

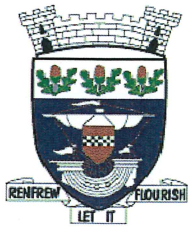
Town of Renfrew

Financial Statements

For the year ended 31 December 2016

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS



TOWN OF RENFREW

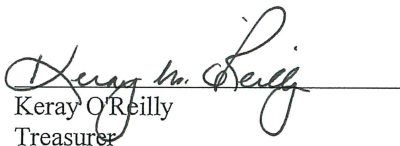
Management's Responsibility for the Consolidated Financial Statements

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 2016

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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 2016, 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 2016, 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.

MacKilligan + Associates

RENFREW, Ontario.
23 May 2017.

Chartered Professional Accountants,
Licensed Public Accountants.

Town of Renfrew
Consolidated Statement of Financial Position
As at 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Financial assets:		
Cash	\$ 4,354,590	\$ 5,266,444
Taxes receivable	1,081,641	1,029,144
Accounts receivable	1,589,637	1,159,091
User charges receivable	1,170,497	1,178,165
Other assets	5,712	5,306
Investment in government business enterprises (Note 4)	<u>10,809,730</u>	<u>10,246,234</u>
	<u>\$ 19,011,807</u>	<u>\$ 18,884,384</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 2,265,039	\$ 1,936,642
Deferred revenue - obligatory reserve funds (Note 6 (a))	1,736,302	1,817,236
- other (Note 6 (b))	568,603	1,557,703
Net long term liabilities (Note 11)	11,448,750	11,266,250
Landfill closure and post closure costs (Note 7)	1,406,054	1,320,711
Employee future benefits	<u>188,069</u>	<u>187,800</u>
	<u>\$ 17,612,817</u>	<u>\$ 18,086,342</u>
Net financial assets	<u>\$ 1,398,990</u>	<u>\$ 798,042</u>
Non-financial assets:		
Tangible capital assets (net) (Note 10)	\$ 98,808,950	\$ 97,705,967
Inventory of supplies	169,566	145,568
Prepaid expenses	<u>153,157</u>	<u>384,791</u>
	<u>\$ 99,131,673</u>	<u>\$ 98,236,326</u>
Accumulated surplus	<u>\$ 100,530,663</u>	<u>\$ 99,034,368</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 13)	\$ 85,495,714	\$ 85,066,716
Reserves	6,516,091	5,940,674
General	(718,920)	(718,920)
Renfrew Downtown Business Association	22,171	8,175
Equity in government business enterprises (Note 4)	10,809,730	10,246,234
Unfunded - employee future benefit costs (Note 2)	(188,069)	(187,800)
Unfunded - landfill closure and post closure costs (Note 2)	<u>(1,406,054)</u>	<u>(1,320,711)</u>
Total accumulated surplus	<u>\$ 100,530,663</u>	<u>\$ 99,034,368</u>

(See accompanying notes)

Town of Renfrew
Consolidated Statement of Operations
For the year ended 31 December 2016
 (with 2016 budget and 2015 actual figures for comparison)

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Revenue:			
Taxation	\$ 7,806,280	\$ 7,830,368	\$ 7,476,319
Government transfers:			
Ontario	5,018,935	4,889,962	4,286,725
Canada	1,187,405	1,220,965	216,350
Other municipalities	164,080	177,939	178,877
Other	6,892,290	8,559,325	6,923,299
Loss on disposal of capital assets		(1,518,387)	(1,407,681)
Landfill closure cost adjustment (Note 7)		<u>(85,343)</u>	<u>(85,342)</u>
	<u>\$ 21,068,990</u>	<u>\$ 21,074,829</u>	<u>\$ 17,588,547</u>
Expenses:			
General government	\$ 1,898,322	\$ 1,771,469	\$ 1,488,821
Protection to persons and property	4,137,618	3,929,090	3,932,430
Transportation services	5,756,414	5,479,562	5,058,750
Environmental services	5,848,944	5,896,972	5,699,480
Recreation and cultural services	2,276,584	2,227,750	2,118,425
Planning and development	<u>171,500</u>	<u>273,691</u>	<u>225,359</u>
	<u>\$ 20,089,382</u>	<u>\$ 19,578,534</u>	<u>\$ 18,523,265</u>
Excess (shortfall) of revenue over expenses	\$ 979,608	\$ 1,496,295	\$ (934,718)
Accumulated surplus at the beginning of the year	<u>99,034,368</u>	<u>99,034,368</u>	<u>99,969,086</u>
Accumulated surplus at the end of the year	<u>\$ 100,013,976</u>	<u>\$ 100,530,663</u>	<u>\$ 99,034,368</u>

(See accompanying notes)

Town of Renfrew

Consolidated Statement of Changes in Net Financial Assets (Liabilities)

For the year ended 31 December 2016
(with 2016 budget and 2015 actual figures for comparison)

	2016 <u>Budget</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
Excess (shortfall) of revenue over expenses	\$ 979,608	\$ 1,496,295	\$ (934,718)
Amortization of tangible capital assets	4,696,304	4,696,304	4,728,284
Acquisition of tangible capital assets and construction in progress	(8,617,637)	(7,328,743)	(4,346,512)
Loss on disposal of capital assets		1,529,456	1,407,680
Use of (acquisition of) prepaid expenses		231,634	(258,027)
Use of (acquisition of) inventory	<u> </u>	<u>(23,998)</u>	<u>31,271</u>
Increase (decrease) in net financial assets	\$ (2,941,725)	\$ 600,948	\$ 627,978
Net financial assets (liabilities) at the beginning of the year	<u>798,042</u>	<u>798,042</u>	<u>170,064</u>
Net financial assets (liabilities) at the end of the year	<u>\$ (2,143,683)</u>	<u>\$ 1,398,990</u>	<u>\$ 798,042</u>

(See accompanying notes)

Town of Renfrew
Consolidated Statement of Cash Flows
For the year ended 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ 1,496,295	\$ (934,718)
Add items which do not involve cash:		
- amortization	4,696,304	4,728,284
- loss on disposal of assets	1,529,456	1,407,680
- landfill closure and post closure costs	85,343	85,342
- employee future benefits	<u>269</u>	<u>40,858</u>
	<u>\$ 7,807,667</u>	<u>\$ 5,327,446</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (52,497)	\$ (66,723)
- decrease (increase) in other assets	(406)	(389)
- decrease (increase) in accounts receivable	(430,546)	(636,467)
- decrease (increase) in prepaid expenses	231,634	(258,027)
- decrease (increase) in user charges receivable	7,668	(84,668)
- decrease (increase) in inventory	(23,998)	31,271
- increase (decrease) in accounts payable and accrued liabilities	<u>328,397</u>	<u>563,076</u>
	<u>\$ 60,252</u>	<u>\$ (451,927)</u>
Cash flows from operating activities	<u>\$ 7,867,919</u>	<u>\$ 4,875,519</u>
Cash flows from financing activities:		
Repayment of long term debt	\$ (567,500)	\$ (567,500)
Proceeds from long term debt	750,000	
Increase (decrease) in deferred revenue - obligatory reserve funds	(80,934)	129,109
Increase (decrease) in deferred revenue - other	<u>(989,100)</u>	<u>39,596</u>
Cash flows used for financing activities	<u>\$ (887,534)</u>	<u>\$ (398,795)</u>
Cash flows used for capital activities:		
Additions to tangible capital assets:		
General government	\$ (231,347)	\$ (917,788)
Protection services	(160,841)	(69,226)
Development and works	(6,391,169)	(3,237,862)
Recreation and cultural services	<u>(545,386)</u>	<u>(121,636)</u>
Cash flows used for capital activities	<u>\$ (7,328,743)</u>	<u>\$ (4,346,512)</u>
Cash flows used for investing activities:		
Additions to investment in government business enterprises	<u>\$ (563,496)</u>	<u>\$ (369,651)</u>
Decrease in cash and cash equivalents during the year	\$ (911,854)	\$ (239,439)
Cash and cash equivalents at the beginning of the year	<u>5,266,444</u>	<u>5,505,883</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 4,354,590</u></u>	<u><u>\$ 5,266,444</u></u>

(See accompanying notes)

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

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.

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

(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.

(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.

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

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. Significant estimates include the allowance for doubtful taxes, landfill closure and post closure costs, employee future benefits and the useful life and recoverable amounts of tangible capital assets.

(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.

(k) Revenue Recognition

Taxation revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years. Fees and user charges relate to licensing fees, fees for use of various programming, and fees imposed based on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.

(l) 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.

2. 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.

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

3. TRUST FUNDS

Trust funds administered by the Town, totaling \$ 232,645 (2015 - \$ 246,392) 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.

4. 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 2016 along with information for the year ended 31 December 2015.

Renfrew Hydro Inc. (100%)	<u>2016</u>	<u>2015</u>
Financial position:		
Current and other assets	\$ 4,207,087	\$ 4,171,766
Capital assets	<u>5,486,172</u>	<u>5,361,141</u>
	<u>\$ 9,693,259</u>	<u>\$ 9,532,907</u>
Current liabilities	\$ 2,294,520	\$ 2,224,586
Long term debt	<u>3,051,114</u>	<u>3,043,740</u>
	<u>\$ 5,345,634</u>	<u>\$ 5,268,326</u>
Net assets	<u>\$ 4,347,625</u>	<u>\$ 4,264,581</u>
Results of operations:		
Revenues	\$ 13,903,163	\$ 12,830,310
Operating expenses	<u>13,943,101</u>	<u>12,846,075</u>
Net income	<u>\$ (39,938)</u>	<u>\$ (15,765)</u>
Dividends declared and paid	<u>\$ -</u>	<u>\$ (22,268)</u>
Renfrew Power Generation Inc. (100%)	<u>2016</u>	<u>2015</u>
Financial position:		
Current and other assets	\$ 1,103,379	\$ 1,447,274
Capital assets	<u>26,585,950</u>	<u>26,260,202</u>
	<u>\$ 27,689,329</u>	<u>\$ 27,707,476</u>
Current liabilities	\$ 1,356,397	\$ 1,035,986
Long term debt	<u>23,506,187</u>	<u>24,382,068</u>
	<u>\$ 24,862,584</u>	<u>\$ 25,418,054</u>
Net assets	<u>\$ 2,826,745</u>	<u>\$ 2,289,422</u>

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

Renfrew Power Generation Inc. (100%)	<u>2016</u>	<u>2015</u>
Results of operations:		
Revenues	\$ 2,907,597	\$ 1,912,392
Operating expenses	<u>2,300,274</u>	<u>1,627,359</u>
Net income	<u>\$ 607,323</u>	<u>\$ 285,033</u>
Dividends declared and paid	<u>\$ (70,000)</u>	<u>\$ -</u>
Renfrew Innovation Centre (100%)	<u>2016</u>	<u>2015</u>
Financial position:		
Current and other assets	\$ 318,347	\$ 310,060
Capital assets	<u>995,933</u>	<u>1,177,830</u>
	<u>\$ 1,314,280</u>	<u>\$ 1,487,890</u>
Current liabilities	<u>\$ 536,382</u>	<u>\$ 746,103</u>
Net assets	<u>\$ 777,898</u>	<u>\$ 741,787</u>
Results of operations:		
Revenues	\$ 698,403	\$ 687,865
Operating expenses	<u>572,292</u>	<u>565,214</u>
Net income	<u>\$ 126,111</u>	<u>\$ 122,651</u>
Distributions declared and paid	<u>\$ (60,000)</u>	<u>\$ -</u>

5. 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	\$ 2,721,839	\$ 2,866,406
Payments in lieu	<u> </u>	<u>122,827</u>
	<u>\$ 2,721,839</u>	<u>\$ 2,989,233</u>

6. 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>2016</u>	<u>2015</u>
Lot development charges	\$ 991,561	\$ 920,509
Gasoline tax rebates - Provincial	318,777	230,804
Gasoline tax rebates - Federal	<u>425,964</u>	<u>665,923</u>
	<u>\$ 1,736,302</u>	<u>\$ 1,817,236</u>

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

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

	<u>2016</u>	<u>2015</u>
Balance at the beginning of the year	\$ 1,817,236	\$ 1,688,127
Gas tax revenues received	485,915	466,369
Development charges	123,673	55,708
Interest earned	<u>19,892</u>	<u>19,762</u>
	<u>\$ 2,446,716</u>	<u>\$ 2,229,966</u>
Used to purchase capital assets	\$ (496,700)	\$ (210,966)
Used in operations	(62,466)	(49,065)
Transferred to other enterprises	<u>(151,248)</u>	<u>(152,699)</u>
	<u>\$ (710,414)</u>	<u>\$ (412,730)</u>
Balance at the end of the year	<u>\$ 1,736,302</u>	<u>\$ 1,817,236</u>

(b) Other Deferred Revenue:

Other deferred revenue consists of advances from the Province of Ontario \$ 75,744 (2015 - \$ 1,374,178), Canada \$ Nil (2015 - \$ 96,510) and private developers \$ 492,859 (2015 - \$ 87,015) to complete infrastructure projects within the Town, as well as advances on recreation and other programs which will be completed in 2017.

7. 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 \$ 190,000 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>2016</u>	<u>2015</u>
Landfill site's estimated remaining capacity in cubic metres	788,916	805,916
Landfill site's remaining useful life in years	22	23
Expected years of post closure care	25	25

The estimated total undiscounted expenses over the 25 year post closure period amount to approximately \$ 5,366,614.

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

8. 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 \$ 22,580,633 (2015 - \$ 23,453,883) on the loan.

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.

9. BUDGET FIGURES

The operating budget approved by the Town of Renfrew for 2016 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.

10. 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 \$ 734,020 in 2016 (\$ Nil in 2015).

(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 2016 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

11. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 11,448,750 (2015 - \$ 11,266,250) 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.

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

	<u>2016</u>	<u>2015</u>
(b) Serial debenture loan payable, interest at 4.79%, \$ 123,750 principal plus interest payable semi-annually, maturing April 2051	\$ 8,538,750	\$ 8,786,250
Serial debenture loan payable, interest at 2.38%, \$ 100,000 principal plus interest payable semi-annually, maturing January 2027	2,100,000	2,300,000
Serial debenture loan payable, interest at 4.32%, \$ 60,000 principal plus interest payable semi-annually, maturing January 2017	60,000	180,000
Serial debenture loan payable, interest at 2.89%, \$ 18,750 principal plus interest payable semi-annually, maturing April 2036.	<u>750,000</u>	<u> </u>
Net long term liabilities at the end of the year	\$ <u><u>11,448,750</u></u>	\$ <u><u>11,266,250</u></u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 545,000	\$ 477,001	\$ 1,022,001
2018	485,000	457,995	942,995
2019	485,000	440,296	925,296
2020	485,000	423,760	908,760
2021	485,000	404,898	889,898
2022 to 2026	2,425,000	1,759,974	4,184,974
2027 onward	<u>6,538,750</u>	<u>3,685,794</u>	<u>10,224,544</u>
	\$ <u><u>11,448,750</u></u>	\$ <u><u>7,649,718</u></u>	\$ <u><u>19,098,468</u></u>

12. CHARGES FOR NET LONG TERM LIABILITIES

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

	<u>2016</u>	<u>2015</u>
Principal	\$ 567,500	\$ 567,500
Interest	<u>493,698</u>	<u>499,739</u>
	\$ <u><u>1,061,198</u></u>	\$ <u><u>1,067,239</u></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.

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2016</u>	<u>2015</u>
Tangible capital assets - net	\$ 98,808,950	\$ 97,705,967
Net long term liabilities	(11,448,750)	(11,266,250)
Amounts to be funded in future years	<u>(1,864,486)</u>	<u>(1,373,001)</u>
Equity in tangible capital assets	\$ <u><u>85,495,714</u></u>	\$ <u><u>85,066,716</u></u>

Town of Renfrew

Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

14. 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 2016, the Municipality contributed \$ 398,506 (2015 - \$ 360,419) to the plan and is included as an expense in the consolidated statement of operations. The Town does not recognize in its consolidated financial statements any share of the pension plan deficit as this is a joint responsibility of all Ontario municipalities and their employees. The pension plan deficit for 2016 is \$ 2,341,000,000 (2015 - \$ 5,259,000,000) based on the fair market value of the Plan's assets.

15. CONTRACTUAL OBLIGATIONS

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 2016 was \$ 1,868,856 (2015 - \$ 1,991,816).

In 2016, the Town entered into a seven month 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 2016 to 31 March 2017. Annual charges are determined by reference to the number of households in the Town. The cost of this contract for 2016 was \$ 191,961 (2015 - \$ 191,566).

In 2016, the Town entered into a seven month contract with Canadian Waste Management Inc. for the collection of curbside garbage. The contract is for a period from 1 September 2016 to 31 March 2017. Annual charges are determined by reference to the number of households in the Town. The cost of this contract for 2016 was \$ 160,384 (2015 - \$ 160,384).

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 2016 was \$ 1,387,719 (2015 - \$ 1,309,438).

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 2016 was \$ 210,105 (2015 - \$ 205,378).

16. 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 2016 would have decreased by \$ 126,313 (2015 - \$ 133,873).

17. SEGMENTED INFORMATION

(a) The Town is responsible for providing a wide range of services to its citizens. The Town reports on functional areas and programs in its consolidated financial statements. A brief description of each segment follows:

Town of Renfrew
Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

- i) General government is comprised of Council and administration and is responsible for the overall governance and management of the Municipality.
 - ii) Protection is comprised of police, fire, and other protective services.
 - iii) Transportation is comprised of roads including parking, signs and signals, streetlights and the maintenance of roads of the Town.
 - iv) Environmental services include water supply and distribution, wastewater treatment, and solid waste and recycling services.
 - v) Recreation and cultural services include parks and recreation and libraries.
 - vi) Planning and development services are comprised of managing development for residential and business interests, as well as infrastructure and parks.
- (b) For each functional area, expenditures represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The expenditures for 31 December 2016 are as follows:

	Salaries and benefits	Interest on long term debt	Materials and contracted services	Rent and external transfers	Amortization	Total
General government	\$ 898,619	\$ 14,447	\$ 766,135	\$ 53,888	\$ 38,380	\$ 1,771,469
Protection services	1,704,531		2,151,685		72,874	3,929,090
Transportation services	807,274		1,563,319	168,835	2,940,134	5,479,562
Environmental services	702,833	479,251	3,228,135	36,206	1,450,547	5,896,972
Recreation services	1,357,037		633,991	42,353	194,369	2,227,750
Planning and development	<u>148,651</u>		<u>115,040</u>	<u>10,000</u>		<u>273,691</u>
	<u>\$ 5,618,945</u>	<u>\$ 493,698</u>	<u>\$ 8,458,305</u>	<u>\$ 311,282</u>	<u>\$ 4,696,304</u>	<u>\$ 19,578,534</u>

- (c) The expenditures for 31 December 2015 are as follows:

	Salaries and benefits	Interest on long term debt	Materials and contracted services	Rent and external transfers	Amortization	Total
General government	\$ 864,516		\$ 520,313	\$ 52,158	\$ 51,834	\$ 1,488,821
Protection services	1,641,910		2,220,727		69,793	3,932,430
Transportation services	827,282		1,106,578	170,295	2,954,595	5,058,750
Environmental services	683,508	\$ 499,739	3,031,145	32,176	1,452,912	5,699,480
Recreation services	1,269,724		610,869	43,353	194,479	2,118,425
Planning and development	<u>131,068</u>		<u>79,620</u>	<u>10,000</u>	<u>4,671</u>	<u>225,359</u>
	<u>\$ 5,418,008</u>	<u>\$ 499,739</u>	<u>\$ 7,569,252</u>	<u>\$ 307,982</u>	<u>\$ 4,728,284</u>	<u>\$ 18,523,265</u>

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

Town of Renfrew
Schedule of General Operations
For the year ended 31 December 2016
(with 2016 budget and 2015 actual figures for comparison)

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 7,806,280	\$ 7,765,346	\$ 7,411,151
Government transfers:			
Ontario	5,000,215	4,866,993	4,265,867
Canada	1,187,405	1,219,389	216,350
Other municipalities	164,080	177,939	178,877
Other	2,218,965	2,070,900	1,981,006
Loss on disposal of tangible capital assets	<u> </u>	<u>(1,455,753)</u>	<u>(1,407,681)</u>
	<u>\$ 16,376,945</u>	<u>\$ 14,644,814</u>	<u>\$ 12,645,570</u>
Expenses:			
General government	\$ 1,898,322	\$ 1,771,469	\$ 1,495,150
Protection to persons and property	4,137,618	3,916,281	3,919,618
Transportation services	5,756,414	5,488,397	5,006,360
Environmental services	696,546	783,886	839,229
Recreation and cultural services	1,785,939	1,707,920	1,656,604
Planning and development	<u>171,500</u>	<u>217,050</u>	<u>163,254</u>
	<u>\$ 14,446,339</u>	<u>\$ 13,885,003</u>	<u>\$ 13,080,215</u>
Excess (shortfall) of revenue over expenses	<u>\$ 1,930,606</u>	<u>\$ 759,811</u>	<u>\$ (434,645)</u>
Transfers:			
Transfer to Library	\$ (455,300)	\$ (475,747)	\$ (422,678)
Transfer to reserves	(409,325)	(721,846)	(521,172)
Transfer from (to) equity in tangible capital assets	<u>(1,065,981)</u>	<u>437,782</u>	<u>1,378,495</u>
Net transfers	<u>\$ (1,930,606)</u>	<u>\$ (759,811)</u>	<u>\$ 434,645</u>
Shortfall of revenue over expenses	\$ -	\$ -	\$ -
General surplus (deficit) at the beginning of the year	<u>(718,920)</u>	<u>(718,920)</u>	<u>(718,920)</u>
General surplus (deficit) at the end of the year	<u><u>\$ (718,920)</u></u>	<u><u>\$ (718,920)</u></u>	<u><u>\$ (718,920)</u></u>

(See accompanying notes)

Town of Renfrew
Consolidated Schedule of Reserves and Reserve Funds
For the year ended 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Contributions:		
From general operations	\$ 1,765,524	\$ 846,390
From wastewater operations	13,951	48,521
From waterworks operations	<u>155,541</u>	<u>310,497</u>
	<u>\$ 1,935,016</u>	<u>\$ 1,205,408</u>
Transfers:		
To general operations	\$ (1,292,734)	\$ (159,729)
To tangible capital asset acquisitions	<u>(66,865)</u>	<u>(177,176)</u>
	<u>\$ (1,359,599)</u>	<u>\$ (336,905)</u>
Change in reserves and reserve funds balance	\$ 575,417	\$ 868,503
Reserves and reserve funds at the beginning of the year	<u>5,940,674</u>	<u>5,072,171</u>
Reserves and reserve funds at the end of the year	<u>\$ 6,516,091</u>	<u>\$ 5,940,674</u>
Reserves:		
Working funds	\$ 200,000	\$ 200,000
Contingencies	1,593,402	2,441,321
Asset acquisitions - general operations	2,829,335	1,322,207
- waterworks system	1,231,922	1,126,381
- wastewater system	<u>661,432</u>	<u>850,765</u>
Total reserves	<u>\$ 6,516,091</u>	<u>\$ 5,940,674</u>

(See accompanying notes)

Town of Renfrew
Consolidated Schedule of Tangible Capital Assets

As at 31 December 2016
(with 2015 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December <u>2015</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2016</u>
Land	\$ 245,330			\$ 245,330
Land improvements	2,202,613	\$ 100,057	\$ (22,327)	2,280,343
Equipment	1,627,455	110,668	(4,000)	1,734,123
Rolling stock (vehicles)	3,588,914	176,658	(175,871)	3,589,701
Facilities	52,688,976	716,460	779,254	54,184,690
Infrastructure	103,200,856	5,637,052	(3,619,909)	105,217,999
Capital work in progress	<u>983,095</u>	<u>587,848</u>	<u>(983,095)</u>	<u>587,848</u>
Total	\$ <u>164,537,239</u>	\$ <u>7,328,743</u>	\$ <u>(4,025,948)</u>	\$ <u>167,840,034</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2015</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2016</u>
Land improvements	\$ 1,808,634	\$ 40,875	\$ (22,327)	\$ 1,827,182
Equipment	992,820	84,494	(4,000)	1,073,314
Rolling stock (vehicles)	1,525,038	177,650	(175,871)	1,526,817
Facilities	16,574,022	1,358,576		17,932,598
Infrastructure	<u>45,930,758</u>	<u>3,034,709</u>	<u>(2,294,294)</u>	<u>46,671,173</u>
Total	\$ <u>66,831,272</u>	\$ <u>4,696,304</u>	\$ <u>(2,496,492)</u>	\$ <u>69,031,084</u>

<u>Net book value</u>	Balance at 31 December <u>2015</u>	Balance at 31 December <u>2016</u>
Land	\$ 245,330	\$ 245,330
Land improvements	393,979	453,161
Equipment	634,635	660,809
Rolling stock (vehicles)	2,063,876	2,062,884
Facilities	36,114,954	36,252,092
Infrastructure	57,270,098	58,546,826
Capital work in progress	<u>983,095</u>	<u>587,848</u>
Total	\$ <u>97,705,967</u>	\$ <u>98,808,950</u>

(See accompanying notes)

Town of Renfrew

Consolidated Schedule of Tangible Capital Assets

As at 31 December 2016
(with 2015 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 December <u>2015</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2016</u>
General government	\$ 3,948,526	\$ 231,347	\$ (262,751)	\$ 3,917,122
Protection services	1,731,002	160,841		1,891,843
Recreation and culture	9,147,064	545,386	236,424	9,928,874
Development and works	<u>149,710,647</u>	<u>6,391,169</u>	<u>(3,999,621)</u>	<u>152,102,195</u>
Total	<u>\$ 164,537,239</u>	<u>\$ 7,328,743</u>	<u>\$ (4,025,948)</u>	<u>\$ 167,840,034</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2015</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2016</u>
General government	\$ 1,873,043	\$ 38,380		\$ 1,911,423
Protection services	653,089	72,874		725,963
Recreation and culture	7,246,647	194,369	\$ (26,327)	7,414,689
Development and works	<u>57,058,493</u>	<u>4,390,681</u>	<u>(2,470,165)</u>	<u>58,979,009</u>
Total	<u>\$ 66,831,272</u>	<u>\$ 4,696,304</u>	<u>\$ (2,496,492)</u>	<u>\$ 69,031,084</u>

<u>Net book value</u>	Balance at 31 December <u>2015</u>	Balance at 31 December <u>2016</u>
General government	\$ 2,075,483	\$ 2,005,699
Protection services	1,077,913	1,165,880
Recreation and culture	1,900,417	2,514,185
Development and works	<u>92,652,154</u>	<u>93,123,186</u>
Total	<u>\$ 97,705,967</u>	<u>\$ 98,808,950</u>

(See accompanying notes)



**MAC KILLICAN
& 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 2016, 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 2016, and the results of its operations for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

Mac Killigan & Associates

RENFREW, Ontario.
23 May 2017.

**Chartered Professional Accountants,
Licensed Public Accountants.**

Town of Renfrew Waterworks
Statement of Financial Position
As at 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Financial assets:		
Accounts receivable - user charges	\$ 535,685	\$ 547,566
Due from Town of Renfrew	301,082	417,571
Due from Canada	56,509	
Due from Ontario	<u>30,748</u>	<u>61,239</u>
	\$ <u>924,024</u>	\$ <u>1,026,376</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 27,243	\$ 66,508
Deferred revenue	10,012	10,748
Net long term liabilities (Note 6)	<u>2,160,000</u>	<u>2,480,000</u>
	\$ <u>2,197,255</u>	\$ <u>2,557,256</u>
Net financial assets (liabilities)	\$ <u>(1,273,231)</u>	\$ <u>(1,530,880)</u>
Non-financial assets:		
Tangible capital assets (net) (Note 5)	\$ 16,113,090	\$ 15,566,504
Inventory of supplies	<u>114,264</u>	<u>148,197</u>
	\$ <u>16,227,354</u>	\$ <u>15,714,701</u>
Accumulated surplus	\$ <u><u>14,954,123</u></u>	\$ <u><u>14,183,821</u></u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 9)	\$ 13,722,201	\$ 13,057,440
Reserves	<u>1,231,922</u>	<u>1,126,381</u>
Total accumulated surplus	\$ <u><u>14,954,123</u></u>	\$ <u><u>14,183,821</u></u>

(See accompanying notes)

Town of Renfrew Waterworks

Statement of Operations

For the year ended 31 December 2016

(with 2016 budget and 2015 actual figures for comparison)

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Revenue:			
User charges	\$ 2,407,300	\$ 2,493,328	\$ 2,341,045
Government of Canada		211,228	
Government of Ontario		211,228	
Installation and service charges	<u>10,000</u>	<u>18,853</u>	<u>15,125</u>
	<u>\$ 2,417,300</u>	<u>\$ 2,934,637</u>	<u>\$ 2,356,170</u>
Expenses:			
Amortization	\$ 447,210	\$ 447,210	\$ 442,404
Loss on disposal of assets		38,290	
Long term debt interest	60,200	60,208	69,994
Operating charges - Ontario Clean Water Agency	653,100	600,084	556,167
Water transmission and distribution	777,100	755,548	763,632
Administration	<u>290,600</u>	<u>262,995</u>	<u>281,537</u>
	<u>\$ 2,228,210</u>	<u>\$ 2,164,335</u>	<u>\$ 2,113,734</u>
Excess of revenue over expenses	\$ 189,090	\$ 770,302	\$ 242,436
Accumulated surplus at the beginning of the year	<u>14,183,821</u>	<u>14,183,821</u>	<u>13,941,385</u>
Accumulated surplus at the end of the year	<u>\$ 14,372,911</u>	<u>\$ 14,954,123</u>	<u>\$ 14,183,821</u>

(See accompanying notes)

Town of Renfrew Waterworks
Notes to the Financial Statements
For the year ended 31 December 2016

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 2016

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. Estimates include useful life and recoverable amounts of tangible capital assets.

(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 2016

2. FINANCIAL INSTRUMENTS

Financial instruments include accounts receivable - user charges, due from Town of Renfrew, due from Ontario, due from Canada, 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, due from Canada 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 2016.

4. BUDGET FIGURES

The operating budget approved by the Town of Renfrew Waterworks for 2016 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 2016 (\$ Nil in 2015).

(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 2016

6. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 2,160,000 (2015 - \$ 2,480,000) reported on the "Statement of Financial Position" is made up of long term liabilities incurred by the Town of Renfrew Waterworks.

	<u>2016</u>	<u>2015</u>
(b) Serial debenture loan payable, interest at 2.38%, \$ 100,000 principal plus interest payable semi-annually, maturing January 2027	\$ 2,100,000	\$ 2,300,000
(c) Serial debenture loan payable, interest at 4.32%, \$ 60,000 principal plus interest payable semi-annually, maturing January 2017	<u>60,000</u>	<u>180,000</u>
	<u>\$ 2,160,000</u>	<u>\$ 2,480,000</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	200,000	29,760	229,760
2022 to 2026	1,000,000	77,438	1,077,438
2027 onward	<u>100,000</u>	<u>1,200</u>	<u>101,200</u>
	<u>\$ 2,160,000</u>	<u>\$ 276,435</u>	<u>\$ 2,436,435</u>

7. CHARGES FOR NET LONG TERM LIABILITIES

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

	<u>2016</u>	<u>2015</u>
Principal	\$ 320,000	\$ 320,000
Interest	<u>60,208</u>	<u>69,994</u>
	<u>\$ 380,208</u>	<u>\$ 389,994</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 2016 would have decreased by \$ 24,342 (2015 - \$ 28,946).

Town of Renfrew Waterworks
Notes to the Financial Statements
For the year ended 31 December 2016

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2016</u>	<u>2015</u>
Tangible capital assets - net	\$ 16,113,090	\$ 15,566,504
Net long term liabilities	(2,160,000)	(2,480,000)
Amounts to be funded in future years	<u>(230,889)</u>	<u>(29,064)</u>
Equity in tangible capital assets	\$ <u><u>13,722,201</u></u>	\$ <u><u>13,057,440</u></u>

Town of Renfrew Waterworks

Schedule of Tangible Capital Assets

For the year ended 31 December 2016

(with 2015 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December <u>2015</u>	<u>Additions</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2016</u>
Equipment	\$ 19,302			\$ 19,302
Rolling stock (vehicles)	135,916			135,916
Facilities	12,122,936			12,122,936
Infrastructure	8,870,117	\$ 1,061,150	\$ (68,313)	9,862,954
Capital work in progress	29,064		(29,064)	
Total	<u>\$ 21,177,335</u>	<u>\$ 1,061,150</u>	<u>\$ (97,377)</u>	<u>\$ 22,141,108</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2015</u>	<u>Amortization</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2016</u>
Equipment	\$ 3,186	\$ 1,930		\$ 5,116
Rolling stock (vehicles)	10,940	9,735		20,675
Facilities	2,527,076	301,447		2,828,523
Infrastructure	3,069,629	134,098	\$ (30,023)	3,173,704
Total	<u>\$ 5,610,831</u>	<u>\$ 447,210</u>	<u>\$ (30,023)</u>	<u>\$ 6,028,018</u>

<u>Net book value</u>	Balance at 31 December <u>2015</u>	Balance at 31 December <u>2016</u>
Equipment	\$ 16,116	\$ 14,186
Rolling stock (vehicles)	124,976	115,241
Facilities	9,595,860	9,294,413
Infrastructure	5,800,488	6,689,250
Capital work in progress	29,064	
Total	<u>\$ 15,566,504</u>	<u>\$ 16,113,090</u>

(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 2016, 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 2016, 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.
23 May 2017.

Chartered Professional Accountants,
Licensed Public Accountants.

Town of Renfrew Wastewater System

Statement of Financial Position

As at 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Financial assets:		
Accounts receivable - user charges	\$ 552,014	\$ 528,886
Due from Ontario	58,309	35,500
Due from Canada	56,509	
Due from Town of Renfrew	<u> </u>	<u>244,005</u>
	<u>\$ 666,832</u>	<u>\$ 808,391</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 33,541	\$ 59,858
Deferred revenue - obligatory reserve funds	450	
Net long term liabilities (Note 6)	8,538,750	8,786,250
Due to Town of Renfrew	<u>379,941</u>	<u> </u>
	<u>\$ 8,952,682</u>	<u>\$ 8,846,108</u>
Net financial assets (liabilities)	<u>\$ (8,285,850)</u>	<u>\$ (8,037,717)</u>
Non-financial assets:		
Tangible capital assets (net) (Note 5)	\$ 29,201,221	\$ 28,893,239
Inventory of supplies	19,442	21,489
Prepaid expenses	<u> </u>	<u>45,116</u>
	<u>\$ 29,220,663</u>	<u>\$ 28,959,844</u>
Accumulated surplus	<u>\$ 20,934,813</u>	<u>\$ 20,922,127</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 9)	\$ 20,273,381	\$ 20,071,362
Reserves	<u>661,432</u>	<u>850,765</u>
Total accumulated surplus	<u>\$ 20,934,813</u>	<u>\$ 20,922,127</u>

(See accompanying notes)

Town of Renfrew Wastewater System

Statement of Operations

For the year ended 31 December 2016

(with 2016 budget and 2015 actual figures for comparison)

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Revenue:			
User charges	\$ 2,231,400	\$ 2,521,540	\$ 2,176,529
Interest charges	8,000	17,441	13,922
Government of Ontario		211,228	
Government of Canada		<u>211,228</u>	
	<u>\$ 2,239,400</u>	<u>\$ 2,961,437</u>	<u>\$ 2,190,451</u>
Expenses:			
Amortization	\$ 1,001,388	\$ 1,001,388	\$ 999,958
Loss on disposal of assets		24,344	329
Long term debt interest	421,300	419,042	429,745
Operating charges - Ontario Clean Water Agency	788,500	787,818	753,336
Sewage collection and transmission	607,200	626,123	489,829
Administration	102,500	90,036	85,079
Repairs and replacement	<u>3,300</u>		<u>2,985</u>
	<u>\$ 2,924,188</u>	<u>\$ 2,948,751</u>	<u>\$ 2,761,261</u>
Excess (shortfall) of revenue over expenses	\$ (684,788)	\$ 12,686	\$ (570,810)
Accumulated surplus at the beginning of the year	<u>20,922,127</u>	<u>20,922,127</u>	<u>21,492,937</u>
Accumulated surplus at the end of the year	<u><u>\$ 20,237,339</u></u>	<u><u>\$ 20,934,813</u></u>	<u><u>\$ 20,922,127</u></u>

(See accompanying notes)

Town of Renfrew Wastewater System

Notes to the Financial Statements

For the year ended 31 December 2016

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 2016

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. Estimates include useful life and recoverable amounts of tangible capital assets.

(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 2016**2. FINANCIAL INSTRUMENTS**

Financial instruments include accounts receivable - user fees, due from Ontario, due from Canada, due from Town of Renfrew, accounts payable and accrued liabilities, net long term liabilities and due to Town of Renfrew. 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 Canada, due from Town of Renfrew, accounts payable and accrued liabilities and due to Town of Renfrew, 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 2016.

4. BUDGET FIGURES

The operating budget approved by the Town of Renfrew Wastewater System for 2016 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 2016 (\$ Nil in 2015).

(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 2016

6. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 8,538,750 (2015 - \$ 8,786,250) reported on the Statement of Financial Position" is made up of long term liabilities incurred by the Town of Renfrew Wastewater System.

	<u>2016</u>	<u>2015</u>
(b) Serial debenture loan payable, interest at 4.79%, \$ 123,750 principal plus interest payable semi-annually, maturing April 2051	\$ <u>8,538,750</u>	\$ <u>8,786,250</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	247,500	358,613	606,113
2022 to 2026	1,237,500	1,616,130	2,853,630
2027 onward	<u>6,063,750</u>	<u>3,633,098</u>	<u>9,696,848</u>
	\$ <u>8,538,750</u>	\$ <u>7,161,870</u>	\$ <u>15,700,620</u>

7. CHARGES FOR NET LONG TERM LIABILITIES

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

	<u>2016</u>	<u>2015</u>
Principal	\$ 247,500	\$ 247,500
Interest	<u>419,042</u>	<u>429,745</u>
	\$ <u>666,542</u>	\$ <u>677,245</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 2016 would have decreased by \$ 101,971 (2015 - \$ 104,927).

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2016</u>	<u>2015</u>
Tangible capital assets - net	\$ 29,201,221	\$ 28,893,239
Net long term liabilities	(8,538,750)	(8,786,250)
Amounts to be funded in future years	<u>(389,090)</u>	<u>(35,627)</u>
Equity in tangible capital assets	\$ <u>20,273,381</u>	\$ <u>20,071,362</u>

Town of Renfrew Wastewater System

Schedule of Tangible Capital Assets

For the year ended 31 December 2016

(with 2015 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December <u>2015</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2016</u>
Equipment	\$ 48,042	\$ 33,876		\$ 81,918
Rolling stock (vehicles)	77,705	6,874		84,579
Facilities	31,557,735	36,580		31,594,315
Infrastructure	6,192,319	1,189,941		7,382,260
Capital work in progress	<u>35,627</u>	<u>50,451</u>	\$ (35,627)	<u>50,451</u>
Total	\$ <u>37,911,428</u>	\$ <u>1,317,722</u>	\$ <u>(35,627)</u>	\$ <u>39,193,523</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2015</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2016</u>
Equipment	\$ 23,795	\$ 3,855		\$ 27,650
Rolling stock (vehicles)	77,705			77,705
Facilities	7,378,919	924,428		8,303,347
Infrastructure	<u>1,537,770</u>	<u>73,105</u>	\$ (27,275)	<u>1,583,600</u>
Total	\$ <u>9,018,189</u>	\$ <u>1,001,388</u>	\$ <u>(27,275)</u>	\$ <u>9,992,302</u>

<u>Net book value</u>	Balance at 31 December <u>2015</u>	Balance at 31 December <u>2016</u>
Equipment	\$ 24,247	\$ 54,268
Facilities	24,178,816	23,290,968
Infrastructure	4,654,549	5,798,660
Capital work in progress	<u>35,627</u>	<u>50,451</u>
Total	\$ <u>28,893,239</u>	\$ <u>29,201,221</u>

(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 2016, 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 2016, 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.
23 May 2017.

**Chartered Professional Accountants,
Licensed Public Accountants.**

Renfrew Public Library Board
Statement of Financial Position
As at 31 December 2016
 (with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Financial assets:		
Cash in bank	\$ 2,708	\$ 167
Due from revenue fund	<u>4,670</u>	<u>7,312</u>
	\$ <u>7,378</u>	\$ <u>7,479</u>
Liability:		
Deferred revenue (Note 4)	\$ <u>7,378</u>	\$ <u>7,479</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 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Revenue:		
Ontario grants	\$ 22,969	\$ 20,858
Canada grant	1,576	
Municipal grant	475,747	422,678
Other	<u>23,243</u>	<u>21,557</u>
	<u>\$ 523,535</u>	<u>\$ 465,093</u>
Expenses:		
Books, periodicals and supplies	\$ 1,603	\$ 37,345
Employee wages and benefits	395,514	356,963
Facility expenses and miscellaneous	<u>126,418</u>	<u>70,785</u>
	<u>\$ 523,535</u>	<u>\$ 465,093</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>	<u><u>\$ -</u></u>

(See accompanying notes)

Renfrew Public Library Board
Notes to the Financial Statements
For the year ended 31 December 2016

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 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, 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. Estimates include useful life and recoverable amounts of tangible capital assets.

Renfrew Public Library Board
Notes to the Financial Statements
For the year ended 31 December 2016

(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 2016.

4. DEFERRED REVENUE

Deferred revenue consists of a grant from the Province of Ontario \$ Nil (2015 - \$ 3,045) and donations of \$ 7,378 (2015 - \$ 4,434).



**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 2016, 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 2016, 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.

23 May 2017.

Chartered Professional Accountants,

Licensed Public Accountants.

Renfrew Downtown Business Association

Statement of Financial Position

As at 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Financial assets:		
Cash in bank	\$ 5,462	\$ 9,004
Due from Town of Renfrew	24,476	2,683
Due from Canada	2,352	4,229
Prepaid expense	<u> </u>	<u>480</u>
	\$ <u>32,290</u>	\$ <u>16,396</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ <u>10,119</u>	\$ <u>8,221</u>
Net financial assets	\$ <u><u>22,171</u></u>	\$ <u><u>8,175</u></u>
Accumulated surplus	\$ <u><u>22,171</u></u>	\$ <u><u>8,175</u></u>

(See accompanying notes)

Renfrew Downtown Business Association

Statement of Operations

For the year ended 31 December 2016

(with 2016 budget and 2015 actual figures for comparison)

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Revenue:			
Taxation	\$ 65,000	\$ 65,022	\$ 65,168
Other	<u>725</u>	<u>5,615</u>	<u>4,464</u>
	\$ <u>65,725</u>	\$ <u>70,637</u>	\$ <u>69,632</u>
Expenses:			
Administration	\$ 23,725	\$ 22,027	\$ 6,255
Advertising, promotion and programs	15,600	14,592	24,367
Street beautification, maintenance and utilities	<u>26,400</u>	<u>20,022</u>	<u>31,483</u>
	\$ <u>65,725</u>	\$ <u>56,641</u>	\$ <u>62,105</u>
Excess of revenue over expenses	\$ -	\$ 13,996	\$ 7,527
Accumulated surplus at the beginning of the year	<u>8,175</u>	<u>8,175</u>	<u>648</u>
Accumulated surplus at the end of the year	<u><u>8,175</u></u>	<u><u>22,171</u></u>	<u><u>8,175</u></u>

(See accompanying notes)

Renfrew Downtown Business AssociationNotes to the Financial StatementsFor the year ended 31 December 2016**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. Estimates include useful life and recoverable amounts of tangible capital assets.

Renfrew Downtown Business Association

Notes to the Financial Statements

For the year ended 31 December 2016

(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, due from Canada 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, due from Canada 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 2016.



**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 2016, 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 2016, and the results of its operations, for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

Mac Killigan & Associates

RENFREW, Ontario.
23 May 2017.

Chartered Professional Accountants,
Licensed Public Accountants.

Town of RenfrewStewart Bequest TrustStatement of Financial Position

For the year ended 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Financial assets:		
Cash in bank	\$ 21,008	\$ 22,523
Investments (Note 3)	<u>50,000</u>	<u>46,359</u>
	<u>\$ 71,008</u>	<u>\$ 68,882</u>
Net financial assets	<u>\$ 71,008</u>	<u>\$ 68,882</u>
Accumulated surplus	<u>\$ 71,008</u>	<u>\$ 68,882</u>

Town of RenfrewStewart Bequest TrustStatement of Operations

For the year ended 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Revenue:		
Trust gain (loss) during the year (net of expenses)	\$ 2,028	\$ (70)
Interest	<u>128</u>	<u>19</u>
	<u>\$ 2,156</u>	<u>\$ (51)</u>
Expenses:		
Bank charges	\$ <u>30</u>	\$ <u>46</u>
Excess (shortfall) of revenue over expenses	\$ 2,126	\$ (97)
Accumulated surplus at the beginning of the year	<u>68,882</u>	<u>68,979</u>
Accumulated surplus at the end of the year	<u>\$ 71,008</u>	<u>\$ 68,882</u>

(See accompanying notes)

Town of Renfrew
Stewart Bequest Trust
Notes to the Financial Statements
For the year ended 31 December 2016

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 2016

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 2016 of \$ 50,000 (2015 - \$ 46,359).

	Cost 31 December <u>2016</u>	Cost 31 December <u>2015</u>	Market Value 31 December <u>2016</u>	Market Value 31 December <u>2015</u>
Investments consist of:				
Guaranteed Investment Certificates	\$ 50,000	\$ -	\$ 50,000	\$ -
Mutual Funds		28,325		46,359
Total investments	<u>\$ 50,000</u>	<u>\$ 28,325</u>	<u>\$ 50,000</u>	<u>\$ 46,359</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 2016.



**MAC KILLICAN
& 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 2016, 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 2016, and the results of its operations for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

Mac Killigan + Associates

RENFREW, Ontario.
23 May 2017.

**Chartered Professional Accountants,
Licensed Public Accountants.**

Renfrew Parks and Recreation Fund Raising Committee Trust

Statement of Financial Position

As at 31 December 2016

(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Financial assets:		
Cash	\$ 600	\$ 600
Inventory (Note 2)	3,600	5,380
Due from the Town of Renfrew	<u>123,855</u>	<u>140,310</u>
	\$ <u>128,055</u>	\$ <u>146,290</u>
Liability:		
Accounts payable	\$ <u>745</u>	\$ <u>2,783</u>
Net financial assets	\$ <u>127,310</u>	\$ <u>143,507</u>
Accumulated surplus	\$ <u>127,310</u>	\$ <u>143,507</u>

(See accompanying notes)

Renfrew Parks and Recreation Fund Raising Committee Trust

Statement of Operations

For the year ended 31 December 2016

(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Revenue:		
Sales	\$ 33,436	\$ 37,826
Interest	1,317	1,486
Miscellaneous	<u>3,894</u>	<u>3,319</u>
	\$ <u>38,647</u>	\$ <u>42,631</u>
Expenses:		
Purchases for resale	\$ 14,133	\$ 18,108
Volunteer remuneration	3,755	4,120
Miscellaneous	<u>1,956</u>	<u>2,936</u>
	\$ <u>19,844</u>	\$ <u>25,164</u>
Excess of revenue over expenses	\$ 18,803	\$ 17,467
Other:		
Transfer to capital	<u>(35,000)</u>	<u>(10,000)</u>
Change in accumulated surplus (deficit)	\$ (16,197)	\$ 7,467
Accumulated surplus at the beginning of the year	<u>143,507</u>	<u>136,040</u>
Accumulated surplus at the end of the year	<u><u>\$ 127,310</u></u>	<u><u>\$ 143,507</u></u>

(See accompanying notes)

Renfrew Parks and Recreation Fund Raising Committee Trust

Notes to the Financial Statements

For the year ended 31 December 2016

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. Estimates include useful life and recoverable amounts of tangible capital assets.

(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 using the FIFO method and net realizable value.

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 2016

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 2016.



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 2016, 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 2016, 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.
23 May 2017.

**Chartered Professional Accountants,
Licensed Public Accountants.**

Town of RenfrewSwimming Pool TrustStatement of Financial Position

For the year ended 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Financial assets:		
Cash in bank	\$ <u>34,327</u>	\$ <u>34,003</u>
Net financial assets	\$ <u><u>34,327</u></u>	\$ <u><u>34,003</u></u>
Accumulated surplus	\$ <u><u>34,327</u></u>	\$ <u><u>34,003</u></u>

Town of RenfrewSwimming Pool TrustStatement of Operations

For the year ended 31 December 2016
(with 2015 figures for comparison)

	<u>2016</u>	<u>2015</u>
Accumulated surplus at the beginning of the year	\$ 34,003	\$ 33,651
Interest income	<u>324</u>	<u>352</u>
Accumulated surplus at the end of the year	\$ <u><u>34,327</u></u>	\$ <u><u>34,003</u></u>

(See accompanying notes)

Town of Renfrew

Swimming Pool Trust

Notes to the Financial Statements

For the year ended 31 December 2016

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 2016.