated and the result of the adjustments are as follows:

Accumulated surplus:	<u>Note</u>	<u>31 December 2014</u>	<u>1 January 2014</u>
Accumulated surplus as previously reported		\$ 98,899,575	\$ 98,899,575
Adjustments to the accumulated surplus:			
Increase in government business enterprises 1 January 2014	5	394,071	394,071
Increase in equity in tangible capital assets 1 January 2014	5	545,700	545,700
Increase in revenue from government business enterprises for 2014	5	136,565	
Decrease in equity in tangible capital assets due to an increase in amortization for 2014	5	<u>(6,825)</u>	
Accumulated surplus as restated		<u>\$ 99,969,086</u>	<u>\$ 99,839,346</u>
Consolidated Statement of Financial Position:		<u>As at 31 December 2015</u>	<u>As at 31 December 2014</u>
Increase in government business enterprises	5	\$ 653,287	\$ 530,636
Decrease in net long term liabilities	13	(300,000)	(300,000)
Increase in tangible capital assets	11	232,050	238,875
Increase in equity in tangible capital assets	15	532,050	538,875
Decrease in reserves		(150,000)	(150,000)
Increase in general accumulated surplus		150,000	150,000
Increase in equity government business enterprises	5	653,287	530,636
Consolidated Statement of Operations:	<u>Note</u>	<u>Year ended 31 December 2015</u>	<u>Year ended 31 December 2014</u>
Adjustments to revenue			
Other	5	\$ 122,651	\$ 136,565
Adjustments to expenses			
General government	5	<u>(6,825)</u>	<u>(6,825)</u>
Increase in excess (shortfall) of revenue over expenses		<u>\$ 115,826</u>	<u>\$ 129,740</u>

Town of Renfrew
Schedule of General Operations
For the year ended 31 December 2015
 (with 2015 budget and 2014 actual figures for comparison)

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 7,348,050	\$ 7,411,151	\$ 7,126,810
Government transfers:			
Ontario	4,433,575	4,265,867	2,153,477
Canada	458,685	216,350	184,045
Other municipalities	174,390	178,877	191,891
Other	2,163,600	1,981,006	2,274,639
Loss on disposal of tangible capital assets	<u> </u>	<u>(1,407,681)</u>	<u>(275,440)</u>
	<u>\$ 14,578,300</u>	<u>\$ 12,645,570</u>	<u>\$ 11,655,422</u>
Expenses:			
General government	\$ 1,683,538	\$ 1,495,150	\$ 1,526,830
Protection to persons and property	3,903,143	3,919,618	4,095,655
Transportation services	5,270,611	5,006,360	5,093,630
Environmental services	907,620	839,229	851,593
Recreation and cultural services	1,647,851	1,656,604	1,715,584
Planning and development	<u>204,580</u>	<u>163,254</u>	<u>157,311</u>
	<u>\$ 13,617,343</u>	<u>\$ 13,080,215</u>	<u>\$ 13,440,603</u>
Excess (shortfall) of revenue over expenses	<u>\$ 960,957</u>	<u>\$ (434,645)</u>	<u>\$ (1,785,181)</u>
Transfers:			
Transfer to Library	\$ (409,905)	\$ (422,678)	\$ (416,813)
Transfer to reserves	(32,375)	(521,172)	(610,482)
Transfer from (to) equity in tangible capital assets	<u>(533,677)</u>	<u>1,378,495</u>	<u>2,812,476</u>
Net transfers	<u>\$ (975,957)</u>	<u>\$ 434,645</u>	<u>\$ 1,785,181</u>
Shortfall of revenue over expenses	\$ (15,000)	\$ -	\$ -
General surplus (deficit) at the beginning of the year	(718,920)	(718,920)	(868,920)
Opening adjustment (Note 19)	<u> </u>	<u> </u>	<u>150,000</u>
General surplus (deficit) at the end of the year	<u>\$ (733,920)</u>	<u>\$ (718,920)</u>	<u>\$ (718,920)</u>

(See accompanying notes)

Town of Renfrew
Consolidated Schedule of Reserves and Reserve Funds
For the year ended 31 December 2015
 (with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Contributions:		
From general operations	\$ 846,390	\$ 1,135,810
From wastewater operations	48,521	95,764
From waterworks operations	<u>310,497</u>	<u>115,600</u>
	\$ <u>1,205,408</u>	\$ <u>1,347,174</u>
Transfers:		
To general operations	\$ (159,729)	\$ (760,282)
To tangible capital asset acquisitions	<u>(177,176)</u>	<u>(209,479)</u>
	\$ <u>(336,905)</u>	\$ <u>(969,761)</u>
Change in reserves and reserve funds balance	\$ 868,503	\$ 377,413
Reserves and reserve funds at the beginning of the year	5,072,171	4,844,758
Opening balance adjustment (Note 19)	<u>(150,000)</u>	<u>(150,000)</u>
Reserves and reserve funds at the end of the year	\$ <u><u>5,940,674</u></u>	\$ <u><u>5,072,171</u></u>
Reserves:		
Working funds	\$ 200,000	\$ 200,000
Contingencies	2,441,321	2,124,505
Asset acquisitions - general operations	1,322,207	1,117,852
- waterworks system	1,126,381	815,884
- wastewater system	<u>850,765</u>	<u>813,930</u>
Total reserves	\$ <u><u>5,940,674</u></u>	\$ <u><u>5,072,171</u></u>

(See accompanying notes)

Town of Renfrew
Consolidated Schedule of Tangible Capital Assets

As at 31 December 2015
(with 2014 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December <u>2014</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
Land	\$ 245,330			\$ 245,330
Land improvements	2,202,613			2,202,613
Equipment	1,442,266	\$ 202,223	\$ (17,034)	1,627,455
Rolling stock (vehicles)	3,662,938	195,976	(270,000)	3,588,914
Facilities	52,493,742	184,352	10,882	52,688,976
Infrastructure	103,253,312	2,780,866	(2,833,322)	103,200,856
Capital work in progress	91,617	983,095	(91,617)	983,095
Total	\$ 163,391,818	\$ 4,346,512	\$ (3,201,091)	\$ 164,537,239

<u>Accumulated amortization</u>	Balance at 31 December <u>2014</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
Land improvements	\$ 1,767,220	\$ 41,414		\$ 1,808,634
Equipment	917,908	83,517	\$ (8,605)	992,820
Rolling stock (vehicles)	1,608,804	186,234	(270,000)	1,525,038
Facilities	15,203,713	1,370,309		16,574,022
Infrastructure	44,398,754	3,046,810	(1,514,806)	45,930,758
Total	\$ 63,896,399	\$ 4,728,284	\$ (1,793,411)	\$ 66,831,272

<u>Net book value</u>	Balance at 31 December <u>2014</u>	Balance at 31 December <u>2015</u>
Land	\$ 245,330	\$ 245,330
Land improvements	435,393	393,979
Equipment	524,358	634,635
Rolling stock (vehicles)	2,054,134	2,063,876
Facilities	37,290,029	36,114,954
Infrastructure	58,854,558	57,270,098
Capital work in progress	91,617	983,095
Total	\$ 99,495,419	\$ 97,705,967

(See accompanying notes)

Town of Renfrew
Consolidated Schedule of Tangible Capital Assets

As at 31 December 2015
(with 2014 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 December <u>2014</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
General government	\$ 3,030,738	\$ 917,788		\$ 3,948,526
Protection services	1,942,576	69,226	\$ (280,800)	1,731,002
Recreation and culture	9,030,943	121,636	(5,515)	9,147,064
Development and works	149,387,561	3,237,862	(2,914,776)	149,710,647
Total	\$ 163,391,818	\$ 4,346,512	\$ (3,201,091)	\$ 164,537,239

<u>Accumulated amortization</u>	Balance at 31 December <u>2014</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
General government	\$ 1,816,538	\$ 56,505		\$ 1,873,043
Protection services	859,344	69,793	\$ (276,048)	653,089
Recreation and culture	7,054,006	194,479	(1,838)	7,246,647
Development and works	54,166,511	4,407,507	(1,515,525)	57,058,493
Total	\$ 63,896,399	\$ 4,728,284	\$ (1,793,411)	\$ 66,831,272

<u>Net book value</u>	Balance at 31 December <u>2014</u>	Balance at 31 December <u>2015</u>
General government	\$ 1,214,200	\$ 2,075,483
Protection services	1,083,232	1,077,913
Recreation and culture	1,976,937	1,900,417
Development and works	95,221,050	92,652,154
Total	\$ 99,495,419	\$ 97,705,967

(See accompanying notes)



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the accompanying financial statements of the Town of Renfrew Waterworks, which comprise the statement of financial position as at 31 December 2015, and the statement of operations 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 for local governments, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 the Town of Renfrew Waterworks as at 31 December 2015, and the results of its operations for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKillican & Associates

RENFREW, Ontario.

9 August 2016.

Chartered Professional Accountants,

Licensed Public Accountants.

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Town of Renfrew Waterworks
Statement of Financial Position
As at 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Accounts receivable - user charges	\$ 547,566	\$ 503,606
Due from Town of Renfrew	417,571	231,532
Due from Ontario	<u>61,239</u>	<u>17,362</u>
	<u>\$ 1,026,376</u>	<u>\$ 752,500</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 66,508	\$ 27,444
Deferred revenue	10,748	3,842
Net long term liabilities (Note 6)	<u>2,480,000</u>	<u>2,800,000</u>
	<u>\$ 2,557,256</u>	<u>\$ 2,831,286</u>
Net financial assets (liabilities)	<u>\$ (1,530,880)</u>	<u>\$ (2,078,786)</u>
Non-financial assets:		
Tangible capital assets (net) (Note 5)	\$ 15,566,504	\$ 15,925,501
Inventory of supplies	<u>148,197</u>	<u>94,670</u>
	<u>\$ 15,714,701</u>	<u>\$ 16,020,171</u>
Accumulated surplus	<u>\$ 14,183,821</u>	<u>\$ 13,941,385</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 9)	\$ 13,057,440	\$ 13,125,501
Reserves	<u>1,126,381</u>	<u>815,884</u>
Total accumulated surplus	<u>\$ 14,183,821</u>	<u>\$ 13,941,385</u>

(See accompanying notes)

Town of Renfrew Waterworks
Statement of Operations
For the year ended 31 December 2015
 (with 2015 budget and 2014 actual figures for comparison)

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Revenue:			
User charges	\$ 2,369,900	\$ 2,341,045	\$ 2,291,588
Installation and service charges		<u>15,125</u>	<u>7,966</u>
	<u>\$ 2,369,900</u>	<u>\$ 2,356,170</u>	<u>\$ 2,299,554</u>
Expenses:			
Amortization	\$ 442,404	\$ 442,404	\$ 436,440
Loss on disposal of assets			40,028
Long term debt interest	70,000	69,994	79,938
Operating charges - Ontario Clean Water Agency	643,800	556,167	586,784
Water transmission and distribution	947,900	763,632	735,586
Administration	<u>263,600</u>	<u>281,537</u>	<u>259,321</u>
	<u>\$ 2,367,704</u>	<u>\$ 2,113,734</u>	<u>\$ 2,138,097</u>
Excess of revenue over expenses	\$ 2,196	\$ 242,436	\$ 161,457
Accumulated surplus at the beginning of the year	<u>13,941,385</u>	<u>13,941,385</u>	<u>13,779,928</u>
Accumulated surplus at the end of the year	<u>\$ 13,943,581</u>	<u>\$ 14,183,821</u>	<u>\$ 13,941,385</u>

(See accompanying notes)

Town of Renfrew Waterworks
Notes to the Financial Statements
For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Renfrew Waterworks are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

The focus of PSAB financial statements is on the financial position of the Town of Renfrew Waterworks and changes thereto. The Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Town of Renfrew Waterworks and is the difference between financial assets and liabilities. This information explains the Town of Renfrew Waterworks' overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

(b) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(c) Tangible Capital Assets

- (i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI). The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Facilities	15 - 95 years
Rolling stock	7 - 25 years
Infrastructure	10 - 100 years

Town of Renfrew Waterworks
Notes to the Financial Statements
For the year ended 31 December 2015

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Town of Renfrew Waterworks has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) 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.

(iv) Inventories

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

(d) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(e) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are the result of a direct financial return.

Government transfers are recognized in the financial statements in the period in which the 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.

(f) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(g) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(h) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

Town of Renfrew Waterworks
Notes to the Financial Statements
For the year ended 31 December 2015

2. FINANCIAL INSTRUMENTS

Financial instruments include accounts receivable - user charges, due from Town of Renfrew, due from Ontario, accounts payable and accrued liabilities and net long term liabilities. Unless otherwise noted, it is management's opinion that the Town of Renfrew Waterworks is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for accounts receivable - user charges, due from Town of Renfrew, due from Ontario and accounts payable and accrued liabilities, approximate their fair values, due to the immediate and short term maturities of these financial instruments.

The fair value of net long term liabilities, including the current portion, is based on rates currently available to the Town of Renfrew Waterworks with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

3. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Town of Renfrew Waterworks is not aware of any claims or possible claims as at 31 December 2015.

4. BUDGET FIGURES

The operating budget approved by the Town of Renfrew Waterworks for 2015 is reflected on the Statement of Operations. The budget established for capital investment in tangible capital assets is 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 current year's actual expenditure amounts. As well, the Town of Renfrew Waterworks does not budget activity within reserves with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements.

5. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Town of Renfrew Waterworks by major asset class as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets

The Town of Renfrew Waterworks records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are water and sewer lines installed by a developer as part of a subdivision agreement. Contributed tangible capital assets amounted to \$ Nil in 2015 (\$ Nil in 2014).

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation.

Town of Renfrew Waterworks
Notes to the Financial Statements
For the year ended 31 December 2015

6. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 2,480,000 (2014 - \$ 2,800,000) reported on the "Statement of Financial Position" is made up of long term liabilities incurred by the Town of Renfrew Waterworks.

	<u>2015</u>	<u>2014</u>
(b) Serial debenture loan payable, interest at 2.38%, \$ 100,000 principal plus interest payable semi-annually, maturing January 2027	\$ 2,300,000	\$ 2,500,000
(c) Serial debenture loan payable, interest at 4.32%, \$ 60,000 principal plus interest payable semi-annually, maturing January 2017	<u>180,000</u>	<u>300,000</u>
	<u>\$ 2,480,000</u>	<u>\$ 2,800,000</u>

- (d) Principal and interest payments required on the long term liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 320,000	\$ 60,208	\$ 380,208
2017	260,000	50,106	310,106
2018	200,000	44,040	244,040
2019	200,000	39,280	239,280
2020	200,000	34,611	234,611
2021 to 2025	1,000,000	101,238	1,101,238
2026 onward	<u>300,000</u>	<u>7,160</u>	<u>307,160</u>
	<u>\$ 2,480,000</u>	<u>\$ 336,643</u>	<u>\$ 2,816,643</u>

7. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long term liabilities are as follows:

	<u>2015</u>	<u>2014</u>
Principal	\$ 320,000	\$ 320,000
Interest	<u>69,994</u>	<u>79,938</u>
	<u>\$ 389,994</u>	<u>\$ 399,938</u>

These payments are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing under Ontario Regulation 403/02.

8. NON ACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made, the waterworks reserve balance at 31 December 2015 would have decreased by \$ 28,946 (2014 - \$ 33,550).

Town of Renfrew Waterworks
Notes to the Financial Statements
For the year ended 31 December 2015

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
Tangible capital assets - net	\$ 15,566,504	\$ 15,925,501
Net long term liabilities	(2,480,000)	(2,800,000)
Amounts to be funded in future years	<u>(29,064)</u>	<u> </u>
Equity in tangible capital assets	<u>\$ 13,057,440</u>	<u>\$ 13,125,501</u>

Town of Renfrew Waterworks
Schedule of Tangible Capital Assets
For the year ended 31 December 2015
(with 2014 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December <u>2014</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
Equipment	\$ 19,302			\$ 19,302
Rolling stock (vehicles)	104,265	\$ 31,651		135,916
Facilities	12,122,936			12,122,936
Infrastructure	8,850,606	22,692	\$ 3,181	8,876,479
Capital work in progress		29,064		29,064
Total	\$ 21,097,109	\$ 83,407	\$ 3,181	\$ 21,183,697

<u>Accumulated amortization</u>	Balance at 31 December <u>2014</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
Equipment	\$ 1,256	\$ 1,930		\$ 3,186
Rolling stock (vehicles)	5,727	5,213		10,940
Facilities	2,225,629	301,447		2,527,076
Infrastructure	2,938,996	133,814	\$ 3,181	3,075,991
Total	\$ 5,171,608	\$ 442,404	\$ 3,181	\$ 5,617,193

<u>Net book value</u>	Balance at 31 December <u>2014</u>	Balance at 31 December <u>2015</u>
Equipment	\$ 18,046	\$ 16,116
Rolling stock (vehicles)	98,538	124,976
Facilities	9,897,307	9,595,860
Infrastructure	5,911,610	5,800,488
Capital work in progress		29,064
Total	\$ 15,925,501	\$ 15,566,504

(See accompanying notes)



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the accompanying financial statements of the Town of Renfrew Wastewater System, which comprise the statement of financial position as at 31 December 2015, and the statement of operations 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 for local governments, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 the Town of Renfrew Wastewater System as at 31 December 2015, and the results of its operations for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKilligan & Associates

RENFREW, Ontario.
9 August 2016.

Chartered Professional Accountants,
Licensed Public Accountants.

Town of Renfrew Wastewater System

Statement of Financial Position

As at 31 December 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Accounts receivable - user charges	\$ 528,886	\$ 452,211
Due from Ontario	35,500	74,960
Due from Town of Renfrew	<u>244,005</u>	<u>302,652</u>
	\$ <u>808,391</u>	\$ <u>829,823</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 59,858	\$ 37,414
Net long term liabilities (Note 6)	<u>8,786,250</u>	<u>9,033,751</u>
	\$ <u>8,846,108</u>	\$ <u>9,071,165</u>
Net financial assets (liabilities)	\$ <u>(8,037,717)</u>	\$ <u>(8,241,342)</u>
Non-financial assets:		
Tangible capital assets (net) (Note 5)	\$ 28,893,239	\$ 29,712,758
Inventory of supplies	21,489	21,521
Prepaid expenses	<u>45,116</u>	<u> </u>
	\$ <u>28,959,844</u>	\$ <u>29,734,279</u>
Accumulated surplus	\$ <u>20,922,127</u>	\$ <u>21,492,937</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 9)	\$ 20,071,362	\$ 20,679,007
Reserves	<u>850,765</u>	<u>813,930</u>
Total accumulated surplus	\$ <u>20,922,127</u>	\$ <u>21,492,937</u>

(See accompanying notes)

Town of Renfrew Wastewater System

Statement of Operations

For the year ended 31 December 2015

(with 2015 budget and 2014 actual figures for comparison)

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Revenue:			
User charges	\$ 2,191,600	\$ 2,176,529	\$ 1,953,580
Interest charges		13,922	5,830
	<u>\$ 2,191,600</u>	<u>\$ 2,190,451</u>	<u>\$ 1,959,410</u>
Expenses:			
Amortization	\$ 999,958	\$ 999,958	\$ 994,266
Loss on disposal of assets		329	
Long term debt interest	429,700	429,745	441,600
Operating charges - Ontario Clean Water Agency	799,300	753,336	713,223
Sewage collection and transmission	624,900	489,829	530,793
Administration	102,800	85,079	84,349
Repairs and replacement	3,300	2,985	1,113
	<u>\$ 2,959,958</u>	<u>\$ 2,761,261</u>	<u>\$ 2,765,344</u>
Shortfall of revenue over expenses	\$ (768,358)	\$ (570,810)	\$ (805,934)
Accumulated surplus at the beginning of the year	<u>21,492,937</u>	<u>21,492,937</u>	<u>22,298,871</u>
Accumulated surplus at the end of the year	<u>\$ 20,724,579</u>	<u>\$ 20,922,127</u>	<u>\$ 21,492,937</u>

(See accompanying notes)

Town of Renfrew Wastewater System

Notes to the Financial Statements

For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Renfrew Wastewater System are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

The focus of PSAB financial statements is on the financial position of the Town of Renfrew Wastewater System and changes thereto. The Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Town of Renfrew Wastewater System and is the difference between financial assets and liabilities. This information explains the Town of Renfrew Wastewater System's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

(b) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(c) Tangible Capital Assets

- (i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI). The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Facilities	15 - 95 years
Equipment	5 - 30 years
Infrastructure	10 - 100 years

Town of Renfrew Wastewater System

Notes to the Financial Statements

For the year ended 31 December 2015

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Town of Renfrew Wastewater System has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) 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.

(iv) Inventories

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

(d) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(e) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are the result of a direct financial return.

Government transfers are recognized in the financial statements in the period in which the 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.

(f) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(g) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(h) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

Town of Renfrew Wastewater SystemNotes to the Financial StatementsFor the year ended 31 December 2015**2. FINANCIAL INSTRUMENTS**

Financial instruments include accounts receivable - user fees, due from Ontario, due from Town of Renfrew, accounts payable and accrued liabilities and net long term liabilities. Unless otherwise noted, it is management's opinion that the Town of Renfrew Wastewater System is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for accounts receivable - user fees, due from Ontario, due from Town of Renfrew and accounts payable and accrued liabilities, approximate their fair values, due to the immediate and short term maturities of these financial instruments.

The fair value of net long term liabilities, including the current portion, is based on rates currently available to the Town of Renfrew Wastewater System with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

3. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Town of Renfrew Wastewater System is not aware of any claims or possible claims as at 31 December 2015.

4. BUDGET FIGURES

The operating budget approved by the Town of Renfrew Wastewater System for 2015 is reflected on the Statement of Operations. The budget established for capital investment in tangible capital assets is 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 current year's actual expenditure amounts. As well, the Town of Renfrew Wastewater System does not budget activity within reserves with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements.

5. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Town of Renfrew Wastewater System by major asset class, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets

The Town of Renfrew Wastewater System records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are water and sewer lines installed by a developer as part of a subdivision agreement. Contributed tangible capital assets amounted to \$ Nil in 2015 (\$ Nil in 2014).

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation.

Town of Renfrew Wastewater System

Notes to the Financial Statements

For the year ended 31 December 2015

6. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 8,786,250 (2014 - \$ 9,033,751) reported on the Statement of Financial Position" is made up of long term liabilities incurred by the Town of Renfrew Wastewater System.

	<u>2015</u>	<u>2014</u>
(b) Serial debenture loan payable, interest at 4.79%, \$ 123,750 principal plus interest payable semi-annually, maturing April 2051	\$ <u>8,786,250</u>	\$ <u>9,033,751</u>

- (c) Principal and interest payments required on the long term liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 247,500	\$ 419,043	\$ 666,543
2017	247,500	406,034	653,534
2018	247,500	394,179	641,679
2019	247,500	382,324	629,824
2020	247,500	371,492	618,992
2021 to 2025	1,237,500	1,675,407	2,912,907
2026 onward	<u>6,311,250</u>	<u>3,932,434</u>	<u>10,243,684</u>
	<u>\$ 8,786,250</u>	<u>\$ 7,580,913</u>	<u>\$ 16,367,163</u>

7. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long term liabilities are as follows:

	<u>2015</u>	<u>2014</u>
Principal	\$ 247,500	\$ 247,500
Interest	<u>429,745</u>	<u>441,600</u>
	<u>\$ 677,245</u>	<u>\$ 689,100</u>

These payments are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing under Ontario Regulation 403/02.

8. NON ACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made, the wastewater reserve balance at 31 December 2015 would have decreased by \$ 104,927 (2014 - \$ 109,671).

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
Tangible capital assets - net	\$ 28,893,239	\$ 29,712,757
Net long term liabilities	(8,786,250)	(9,033,750)
Amounts to be funded in future years	<u>(35,627)</u>	<u></u>
Equity in tangible capital assets	<u>\$ 20,071,362</u>	<u>\$ 20,679,007</u>

Town of Renfrew Wastewater System

Schedule of Tangible Capital Assets

For the year ended 31 December 2015

(with 2014 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December 2014	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December 2015
Equipment	\$ 48,042			\$ 48,042
Rolling stock (vehicles)	77,705			77,705
Facilities	31,557,735			31,557,735
Infrastructure	6,049,373	\$ 145,142	\$ 2,196	6,192,319
Capital work in progress		35,627		35,627
Total	\$ 37,732,855	\$ 180,769	\$ 2,196	\$ 37,911,428

<u>Accumulated amortization</u>	Balance at 31 December 2014	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December 2015
Equipment	\$ 19,940	\$ 3,855		\$ 23,795
Rolling stock (vehicles)	77,705			77,705
Facilities	6,454,491	924,428		7,378,919
Infrastructure	1,467,961	71,675	\$ 1,866	1,537,770
Total	\$ 8,020,097	\$ 999,958	\$ 1,866	\$ 9,018,189

<u>Net book value</u>	Balance at 31 December 2014	Balance at 31 December 2015
Equipment	\$ 28,102	\$ 24,247
Facilities	25,103,244	24,178,816
Infrastructure	4,581,412	4,654,549
Capital work in progress		35,627
Total	\$ 29,712,758	\$ 28,893,239

(See accompanying notes)



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the accompanying financial statements of the Renfrew Public Library Board, which comprise the statement of financial position as at 31 December 2015, and the statement of operations 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 for local governments, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 the Renfrew Public Library Board as at 31 December 2015, and the results of its operations, for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKillican & Associates

RENFREW, Ontario.

9 August 2016

Chartered Professional Accountants,

Licensed Public Accountants.

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Renfrew Public Library Board
Statement of Financial Position
As at 31 December 2015
 (with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash in bank	\$ 167	
Due from revenue fund	<u>7,312</u>	\$ <u>6,094</u>
	\$ <u>7,479</u>	\$ <u>6,094</u>
Liability:		
Deferred revenue (Note 4)	\$ <u>7,479</u>	\$ <u>6,094</u>
Net financial assets	\$ <u>-</u>	\$ <u>-</u>
Accumulated surplus	\$ <u>-</u>	\$ <u>-</u>

(See accompanying notes)

Renfrew Public Library Board
Statement of Operations
For the year ended 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Revenue:		
Ontario grants	\$ 20,858	\$ 17,106
Canada grant		1,925
Municipal grant	422,678	416,813
Other	<u>21,557</u>	<u>20,482</u>
	\$ <u>465,093</u>	\$ <u>456,326</u>
Expenses:		
Books, periodicals and supplies	\$ 37,345	\$ 30,843
Employee wages and benefits	356,963	372,929
Facility expenses and miscellaneous	<u>70,785</u>	<u>52,554</u>
	\$ <u>465,093</u>	\$ <u>456,326</u>
Excess (shortfall) of revenue over expenses	\$ -	\$ -
Accumulated surplus at the beginning of the year	<u>-</u>	<u>-</u>
Accumulated surplus at the end of the year	\$ <u>-</u>	\$ <u>-</u>

(See accompanying notes)

Renfrew Public Library Board
Notes to the Financial Statements
For the year ended 31 December 2015

1 SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Renfrew Public Library Board are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

The focus of PSAB financial statements is on the financial position of the Renfrew Public Library Board and changes thereto. The Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Renfrew Public Library Board and is the difference between financial assets and liabilities. This information explains the Renfrew Public Library Board's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

(b) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

(c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are the result of a direct financial return.

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

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Renfrew Public Library Board
Notes to the Financial Statements
For the year ended 31 December 2015

(e) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(f) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash in bank and due from revenue fund. Unless otherwise noted, it is management's opinion that the Library Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank and due from revenue fund, approximate their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Library Board is not aware of any claims or possible claims as at 31 December 2015.

4. DEFERRED REVENUE

Deferred revenue consists of a grant from the Province of Ontario \$ 3,045 (2014 - \$ 1,229) and donations \$ 4,434 (2014 - \$ 4,865).



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Renfrew Downtown Business Association,
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the accompanying financial statements of the Renfrew Downtown Business Association which comprise the statement of financial position as at 31 December 2015, and the statement of operations 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 for local governments, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 the Renfrew Downtown Business Association as at 31 December 2015, and the results of its operations for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKillican & Associates

RENFREW, Ontario.
9 August 2016.

Chartered Professional Accountants,
Licensed Public Accountants.

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Renfrew Downtown Business AssociationStatement of Financial PositionAs at 31 December 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash in bank	\$ 9,004	\$ 2,135
Due from Town of Renfrew	2,683	1,355
Due from Canada	4,229	4,951
Prepaid expense	<u>480</u>	<u> </u>
	<u>\$ 16,396</u>	<u>\$ 8,441</u>
Liabilities:		
Accounts payable and accrued liabilities	<u>\$ 8,221</u>	<u>\$ 7,793</u>
Net financial assets	<u>\$ 8,175</u>	<u>\$ 648</u>
Accumulated surplus	<u>\$ 8,175</u>	<u>\$ 648</u>

(See accompanying notes)

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Revenue:			
Taxation	\$ 64,000	\$ 65,168	\$ 63,823
Other	<u> </u>	<u>4,464</u>	<u>3,577</u>
	\$ <u>64,000</u>	\$ <u>69,632</u>	\$ <u>67,400</u>
Expenses:			
Administration	\$ 12,090	\$ 6,255	\$ 4,860
Advertising, promotion and programs	11,910	24,367	24,564
Street beautification, maintenance and utilities	<u>40,000</u>	<u>31,483</u>	<u>35,446</u>
	\$ <u>64,000</u>	\$ <u>62,105</u>	\$ <u>64,870</u>
Excess of revenue over expenses	\$ -	\$ 7,527	\$ 2,530
Accumulated surplus (deficit) at the beginning of the year	<u>648</u>	<u>648</u>	<u>(1,882)</u>
Accumulated surplus at the end of the year	\$ <u>648</u>	\$ <u>8,175</u>	\$ <u>648</u>

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Renfrew Downtown Business AssociationNotes to the Financial StatementsFor the year ended 31 December 2015**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Renfrew Downtown Business Association are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

The focus of PSAB financial statements is on the financial position of the Renfrew Downtown Business Association and changes thereto. The Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Renfrew Downtown Business Association and is the difference between financial assets and liabilities. This information explains the Renfrew Downtown Business Association's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

(b) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

(c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are the result of a direct financial return.

Government transfers are recognized in the financial statements in the period in which the 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.

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Renfrew Downtown Business Association

Notes to the Financial Statements

For the year ended 31 December 2015

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash in bank, due from Town of Renfrew and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank, due from Town of Renfrew and accounts payable and accrued liabilities, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Association is not aware of any claims or possible claims as at 31 December 2015.



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the accompanying financial statements of the Town of Renfrew Stewart Bequest Trust, which comprise the statement of financial position as at 31 December 2015, and the statement of operations 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 for local governments, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 the Town of Renfrew Stewart Bequest Trust as at 31 December 2015, and the results of its operations, for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKillican & Associates

RENFREW, Ontario.
9 August 2016.

Chartered Professional Accountants,
Licensed Public Accountants.

Town of RenfrewStewart Bequest TrustStatement of Financial Position

For the year ended 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash in bank	\$ 22,523	\$ 22,550
Investments (Note 3)	<u>46,359</u>	<u>46,429</u>
	\$ <u>68,882</u>	\$ <u>68,979</u>
Net financial assets	\$ <u>68,882</u>	\$ <u>68,979</u>
Accumulated surplus	\$ <u>68,882</u>	\$ <u>68,979</u>

Town of RenfrewStewart Bequest TrustStatement of Operations

For the year ended 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Revenue:		
Trust gain (loss) during the year (net of expenses)	\$ <u>(97)</u>	\$ <u>5,862</u>
Excess (shortfall) of revenue over expenses	\$ <u>(97)</u>	\$ <u>5,862</u>
Accumulated surplus at the beginning of the year	<u>68,979</u>	<u>63,117</u>
Accumulated surplus at the end of the year	\$ <u>68,882</u>	\$ <u>68,979</u>

(See accompanying notes)

Town of Renfrew
Stewart Bequest Trust
Notes to the Financial Statements
For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Financial statements of the Town of Renfrew Stewart Bequest Trust are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

The focus of PSAB financial statements is on the financial position of the Stewart Bequest Trust and changes thereto. The Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Stewart Bequest Trust and is the difference between financial assets and liabilities. This information explains the Stewart Bequest Trust's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash in bank and investments. Unless otherwise noted, it is management's opinion that the Stewart Bequest Trust is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank and investments, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

Town of RenfrewStewart Bequest TrustNotes to the Financial StatementsFor the year ended 31 December 2015**3. INVESTMENTS**

The Recreational Commission of the Town of Renfrew received a bequest from the Daniel Watson Stewart Estate in 1964. The Commission is required by the terms of the Will to invest and keep invested this bequest and to use the income for improvement, benefit and maintenance of the Recreation Centre.

These investments had a market value at 31 December 2015 of \$ 46,359 (2014 - \$ 46,429).

	Cost 31 December <u>2015</u>	Cost 31 December <u>2014</u>	Market Value 31 December <u>2015</u>	Market Value 31 December <u>2014</u>
Investments consist of:				
Mutual Funds	\$ <u>28,325</u>	\$ <u>27,794</u>	\$ <u>46,359</u>	\$ <u>46,429</u>
Total investments	\$ <u>28,325</u>	\$ <u>27,794</u>	\$ <u>46,359</u>	\$ <u>46,429</u>

4. CONTINGENT LIABILITIES

The nature of trust activities is such that there may be litigation pending or in prospect at any time. The Town of Renfrew Stewart Bequest Trust is not aware of any claims or possible claims as at 31 December 2015.



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members,
Renfrew Parks and Recreation Fund Raising Committee Trust,
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the accompanying financial statements of the Renfrew Parks and Recreation Fund Raising Committee Trust, which comprise the statement of financial position as at 31 December 2015, and the statement of operations 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 for local governments, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 the Renfrew Parks and Recreation Fund Raising Committee Trust as at 31 December 2015, and the results of its operations for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKilligan & Associates

RENFREW, Ontario.
9 August 2016.

Chartered Professional Accountants,
Licensed Public Accountants.

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Renfrew Parks and Recreation Fund Raising Committee Trust

Statement of Financial Position

As at 31 December 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash	\$ 600	\$ 600
Inventory (Note 2)	5,380	3,688
Due from the Town of Renfrew	<u>140,310</u>	<u>131,847</u>
	\$ <u>146,290</u>	\$ <u>136,135</u>
Liability:		
Accounts payable	\$ <u>2,783</u>	\$ <u>95</u>
Net financial assets	\$ <u><u>143,507</u></u>	\$ <u><u>136,040</u></u>
Accumulated surplus	\$ <u><u>143,507</u></u>	\$ <u><u>136,040</u></u>

(See accompanying notes)

Renfrew Parks and Recreation Fund Raising Committee Trust

Statement of Operations

For the year ended 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Revenue:		
Sales	\$ 37,826	\$ 37,216
Interest	1,486	1,577
Miscellaneous	<u>3,319</u>	<u>3,659</u>
	\$ <u>42,631</u>	\$ <u>42,452</u>
Expenses:		
Purchases for resale	\$ 18,108	\$ 17,883
Volunteer remuneration	4,120	4,265
Miscellaneous	<u>2,936</u>	<u>5,462</u>
	\$ <u>25,164</u>	\$ <u>27,610</u>
Excess of revenue over expenses	\$ 17,467	\$ 14,842
Other:		
Transfer to capital	<u>(10,000)</u>	<u> </u>
Change in accumulated surplus	\$ 7,467	\$ 14,842
Accumulated surplus at the beginning of the year	<u>136,040</u>	<u>121,198</u>
Accumulated surplus at the end of the year	\$ <u><u>143,507</u></u>	\$ <u><u>136,040</u></u>

(See accompanying notes)

Renfrew Parks and Recreation Fund Raising Committee Trust

Notes to the Financial Statements

For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Financial statements of the Renfrew Parks and Recreation Fund Raising Committee Trust are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

The focus of PSAB financial statements is on the financial position of the Renfrew Parks and Recreation Fund Raising Committee Trust and changes thereto. The Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Renfrew Parks and Recreation Fund Raising Committee Trust and is the difference between financial assets and liabilities. This information explains the Renfrew Parks and Recreation Fund Raising Committee Trust's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. INVENTORY

Inventory held for resale is recorded at the lower of cost or replacement cost.

3. FINANCIAL INSTRUMENTS

Financial instruments include cash, due from the Town of Renfrew and accounts payable. Unless otherwise noted, it is management's opinion that the Trust is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash, due from the Town of Renfrew and accounts payable, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

Renfrew Parks and Recreation Fund Raising Committee Trust

Notes to the Financial Statements

For the year ended 31 December 2015

4. RENFREW PARKS AND RECREATION FUND RAISING COMMITTEE TRUST

A group of individuals have agreed to volunteer their time to raise funds to help offset some of the costs of capital projects of the Renfrew Parks and Recreation. The funds are being administered by the Town of Renfrew in a trust format.

5. CONTINGENT LIABILITIES

The nature of trust activities is such that there may be litigation pending or in prospect at any time. The Renfrew Parks and Recreation Fund Raising Committee Trust is not aware of any claims or possible claims as at 31 December 2015.



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Trustees,
Town of Renfrew Swimming Pool Trust,
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the accompanying financial statements of the Town of Renfrew Swimming Pool Trust, which comprise the statement of financial position as at 31 December 2015, and the statement of operations 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 for local governments, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 the Town of Renfrew Swimming Pool Trust as at 31 December 2015, and the results of its operations for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKillican & Associates

RENFREW, Ontario.
9 August 2016.

Chartered Professional Accountants,
Licensed Public Accountants.

Town of RenfrewSwimming Pool TrustStatement of Financial Position

For the year ended 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash in bank	\$ <u>34,003</u>	\$ <u>33,651</u>
Net financial assets	\$ <u>34,003</u>	\$ <u>33,651</u>
Accumulated surplus	\$ <u>34,003</u>	\$ <u>33,651</u>

Town of RenfrewSwimming Pool TrustStatement of Operations

For the year ended 31 December 2015
(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Accumulated surplus at the beginning of the year	\$ 33,651	\$ 33,233
Interest income	<u>352</u>	<u>418</u>
Accumulated surplus at the end of the year	\$ <u>34,003</u>	\$ <u>33,651</u>

(See accompanying notes)

Town of Renfrew

Swimming Pool Trust

Notes to the Financial Statements

For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Financial statements of the Town of Renfrew Swimming Pool Trust are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

The focus of PSAB financial statements is on the financial position of the Swimming Pool Trust and changes thereto. The Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Swimming Pool Trust and is the difference between financial assets and liabilities. This information explains the Swimming Pool Trust's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENT

Financial instrument includes cash in bank. Unless otherwise noted, it is management's opinion that the Swimming Pool Trust is not exposed to significant interest, currency or credit risks arising from this financial instrument.

The carrying amount reported on the statement of financial position for cash in bank, approximates its fair value, due to the immediate and short term maturity of this financial instrument.

3. SWIMMING POOL TRUST

The Swimming Pool Trust came about as the result of a campaign to raise funds for the construction of a swimming pool. The donations have been put into a trust fund until such time as a pool may be built.

4. CONTINGENT LIABILITIES

The nature of Trust activities is such that there may be litigation pending or in prospect at any time. The Town of Renfrew Swimming Pool Trust is not aware of any claims or possible claims as at 31 December 2015.