

**The Corporation of the
Municipality of Meaford
Financial Information
For the year ended December 31, 2015**

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Financial Information
For the year ended December 31, 2015

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**The Corporation of the
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Financial Statements
For the year ended December 31, 2015**

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For the year ended December 31, 2015

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Meaford

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 Municipality of Meaford as at December 31, 2015 and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
May 2, 2016

The Corporation of the Municipality of Meaford
Consolidated Statement of Financial Position

December 31	2015	2014
Financial assets		
Cash (Note 1)	\$ 732,063	\$ 764,857
Temporary investments (Note 2)	4,689,800	4,622,458
Taxes receivable	1,769,439	1,741,414
Trade and other receivables (Note 3)	1,058,251	968,149
Inventory held for resale	4,047	2,603
Long-term receivables (Note 4)	393,812	448,734
Long-term investments (Note 2)	3,002,032	2,603,876
	<u>11,649,444</u>	<u>11,152,091</u>
Liabilities		
Accounts payable and accrued liabilities	2,470,848	2,173,719
Solid waste closure and post-closure liabilities (Note 5)	150,913	163,610
Post-employment benefits (Note 6)	2,062,600	2,048,115
Deferred revenue (Page 30)	2,184,587	1,929,052
Long-term liabilities (Note 7)	8,279,097	9,106,321
	<u>15,148,045</u>	<u>15,420,817</u>
Net debt	<u>(3,498,601)</u>	<u>(4,268,726)</u>
Non-financial assets		
Inventory of supplies	166,149	142,017
Prepaid expenses	287,588	252,430
Tangible capital assets (Note 8)	68,038,257	66,872,650
	<u>68,491,994</u>	<u>67,267,097</u>
Accumulated surplus (Note 9)	<u>\$ 64,993,393</u>	<u>\$ 62,998,371</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Consolidated Statement of Operations and Accumulated Surplus

<u>For the year ended December 31</u>	2015	2015	2014
	Budget (Note 11)	Actual	Actual
Revenue			
Taxation	\$ 13,170,843	\$ 13,192,987	\$ 13,073,579
Fees and user charges	5,246,950	5,309,891	4,887,069
Government transfers (Note 12)	1,415,100	1,965,563	1,399,526
Other income (Note 13)	684,875	845,461	953,145
Obligatory reserve fund revenue recognized	439,227	437,673	482,650
	<u>20,956,995</u>	<u>21,751,575</u>	<u>20,795,969</u>
Expenses			
General government	2,598,325	2,646,754	3,137,619
Protection services	3,127,530	3,254,075	2,975,460
Transportation services	3,502,100	5,310,808	5,391,229
Environmental services	2,989,375	4,484,855	4,333,059
Recreation and cultural services	2,914,145	3,490,621	3,239,863
Planning and development	753,000	569,440	555,298
	<u>15,884,475</u>	<u>19,756,553</u>	<u>19,632,528</u>
 Annual surplus (Note 11)	 5,072,520	 1,995,022	 1,163,441
Accumulated surplus, beginning of the year	<u>62,998,371</u>	<u>62,998,371</u>	<u>61,834,930</u>
 Accumulated surplus, end of the year	 <u>\$ 68,070,891</u>	 <u>\$ 64,993,393</u>	 <u>\$ 62,998,371</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Consolidated Statement of Changes in Net Debt

<u>For the year ended December 31</u>	2015 Budget (Note 11)	2015 Actual	2014 Actual
Annual surplus (Page 5)	\$ 5,072,520	\$ 1,995,022	\$ 1,163,441
Acquisition of tangible capital assets	(5,515,790)	(5,577,666)	(3,766,460)
Amortization of tangible capital assets	-	4,116,550	4,025,526
Loss on disposal of capital assets	-	131,082	243,954
Proceeds on disposal of capital assets	-	164,427	38,896
	<u>(5,515,790)</u>	<u>(1,165,607)</u>	<u>541,916</u>
Change in prepaid expenses	-	(35,158)	(8,677)
Change in inventories of supplies	-	(24,132)	(3,130)
	<u>-</u>	<u>(59,290)</u>	<u>(11,807)</u>
(Increase) decrease in net debt	(443,270)	770,125	1,693,550
Net debt, beginning of the year	<u>(4,268,726)</u>	<u>(4,268,726)</u>	<u>(5,962,276)</u>
Net debt, end of the year	<u>\$ (4,711,996)</u>	<u>\$ (3,498,601)</u>	<u>\$ (4,268,726)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Consolidated Statement of Cash Flows

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 1,995,022	\$ 1,163,441
Items not involving cash		
Increase in landfill liabilities	(12,697)	66,994
Decrease in post-employment benefits	14,485	(11,943)
Amortization	4,116,550	4,025,526
Contributed capital assets	(120,613)	(531,614)
Deferred revenue recognized	(570,749)	(485,674)
Loss on disposal of capital assets	131,082	243,954
	<u>5,553,080</u>	<u>4,470,684</u>
Changes in non-cash working capital balances		
Taxes receivable	(28,025)	(388,283)
Trade and other receivables	(90,102)	50,707
Inventory held for resale	(1,444)	(850)
Accounts payable and accrued liabilities	297,129	200,849
Deferred revenue received	826,284	636,470
Change in prepaid expenses	(35,158)	(8,677)
Change in inventory of supplies	(24,132)	(3,130)
	<u>944,552</u>	<u>487,086</u>
	<u>6,497,632</u>	<u>4,957,770</u>
Capital transactions		
Cash used to acquire capital assets	(5,457,053)	(3,234,846)
Proceeds on sale of capital assets	164,427	38,896
	<u>(5,292,626)</u>	<u>(3,195,950)</u>
Investing activities		
Increase in temporary investments	(67,342)	(1,084,412)
Decrease in long-term receivables	54,922	50,618
Increase in long-term investments	(398,156)	(40,323)
	<u>(410,576)</u>	<u>(1,074,117)</u>
Financing activities		
Net decrease of long-term liabilities	(827,224)	(800,626)
Net change in cash and cash equivalents	<u>(32,794)</u>	<u>(112,923)</u>
Cash, beginning of the year	<u>764,857</u>	<u>877,780</u>
Cash, end of the year	<u>\$ 732,063</u>	<u>\$ 764,857</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford Summary of Significant Accounting Policies

December 31, 2015

Management Responsibility The management of the Corporation of the Municipality of Meaford is responsible for the integrity, objectivity and accuracy of the financial information presented in these consolidated financial statements. The Council reviews and approves the consolidated financial statements.

Basis of Accounting The consolidated financial statements of the Corporation of the Municipality of Meaford have been prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Basis of Consolidation The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

- Cemetery Board
- Central Business Improvement Area
- Municipality of Meaford Library Board
- Bognor Community Centre
- Riverside Community Centre
- ReNew Meaford Arts and Business Association

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

	2015	2014
Georgian Trail Board of Management	19.50%	19.50%
Inter-Township Fire Department	25.00%	25.00%

The Corporation of the Municipality of Meaford Summary of Significant Accounting Policies

December 31, 2015

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates are used when accounting for items such as useful lives for capital assets, accrued liabilities, post-employment benefits, solid waste landfill liability and taxes receivable.

Revenue Recognition

Revenues are recognized as follows:

- a) Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.
- b) Fines and donations are recognized when collected.
- c) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.
- e) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.

Temporary Investments

Temporary investments are recorded at lower of cost or market.

The Corporation of the Municipality of Meaford
Summary of Significant Accounting Policies

December 31, 2015

Long-Term Investments Long-term investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

Inventory Inventory held for consumption is recorded at the lower of cost and replacement cost. Inventory held for resale is recorded at lower of cost and net realizable value. Cost is determined on the average cost basis.

Tangible Capital Assets Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by management. The following rates are used:

Land improvements	20 to 95 years
Facilities	15 to 95 years
Fleet	7 to 20 years
Machinery and equipment	2 to 20 years
Transportation infrastructure	3 to 100 years
Environmental services infrastructure	80 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Solid Waste Closure and Post-Closure Liabilities Site closure and post-closure care costs are recognized over the operating life of the landfill based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

Post-Employment Benefits The municipality provides post-employment travel, extended health, dental and life insurance benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit cost and are expensed as services are rendered.

The Corporation of the Municipality of Meaford
Summary of Significant Accounting Policies

December 31, 2015

Liability for Contaminated Sites A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. Management is not aware of any contaminated sites for which a liability needs to be recognized.

County and School Board The municipality collects taxation revenue on behalf of the school boards and the County of Grey. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Grey are not reflected in these financial statements.

Trust Funds Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

1. Cash

On December 31, 2015, the municipality had deposits of \$1,535,311 in a Canadian Chartered bank. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor per financial institution. Investment deposits of \$3,975,392 are also held at a second financial institution.

The Municipality of Meaford has an undrawn credit facility of approximately \$3,800,000. Interest is calculated at TD bank prime less 0.5%.

2. Investments

	2015	2014
One Fund - Public Sector Group of Funds	\$ 3,002,032	\$ 2,603,876
Term deposits, interest rate of 1.00%, maturity dates February 2016 and March 2016	650,000	1,800,000
Guaranteed investment certificates, interest rates of 1.65% to 2.5%, maturity dates February 2016 to September 2017	3,975,417	2,778,625
Canadian T-Bill mutual fund	9,050	9,038
Georgian Trail Board of Management investments	24,869	24,697
Accrued interest	30,464	10,098
	\$ 7,691,832	\$ 7,226,334
Total investments are presented as:		
Temporary investments	\$ 4,689,800	\$ 4,622,458
Long-term investments	3,002,032	2,603,876
	\$ 7,691,832	\$ 7,226,334

Investments have a market value of \$7,655,381 (2014 - \$7,438,868) at the end of the year.

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

3. Trade and Other Receivables

	2015	2014
Government transfers and HST	\$ 451,231	\$ 258,266
Trade and other receivables	607,020	709,883
	\$ 1,058,251	\$ 968,149

4. Long-Term Receivables

	2015	2014
Tile drainage loans, 6%, various repayments, due 2016 to 2021	\$ 76,870	\$ 95,046
Water and sewer connection charges receivable, 5%, due 2016 to 2025	316,942	353,688
	\$ 393,812	\$ 448,734

5. Solid Waste Landfill Post-Closure Liabilities

Solid waste landfill post-closure care requirements have been defined in accordance with industry standards and include ongoing environmental monitoring, site inspection and maintenance.

The liability for the landfill site is recorded at \$150,913 (2014 - \$163,610) and represents the present value of the post-closure costs for the Meaford landfill site, using a discount rate of 3.34% (2014 - 3.02%).

The landfill was closed in 1992 and the liability is based on future monitoring and post-closure costs. The total estimated future expenses for post-closure care is \$235,436, leaving an amount to be recognized of \$84,523. The estimated remaining monitoring period is 26 years.

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

6. Retirement and Post-Employment Benefit

The Corporation of the Municipality of Meaford provides a defined benefit plan for retirement benefits other than pensions to employees who meet certain requirements when they retire. The municipality pays for the cost of travel, extended health, dental and life insurance benefits for the employees until age 65. For a group of specified employees who were grandfathered-in during amalgamation, the benefits coverage is for life. The post-employment benefit at December 31 includes the following components:

	2015	2014
Retirement benefits	\$ 2,120,400	\$ 1,781,478
Unamortized actuarial gain (loss)	(57,800)	266,637
	\$ 2,062,600	\$ 2,048,115

Actuarial valuations for accounting purposes are performed using the projected benefit method, pro-rated on services. The most recent actuarial report was prepared as at December 31, 2015.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, medical inflation rates, wage increases, employee turnover and mortality rates.

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.00% (2014 - 4.25%). For extended health care costs a 6.38% annual rate of increase was assumed for 2015, decreasing to a rate of 4.50% per year in 2035. For dental costs, a 4.50% (2014 - 4.00%) annual rate of increase was assumed.

	2015	2014
Current period benefit cost	\$ 39,700	\$ 23,171
Interest costs	62,900	73,831
Amortization of actuarial gain	(7,615)	(26,664)
Total expense for the year	\$ 94,985	\$ 70,338

Total benefit payments on behalf of retirees during the year were \$51,149 (2014 - \$82,281).

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

7. Long-Term Liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2015	2014
Meaford Hall loan, OSIFA, interest at 5.14%, payable in blended semi-annual payments of \$129,991, due September 2028	\$ 2,443,140	\$ 2,572,537
Meaford waste pollution control plant loan, OSIFA, 2.62%, payable in blended semi-annual installments of \$30,665, due December 2027	628,007	672,017
Leith water capital loan, TD Bank, interest at 5.64%, payable in blended monthly installments of \$1,084, due April 2017	15,906	27,608
Tile drain loans, 6%, various repayment terms, due from 2016 to 2021	81,055	99,231
Meaford capital water projects, TD Bank, 3.15%, payable in blended monthly installments of \$2,431, due February 2022	165,202	186,962
Leith capital projects, TD Bank, 6.15%, payable in blended monthly installments of \$4,919, due August 2018	395,798	429,352
Meaford capital water projects, TD Bank, 6.21%, payable in blended monthly installments of \$19,674, due August 2018	2,067,228	2,170,813
Meaford various capital projects, TD Bank, 2.65%, payable in blended monthly installments of \$28,569, due February 2018	721,273	1,040,405
Carried forward	\$ 6,517,609	\$ 7,198,925

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

7. Long-Term Liabilities - (continued)

	2015	2014
Brought forward	\$ 6,517,609	\$ 7,198,925
Meaford fire truck, TD Bank, 2.751%, payable in blended monthly installments of \$2,716, due September 2018	86,231	116,007
Meaford capital sewer projects, TD Bank, 1.97%, payable in blended monthly installments of \$4,334, due August 2019	582,627	622,565
Meaford capital roads projects, TD Bank, 1.97%, payable in blended monthly installments of \$8,126, due August 2019	1,092,630	1,168,824
	\$ 8,279,097	\$ 9,106,321

Principal payments for the next five fiscal years and thereafter are as follows:

2016	\$	859,398
2017		877,195
2018		2,601,359
2019		1,562,436
2020		254,275
Thereafter		2,124,434
	\$	8,279,097

Interest expense in the amount of \$377,468 (2014 - \$406,377) has been recognized on the consolidated statement of financial activities.

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

8. Tangible Capital Assets

2015

	Land	Land Improvements	Facilities	Fleet	Machinery & Equipment	Transportation Infrastructure	Environmental Infrastructure	Asset Under Construction	Total
Cost, beginning of the year	\$ 5,031,772	\$ 3,164,644	\$ 32,488,594	\$ 7,442,657	\$ 2,102,349	\$ 62,406,943	\$ 21,820,685	\$ 1,052,245	\$ 135,509,889
Additions		113,401	210,349	1,425,735	612,638	1,500,639	-	1,714,904	5,577,666
Disposals	-	(30,414)	(1,254)	(957,079)	(21,031)	(699,412)	-	-	(1,709,190)
Re-allocation	-	191,868	727,227	-	248,120	359,278	795,109	(2,321,602)	-
Cost, end of the year	5,031,772	3,439,499	33,424,916	7,911,313	2,942,076	63,567,448	22,615,794	445,547	139,378,365
Accumulated amortization, beginning of the year	-	1,943,646	22,420,500	4,018,987	1,398,871	33,523,438	5,331,797	-	68,637,239
Amortization	-	90,246	1,543,318	404,659	231,282	1,569,171	277,874	-	4,116,550
Disposals	-	(5,086)	(1,254)	(884,009)	(21,031)	(502,301)	-	-	(1,413,681)
Accumulated amortization, end of the year	-	2,028,806	23,962,564	3,539,637	1,609,122	34,590,308	5,609,671	-	71,340,108
Net carrying amount, end of the year	\$ 5,031,772	\$ 1,410,693	\$ 9,462,352	\$ 4,371,676	\$ 1,332,954	\$ 28,977,140	\$ 17,006,123	\$ 445,547	\$ 68,038,257

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

8. Tangible Capital Assets - (continued)

2014

	Land	Land Improvements	Facilities	Fleet	Machinery & Equipment	Transportation Infrastructure	Environmental Infrastructure	Asset Under Construction	Total
Cost, beginning of the year	\$ 5,031,772	\$ 3,004,530	\$ 32,055,136	\$ 7,667,849	\$ 1,897,230	\$ 62,107,229	\$ 21,617,224	\$ 56,223	\$ 133,437,193
Additions	-	191,634	378,294	318,237	284,803	1,323,355	203,461	1,066,676	3,766,460
Disposals	-	(31,520)	(15,490)	(543,429)	(79,684)	(1,023,641)	-	-	(1,693,764)
Re-allocation	-	-	70,654	-	-	-	-	(70,654)	-
Cost, end of the year	5,031,772	3,164,644	32,488,594	7,442,657	2,102,349	62,406,943	21,820,685	1,052,245	135,509,889
Accumulated amortization, beginning of the year	-	1,881,780	20,915,670	4,165,017	1,260,099	32,742,076	5,057,985	-	66,022,627
Amortization	-	80,556	1,517,013	392,182	218,457	1,543,506	273,812	-	4,025,526
Disposals	-	(18,690)	(12,183)	(538,212)	(79,685)	(762,144)	-	-	(1,410,914)
Accumulated amortization, end of the year	-	1,943,646	22,420,500	4,018,987	1,398,871	33,523,438	5,331,797	-	68,637,239
Net carrying amount, end of the year	\$ 5,031,772	\$ 1,220,998	\$ 10,068,094	\$ 3,423,670	\$ 703,478	\$ 28,883,505	\$ 16,488,888	\$ 1,052,245	\$ 66,872,650

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

8. Tangible Capital Assets - (continued)

During the year, \$95,188 in contributed transportation and environmental infrastructure capital assets and \$25,425 of recreational and cultural service assets were recognized in the financial statements.

The municipality holds various works of art and historical treasures pertaining to the Meaford Museum. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

9. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2015	2014
Invested in tangible capital assets		
Tangible capital assets purchased	\$ 68,038,257	\$ 66,872,650
Unfinanced capital assets	(357,189)	-
Capital assets financed by long-term liabilities and to be funded in future years	(8,198,042)	(9,007,090)
Total invested in capital assets	59,483,026	57,865,560
Unfunded post-employment benefits	(2,062,600)	(2,048,115)
Unfunded solid waste closure and post-closure costs	(150,913)	(163,610)
Unfunded liability - North East Grey Health Clinic	(175,000)	(200,000)
Georgian Trail Board of Management	47,754	43,700
Bognor Community Centre	19,272	16,390
Riverside Community Centre	17,500	14,384
Business Improvement Area	26,680	19,393
General surplus (Note 11)	-	29,167
	57,205,719	55,576,869
Reserves and reserve funds (Note 10)	7,787,674	7,421,502
Accumulated surplus	\$ 64,993,393	\$ 62,998,371

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

10. Reserves and Reserve Funds Set Aside for Specific Purpose by Council

	<u>2015</u>	<u>2014</u>
Reserves		
Working funds	\$ 1,565,614	\$ 1,565,614
Contingencies	376,140	327,040
Insurance	136,155	117,207
Current purposes	127,250	77,250
Capital purposes	<u>973,266</u>	<u>1,357,464</u>
	3,178,425	3,444,575
Reserve funds		
Capital purposes	<u>4,609,249</u>	<u>3,976,927</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$ 7,787,674</u>	<u>\$ 7,421,502</u>

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

11. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus and changes in net debt for comparative purposes. The 2015 budget amounts for the Corporation of the Municipality of Meaford approved by Council have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net debt. The following is a reconciliation of the budget approved by Council.

	2015	2015	2014
	Budget	Actual	Actual
Annual surplus (Page 5)	\$ 5,072,520	\$ 1,995,022	\$ 1,163,441
Amortization	-	4,116,550	4,025,526
	5,072,520	6,111,572	5,188,967
Net transfers (to) from reserves	1,315,690	(366,172)	(1,114,266)
Capital acquisitions, disposals and write-down	(5,520,790)	(5,282,157)	(3,483,610)
Debt principal repayments	(822,200)	(809,048)	(781,582)
Change in unfunded liabilities	-	(23,212)	255,051
Change in other surpluses	(45,220)	(17,339)	(35,393)
	-	(386,356)	29,167
Capital projects not funded	-	357,189	-
	-	(29,167)	29,167
Prior year general surplus (Note 9)	-	29,167	-
General surplus (Note 9)	\$ -	\$ -	\$ 29,167

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

12. Government Transfers

	2015 Budget	2015 Actual	2014 Actual
Operating transfers			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 979,000	\$ 979,000	\$ 1,075,600
Conditional - Roads	45,000	29,988	24,576
- Sewer and Water	-	1,680	1,112
- Other	193,850	228,181	188,751
	1,217,850	1,238,849	1,290,039
Government of Canada			
- Other	7,900	18,811	42,056
	1,225,750	1,257,660	1,332,095
Other municipalities	60,000	333,093	1,050
Total operating transfers	1,285,750	1,590,753	1,333,145
Capital transfers			
Province of Ontario			
Conditional - Roads	129,350	339,412	35,577
	129,350	339,412	35,577
Government of Canada			
- Other	-	35,398	30,804
Total capital transfers	129,350	374,810	66,381
Total government transfers	\$ 1,415,100	\$ 1,965,563	\$ 1,399,526

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

13. Other Income

	2015	2015	2014
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 205,000	\$ 273,531	\$ 248,307
Other fines and penalties	3,000	1,482	2,900
Investment income	85,000	204,360	130,332
Licenses, permits and rents	175,100	238,818	158,345
Donations and fundraising	41,900	24,778	26,881
Other income	46,700	94,790	43,860
Loss on disposition of capital assets	-	(131,082)	(243,954)
Contributed assets	110,000	120,613	531,614
Sewer debt charges	18,175	18,171	18,171
Donation from community groups	-	-	36,689
	<u>\$ 684,875</u>	<u>\$ 845,461</u>	<u>\$ 953,145</u>

14. Government Business Partnerships

The following summarizes the financial position and operations of the government business partnerships which have been reported in these financial statements using the proportionate consolidation method:

Georgian Trail Board of Management

Georgian Trail Board of Management is a joint board under the shared control of the Corporation of the Municipality of Meaford, the Corporation of the Town of The Blue Mountains and the Corporation of the Town of Collingwood. The consolidated financial statements include the municipality's 19.50% proportionate interest of the following:

	2015	2014
Financial assets	\$ 257,548	\$ 244,608
Liabilities	6,970	14,819
Net financial assets	250,578	229,789
Non-financial assets	285	285
Accumulated surplus	<u>\$ 250,863</u>	<u>\$ 230,074</u>
Revenues	\$ 66,066	\$ 63,305
Expenses	45,277	39,155
Annual surplus	<u>\$ 20,789</u>	<u>\$ 24,150</u>

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

14. Government Business Partnerships - (continued)

Inter-Township Fire Department

Inter-Township Fire Department is a joint board under the shared control of the Corporation of the Municipality of Meaford, and the Corporation of the Municipality of Georgian Bluffs. The consolidated financial statements include the municipality's 25% proportionate interest of the following:

	2015	2014
Financial assets	\$ 998,167	\$ 788,342
Liabilities	98,981	84,815
Net financial assets	899,186	703,527
Non-financial assets	1,249,924	1,310,275
Accumulated surplus	\$ 2,149,110	\$ 2,013,802
Revenues	\$ 982,150	\$ 1,000,537
Expenses	846,842	869,761
Annual surplus	\$ 135,308	\$ 130,776

15. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 68 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS by the municipality for 2015 was \$403,074 (2014 - \$410,041). The contribution rate for 2015 was 9.0% to 15.8% depending on age and income level (2014 - 9.0% to 15.9%).

OMERS is a multi-employer pension plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2015. At that time the plan reported a \$7.0 billion actuarial deficit (2014 - \$7.1 billion actuarial deficit), based on actuarial liabilities of \$81.9 billion (2014 - \$76.9 billion) and actuarial assets of \$74.9 billion (2014 - \$69.8 billion). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in the financial markets may lead to increased future funding requirements.

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

16. Operations of School Boards and the County of Grey

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Grey:

	2015	2014
School boards	\$ 3,704,339	\$ 3,680,267
County of Grey	5,954,750	6,051,202
	<u>\$ 9,659,089</u>	<u>\$ 9,731,469</u>

17. Trust Funds

The trust funds administered by the municipality amounting to \$664,064 (2014 - \$651,327) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations and accumulated surplus.

18. Commitments

The Municipality of Meaford has authorized an annual financial contribution of \$50,000 per year for 10 years to Grey Bruce Health Service - Meaford Hospital Foundation commencing in 2013 and ending in 2022.

The Municipality of Meaford authorized an annual financial contribution of \$25,000 per year for 10 years to North East Grey Health Clinics Hospital starting in 2013. The entire remaining liability of \$175,000 has been accrued in accounts payable and accrued liabilities.

The Municipality of Meaford has entered into contracts totaling \$854,746 for the purchase and repairs of significant capital assets with \$509,992 remaining to be spent.

The Municipality of Meaford has entered into agreements with various contractors for waste collection, disposal and recycling, winter maintenance, and water and sewer operations for the following amounts excluding HST:

2016	\$ 1,717,648
2017	\$ 1,458,804
2018	\$ 1,047,506
2019	\$ 984,117
2020	\$ 947,392

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

19. Contingent Liabilities

- (a) The municipality has been named as defendant in counterclaims filed by some land owners of the municipality, regarding a land claim dispute, in the amount of \$5,750,000. These counterclaims are being defended by the municipality. The outcome of these counterclaims are not determinable at this time. The liability for these counterclaims, if any, will be recorded in the period that the outcome becomes determinable.
- (b) The municipality has been served with claims as a result of motor vehicle accidents and personal injury claims. The municipality is not aware of any possible settlements in excess of its liability insurance coverage. The outcomes of these claims are not determinable at this time.
- (c) The municipality has been served with claims as a result of building code and property matters. The outcomes of these claims are not determinable at this time.

20. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

21. Segmented Information

The Corporation of the Municipality of Meaford is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste, collection, disposal and recycling, recreational, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

General government includes revenues and expenses that relate to the governance and operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection, conservation authority, emergency measures, animal control and building and structural inspection.

Transportation

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting.

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

21. Segmented Information - (continued)

Environmental

Environmental services consists of providing waste collection, disposal and recycling to its citizens. It also consists of providing the municipality's drinking water and processing and cleaning sewage. The municipality ensures water and sewage systems meet all Provincial standards.

Health

Health services include contributions to the operations of local cemeteries.

Recreational and Cultural Services

This service area provides services meant to improve the health and development of the municipality's citizens. The municipality operates and maintains parks and arenas. The municipality also provides library services and recreational programs.

Planning and Development

This department is responsible for planning and zoning including the Official plan. This service area also includes tourist information and promotion, business improvement area, weed control, and drainage.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation, and payments-in-lieu	Allocated to those segments that are funded by these amounts based on the budget for the year
OMPF Grants	Allocated to segments based on the budget for the year

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2015 Total
Revenue								
Taxation	\$ 2,242,808	\$ 2,902,457	\$ 5,013,335	\$ 263,860	\$ 131,930	\$ 2,110,878	\$ 527,719	\$ 13,192,987
Fees and user charges	26,321	67,209	42,928	3,649,136	79,442	1,382,684	62,171	5,309,891
Specific grants	330,325	57,755	369,400	134,193	-	94,890	-	986,563
OMPF grant	166,430	215,380	372,020	19,580	9,790	156,640	39,160	979,000
Other revenue	393,332	235,903	(47,349)	96,695	-	165,550	1,330	845,461
Transfers from obligatory reserve	40,217	32,594	325,264	29,173	-	10,425	-	437,673
	<u>3,199,433</u>	<u>3,511,298</u>	<u>6,075,598</u>	<u>4,192,637</u>	<u>221,162</u>	<u>3,921,067</u>	<u>630,380</u>	<u>21,751,575</u>
Expenses								
Salaries and benefits	1,500,243	726,390	1,674,411	469,974	84,100	1,510,680	409,506	6,375,304
Post-employment benefit	65,634	-	-	-	-	-	-	65,634
Interest on debt	967	5,311	42,683	194,243	-	128,133	6,131	377,468
Materials and supplies	726,189	403,511	1,372,705	910,299	19,058	1,115,395	152,384	4,699,541
Contracted services	171,776	1,771,793	228,109	1,226,727	-	210,590	-	3,608,995
Other transfers	60,000	206,421	-	-	-	32,304	-	298,725
Rents and financial expenses	7,763	-	58,348	83,790	-	64,435	-	214,336
Amortization	114,182	140,649	1,934,552	1,599,822	9,658	316,268	1,419	4,116,550
	<u>2,646,754</u>	<u>3,254,075</u>	<u>5,310,808</u>	<u>4,484,855</u>	<u>112,816</u>	<u>3,377,805</u>	<u>569,440</u>	<u>19,756,553</u>
Annual surplus (deficit)	\$ 552,679	\$ 257,223	\$ 764,790	\$ (292,218)	\$ 108,346	\$ 543,262	\$ 60,940	\$ 1,995,022

The Corporation of the Municipality of Meaford
Notes to Financial Statements

December 31, 2015

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2014 Total
Revenue								
Taxation	\$ 2,483,980	\$ 3,137,659	\$ 4,314,281	\$ 392,207	\$ 130,736	\$ 2,091,773	\$ 522,943	\$ 13,073,579
Fees and user charges	62,692	76,283	69,271	3,266,087	75,793	1,269,038	67,905	4,887,069
Specific grants	1,112	45,435	60,153	116,528	-	100,698	-	323,926
OMPF grant	204,364	258,144	354,948	32,268	10,756	172,096	43,024	1,075,600
Other revenue	428,948	132,930	74,253	255,633	-	60,956	425	953,145
Transfers from obligatory reserve	-	-	358,400	56,863	-	63,971	3,416	482,650
	<u>3,181,096</u>	<u>3,650,451</u>	<u>5,231,306</u>	<u>4,119,586</u>	<u>217,285</u>	<u>3,758,532</u>	<u>637,713</u>	<u>20,795,969</u>
Expenses								
Salaries and benefits	1,464,664	869,609	1,756,887	438,663	85,048	1,380,385	374,265	6,369,521
Post-employment benefit	34,297	-	-	-	-	-	-	34,297
Interest on debt	1,313	7,015	51,385	204,524	-	134,877	7,263	406,377
Materials and supplies	1,103,670	207,812	1,337,062	777,807	16,238	1,055,990	151,748	4,650,327
Contracted services	119,250	1,630,412	239,174	1,252,819	558	214,438	3,795	3,460,446
Other transfers	235,000	119,934	-	-	50,000	23,442	12,500	440,876
Rents and financial expenses	24,541	-	103,559	70,763	-	46,295	-	245,158
Amortization	104,883	140,678	1,903,162	1,588,483	5,684	276,909	5,727	4,025,526
	<u>3,087,618</u>	<u>2,975,460</u>	<u>5,391,229</u>	<u>4,333,059</u>	<u>157,528</u>	<u>3,132,336</u>	<u>555,298</u>	<u>19,632,528</u>
Annual surplus (deficit)	\$ 93,478	\$ 674,991	\$ (159,923)	\$ (213,473)	\$ 59,757	\$ 626,196	\$ 82,415	\$ 1,163,441

The Corporation of the Municipality of Meaford
Schedule of Deferred Revenue

For the year ended December 31, 2015

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 1,106,311	\$ 259,461	\$ 137,172	\$ (112,409)	\$1,390,535
Recreational land	98,367	10,650	12,275	-	121,292
Federal gas tax funding	242,020	321,405	7,696	(321,405)	249,716
MTO transit funding	349,278	58,412	9,554	(3,859)	413,385
	1,795,976	649,928	166,697	(437,673)	2,174,928
Other	133,076	9,659	-	(133,076)	9,659
	\$ 1,929,052	\$ 659,587	\$ 166,697	\$ (570,749)	\$2,184,587

**The Corporation of the
Municipality of Meaford
Trust Funds
For the year ended December 31, 2015**

The Corporation of the Municipality of Meaford
Trust Funds
For the year ended December 31, 2015

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Independent Auditor's Report

**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Meaford**

We have audited the accompanying financial information for the trust funds of the Corporation of the Municipality of Meaford, which comprise the balance sheet as at December 31, 2015, the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this financial information in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial information 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 information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, 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 information 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 information.

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 information presents fairly, in all material respects, the balance sheet for the trust funds of the Corporation of the Municipality of Meaford as at December 31, 2015 and the statement of continuity for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
May 2, 2016

The Corporation of the Municipality of Meaford
Trust Funds
Balance Sheet

December 31, 2015

	Total	Cemetery Care and Maintenance	Ontario Home Renewal Program
Assets			
Cash	\$ 444,980	\$ 444,980	\$ -
Investments (Note 2)	207,973	207,973	-
Loans receivable (Note 3)	2,100	-	2,100
Due from general account	9,011	9,011	-
	\$ 664,064	\$ 661,964	\$ 2,100
Fund balance	\$ 664,064	\$ 661,964	\$ 2,100

Statement of Continuity

For the year ended December 31, 2015

	Total	Cemetery Care and Maintenance	Ontario Home Renewal Program
Balance, beginning of the year	\$ 651,327	\$ 649,227	\$ 2,100
Receipts			
Perpetual care	12,737	12,737	-
Interest earned	8,107	8,107	-
	20,844	20,844	-
Expenses			
Transfer to municipality	8,107	8,107	-
Balance, end of the year	\$ 664,064	\$ 661,964	\$ 2,100

The Corporation of the Municipality of Meaford
Trust Funds
Notes to Financial Information

December 31, 2015

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Corporation of the Municipality of Meaford is responsible for the integrity, objectivity and accuracy of this financial information. Council reviews and approves the financial information.
Basis of Accounting	<p>The financial information of the Corporation of the Municipality of Meaford Trust Funds are the representation of management. They have been prepared by management in accordance with public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ontario Ministry of Municipal Affairs and Housing.</p> <p>Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>
Use of Estimates	The preparation of financial information in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial information, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	These trust funds have not been consolidated with the financial statements of the municipality.

The Corporation of the Municipality of Meaford
Trust Funds
Notes to Financial Information

December 31, 2015

2. Investments

The total investments of \$207,793 reported on the balance sheet at cost have a market value of \$207,793 at the end of the year.

3. Ontario Home Renewal Program

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans were limited to \$7,500, of which the maximum forgivable portion was \$4,000.

Ontario Home Renewal Program loans receivable at December 31, 2015 comprise repayable loans of \$2,100 (2014 - \$2,100) and forgivable loans of \$Nil (2014 - \$Nil). Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continuous ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balance of the repayable loan and the unearned forgivable loan immediately becomes due and payable by the homeowner.

As of July 16, 1993 the Ontario Home Renewal Program was discontinued and municipalities were prohibited from issuing further loans as of that date. All OHRP funds held in municipal trust accounts as of December 31, 1993 were remitted to the Province by March 1, 1994. Any loans receivable under the program which are collected subsequent to December 31, 1993 were remitted to the Province by March 1 of the following year. However, municipalities will be provided an administration fee of five per cent of the balances collected after December 31, 1993 and are permitted to retain the interest earned on unremitted OHRP trust account balances.

The Corporation of the
Municipality of Meaford
Public Library Board
Financial Statements
For the year ended December 31, 2015

The Corporation of the Municipality of Meaford
Public Library Board
Financial Statements
For the year ended December 31, 2015

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Meaford

We have audited the accompanying financial statements of the Corporation of the Municipality of Meaford Public Library Board, which comprise the statement of financial position as at December 31, 2015, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Corporation of the Municipality of Meaford Public Library Board as at December 31, 2015 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
May 2, 2016

The Corporation of the Municipality of Meaford
Public Library Board
Statement of Financial Position

December 31	2015	2014
Financial assets		
Cash	\$ 20	\$ 23,925
Due from Municipality of Meaford	112,406	76,824
	<u>112,426</u>	<u>100,749</u>
Financial Liabilities		
Deferred revenue (Note 2)	2,629	-
	<u>109,797</u>	<u>100,749</u>
Net financial assets		
	<u>109,797</u>	<u>100,749</u>
Non-financial assets		
Tangible capital assets (Note 3)	111,758	94,406
	<u>111,758</u>	<u>94,406</u>
Accumulated surplus (Note 4)	<u>\$ 221,555</u>	<u>\$ 195,155</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Public Library Board
Statement of Operations and Accumulated Surplus

<u>For the year ended December 31</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
	Budget	Actual	Actual
Revenue			
Government transfers			
Province of Ontario	\$ 27,000	\$ 35,247	\$ 28,902
Municipality of Meaford	561,875	501,940	493,858
Interest earned	-	3,386	1,792
Rentals	800	768	976
Fees and service charges	5,700	6,114	7,912
Donations	1,800	2,460	1,667
Other	2,500	5,156	14,788
	<u>599,675</u>	<u>555,071</u>	<u>549,895</u>
Expenses			
Salaries and benefits	386,225	401,585	388,868
Operating and maintenance supplies	62,700	56,265	58,794
Utilities	11,700	10,714	11,533
Repairs and maintenance	8,500	8,473	8,338
Programs	9,500	9,192	10,467
Printing and advertising	2,550	2,552	2,908
Special events	2,000	3,185	8,680
Other services	12,500	9,643	10,616
Amortization	-	27,062	23,872
	<u>495,675</u>	<u>528,671</u>	<u>524,076</u>
Annual surplus (Note 5)	104,000	26,400	25,819
Accumulated surplus, beginning of the year	<u>195,155</u>	<u>195,155</u>	<u>169,336</u>
Accumulated surplus, end of the year	\$ 299,155	\$ 221,555	\$ 195,155

The accompanying notes are an integral part of these financial statements.

**The Corporation of the Municipality of Meaford
Public Library Board
Statement of Changes in Net Financial Assets**

<u>For the year ended December 31</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
	Budget	Actual	Actual
Annual surplus (Page 5)	\$ 104,000	\$ 26,400	\$ 25,819
Acquisition of tangible capital assets	(47,000)	(44,414)	(35,441)
Amortization of tangible capital assets	-	27,062	23,872
	<u>(47,000)</u>	<u>(17,352)</u>	<u>(11,569)</u>
Increase in net financial assets	57,000	9,048	14,250
Net financial assets, beginning of the year	<u>100,749</u>	<u>100,749</u>	<u>86,499</u>
Net financial assets, end of the year	\$ 157,749	\$ 109,797	\$ 100,749

The Corporation of the Municipality of Meaford
Public Library Board
Statement of Cash Flows

<u>For the year ended December 31</u>	<u>2015</u>	<u>2014</u>
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 26,400	\$ 25,819
Items not involving cash		
Amortization	<u>27,062</u>	<u>23,872</u>
	53,462	49,691
Changes in non-cash working capital balances		
Due from Municipality of Meaford	(35,582)	(25,653)
Deferred revenue	<u>2,629</u>	<u>-</u>
	20,509	24,038
Capital transaction		
Cash used to acquire capital assets	<u>(44,414)</u>	<u>(35,441)</u>
Net change in cash	(23,905)	(11,403)
Cash, beginning of the year	<u>23,925</u>	<u>35,328</u>
Cash, end of the year	<u>\$ 20</u>	<u>\$ 23,925</u>

The accompanying notes are an integral part of these financial statements.

**The Corporation of the Municipality of Meaford
Public Library Board
Notes to the Financial Statements**

December 31, 2015

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Municipality of Meaford Public Library Board is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. The Public Library Board reviews and approves the financial statements.
Basis of Accounting	<p>The financial statements of the Corporation of the Municipality of Meaford Public Library Board have been prepared by management in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as useful lives of capital assets. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	The Library Board has been consolidated with the financial statements of the Municipality of Meaford.

The Corporation of the Municipality of Meaford
Public Library Board
Notes to the Financial Statements

December 31, 2015

1. Summary of Significant Accounting Policies - (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the asset is based on estimates made by Council. The following rates are used:

Library collections	5 years
Office furniture and equipment	20 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Revenue Recognition

- (a) Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.
 - (b) Other revenues are recorded upon sale of goods or provision of services when collection is reasonably assured.
 - (c) Fines and donations are recognized when collected.
-

The Corporation of the Municipality of Meaford
Public Library Board
Notes to the Financial Statements

December 31, 2015

2. Deferred Revenue

	2015	2014
2015/16 Ontario Libraries Capacity Fund Grant	\$ 2,629	\$ -

3. Tangible Capital Assets

	2015		
	Library collections	Office furniture and equipment	Total
Cost, beginning of the year	\$ 234,472	\$ 28,367	\$ 262,839
Additions	31,959	12,455	44,414
Cost, end of the year	266,431	40,822	307,253
Accumulated amortization, beginning of the year	151,954	16,479	168,433
Amortization	25,726	1,336	27,062
Accumulated amortization, end of the year	177,680	17,815	195,495
Net carrying amount, end of the year	\$ 88,751	\$ 23,007	\$ 111,758

	2014		
	Library collections	Office furniture and equipment	Total
Cost, beginning of the year	\$ 199,032	\$ 28,367	\$ 227,399
Additions	35,440	-	35,440
Cost, end of the year	234,472	28,367	262,839
Accumulated amortization, beginning of the year	129,418	15,143	144,561
Amortization	22,536	1,336	23,872
Accumulated amortization, end of the year	151,954	16,479	168,433
Net carrying amount, end of the year	\$ 82,518	\$ 11,888	\$ 94,406

The Corporation of the Municipality of Meaford
Public Library Board
Notes to the Financial Statements

December 31, 2015

4. Accumulated Surplus

The organization segregates its accumulated surplus in the following categories:

	2015	2014
Invested in capital assets	\$ 111,758	\$ 94,406
Reserves	109,797	100,749
Accumulated surplus	\$ 221,555	\$ 195,155

5. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2015 budget amounts for the Public Library Board approved by the Board have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in financial assets. The following is a reconciliation of the budget approved by the Board.

	2015 Budget	2015 Actual	2014 Actual
Annual surplus (Page 5)	\$ 104,000	\$ 26,400	\$ 25,819
Net transfers to reserves	(57,000)	(9,048)	(14,250)
Capital acquisitions	(47,000)	(44,414)	(35,441)
Amortization	-	27,062	23,872
	\$ -	\$ -	\$ -

6. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

The Corporation of the
Municipality of Meaford
Central Business Improvement Area
Financial Statements
For the year ended December 31, 2015

The Corporation of the Municipality of Meaford
Central Business Improvement Area
Financial Statements
For the year ended December 31, 2015

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Meaford

We have audited the accompanying financial statements of the Corporation of the Municipality of Meaford Central Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Corporation of the Municipality of Meaford Central Business Improvement Area as at December 31, 2015 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Information

Without modifying our opinion we draw attention to Note 2 of the financial statements. We were not engaged to report on the comparative information and, as such, it is unaudited.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
May 2, 2016

The Corporation of the Municipality of Meaford
Central Business Improvement Area
Statement of Financial Position

<u>December 31</u>	2015	2014
		(Unaudited) (Note 2)
Financial assets		
Cash	\$ 28,947	\$ 18,718
Accounts receivable	2,097	675
	<u>31,044</u>	<u>19,393</u>
Liabilities		
Accounts payable and accrued liabilities	<u>4,364</u>	-
Net financial assets	26,680	19,393
Non-financial assets		
Tangible capital assets (Note 3)	<u>5,674</u>	-
Accumulated surplus (Note 4)	<u>\$ 32,354</u>	<u>\$ 19,393</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Central Business Improvement Area
Statement of Operations and Accumulated Surplus

<u>For the year ended December 31</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
	Budget	Actual	Actual (Unaudited) (Note 2)
Revenue			
Government transfers			
Municipality of Meaford	\$ 24,500	\$ 25,291	\$ 24,727
Expenses			
Advertising and promotion	1,200	3,675	4,116
Amortization	-	1,419	5,727
Association expense	16,795	7,085	8,794
Office	250	151	57
Repairs and maintenance	-	-	1,857
Transfer to Municipality of Meaford	-	-	10,000
	<u>18,245</u>	<u>12,330</u>	<u>30,551</u>
Annual surplus (deficit) (Note 5)	6,255	12,961	(5,824)
Accumulated surplus, beginning of the year	<u>19,393</u>	<u>19,393</u>	<u>25,217</u>
Accumulated surplus, end of the year	\$ 25,648	\$ 32,354	\$ 19,393

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Central Business Improvement Area
Statement of Changes in Net Financial Assets

<u>For the year ended December 31</u>	2015	2015	2014
	Budget	Actual	Actual (Unaudited) (Note 2)
Annual surplus (deficit) (Page 5)	\$ 6,255	\$ 12,961	\$ (5,824)
Acquisition of tangible capital assets	(6,255)	(7,093)	-
Amortization of tangible capital assets	-	1,419	5,727
	<u>(6,255)</u>	<u>(5,674)</u>	<u>5,727</u>
Increase (decrease) in net financial assets	-	7,287	(97)
Net financial assets, beginning of the year	<u>19,393</u>	<u>19,393</u>	<u>19,490</u>
Net financial assets, end of the year	<u>\$ 19,393</u>	<u>\$ 26,680</u>	<u>\$ 19,393</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Central Business Improvement Area
Statement of Cash Flows

<u>For the year ended December 31</u>	<u>2015</u>	<u>2014</u>
		(Unaudited) (Note 2))
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 12,961	\$ (5,824)
Items not involving cash		
Amortization	<u>1,419</u>	<u>5,727</u>
	14,380	(97)
Changes in non-cash working capital balances		
Accounts receivable	(1,422)	515
Accounts payable	<u>4,364</u>	<u>(495)</u>
	17,322	(77)
Capital transaction		
Cash used to acquire capital assets	<u>(7,093)</u>	<u>-</u>
Net change in cash	10,229	(77)
Cash, beginning of the year	<u>18,718</u>	<u>18,795</u>
Cash, end of the year	<u>\$ 28,947</u>	<u>\$ 18,718</u>

**The Corporation of the Municipality of Meaford
Central Business Improvement Area
Notes to the Financial Statements**

December 31, 2015

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Corporation of the Municipality of Meaford Central Business Improvement Area is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. The Board of Management reviews and approves the financial statements.
Basis of Accounting	<p>The financial statements of the Corporation of the Municipality of Meaford Central Business Improvement Area have been prepared by management in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued liabilities and useful lives of capital assets. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	The Central Business Improvement Area has been consolidated with the financial statements of the Municipality of Meaford.

The Corporation of the Municipality of Meaford
Central Business Improvement Area
Notes to the Financial Statements

December 31, 2015

1. Summary of Significant Accounting Policies - (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the asset is based on estimates made by Council. The following rates are used:

Decorations 5 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Revenue Recognition

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

2. Comparative Amounts

The comparative amounts were included in the Supplementary Information for the Municipality of Meaford in their report dated May 25, 2015. We were not engaged to report on the comparative amounts and, as such, they are unaudited.

The Corporation of the Municipality of Meaford
Central Business Improvement Area
Notes to the Financial Statements

December 31, 2015

3. Tangible Capital Assets

	2015 Decorations	2014 Decorations
Cost, beginning of the year	\$ 19,856	\$ 19,856
Additions	7,093	-
Cost, end of the year	26,949	19,856
Accumulated amortization, beginning of the year	19,856	14,129
Amortization	1,419	5,727
Accumulated amortization, end of the year	21,275	19,856
Net carrying amount, end of the year	\$ 5,674	\$ -

4. Accumulated Surplus

The organization segregates its accumulated surplus in the following categories:

	2015	2014
Invested in capital assets	\$ 5,674	\$ -
Surplus (Note 5)	26,680	19,393
Accumulated surplus	\$ 32,354	\$ 19,393

The Corporation of the Municipality of Meaford
Central Business Improvement Area
Notes to the Financial Statements

December 31, 2015

5. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and changes in net financial assets for comparative purposes. The 2015 budget amounts for the Central Business Improvement Area approved by the Board have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in financial assets. The following is a reconciliation of the budget approved by the Board.

	2015		2015		2014
	Budget		Actual		Actual
Annual surplus (deficit) (Page 5)	\$ 6,255	\$	12,961	\$	(5,824)
Capital acquisitions	(6,255)		(7,093)		-
Amortization	-		1,419		5,727
	-		7,287		(97)
Prior year surplus carried forward	19,393		19,393		19,490
Surplus (Note 4)	\$ 19,393	\$	26,680	\$	19,393

**The Corporation of the
Municipality of Meaford
Bognor Community Centre
Financial Statements
For the year ended December 31, 2015**

The Corporation of the Municipality of Meaford
Bognor Community Centre
Financial Statements
For the year ended December 31, 2015

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Meaford

We have audited the accompanying financial statements of the Corporation of the Municipality of Meaford Bognor Community Centre, which comprise the statement of financial position as at December 31, 2015, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.



Basis for Qualified Opinion

In common with many not-for-profit organizations, the entity derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, annual surplus, changes in net financial assets and cash flows for the years ended December 31, 2014 and 2015, financial assets as at December 31, 2014 and 2015 and accumulated surplus as at January 1 and December 31 for both the 2014 and 2015 years. Our audit opinion on the financial statements for the year ended December 31, 2014 was modified accordingly because of the possible effects on this limitation of scope.

Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects, the financial position of the Corporation of the Municipality of Meaford Bognor Community Centre as at December 31, 2015 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
May 2, 2016

The Corporation of the Municipality of Meaford
Bognor Community Centre
Statement of Financial Position

December 31	2015	2014
Financial assets		
Cash	\$ 16,707	\$ 14,728
Accounts receivable	2,838	2,072
	<hr/>	<hr/>
	19,545	16,800
Financial Liabilities		
Accounts payable and accrued liabilities	273	410
	<hr/>	<hr/>
Accumulated surplus	\$ 19,272	\$ 16,390

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Bognor Community Centre
Statement of Operations and Accumulated Surplus

<u>For the year ended December 31</u>	<u>2015</u>	<u>2014</u>
Revenue		
Rental	\$ 2,549	\$ 2,355
Fundraising and other income	17,933	16,360
Interest	155	175
Contribution from Municipality of Meaford	3,228	5,228
Contribution from Community Group	-	23,108
	<u>23,865</u>	<u>47,226</u>
Expenses		
Insurance	1,728	1,728
Materials and supplies	9,042	10,368
Miscellaneous	194	1,769
Professional fees	1,500	3,500
Repairs and maintenance	2,107	6,252
Telephone	529	523
Utilities	5,883	6,696
	<u>20,983</u>	<u>30,836</u>
Annual surplus	2,882	16,390
Accumulated surplus, beginning of the year	<u>16,390</u>	-
Accumulated surplus, end of the year	<u>\$ 19,272</u>	<u>\$ 16,390</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Bognor Community Centre
Statement of Changes in Net Financial Assets

For the year ended December 31	2015	2014
Annual surplus (Page 5)	\$ 2,882	\$ 16,390
Net financial assets, beginning of the year	<u>16,390</u>	-
Net financial assets, end of the year	<u>\$ 19,272</u>	<u>\$ 16,390</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Bognor Community Centre
Statement of Cash Flows

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 2,882	\$ 16,390
Items not involving operating cash		
Contribution from Community Group	-	(23,108)
	<u>2,882</u>	<u>(6,718)</u>
Changes in non-cash working capital balances		
Accounts receivable	(766)	(2,072)
Accounts payable and accrued liabilities	(137)	410
	<u>1,979</u>	<u>(8,380)</u>
Financing transaction		
Cash contributed by Community Group	-	23,108
Net change in cash	1,979	14,728
Cash, beginning of the year	<u>14,728</u>	-
Cash, end of the year	<u>\$ 16,707</u>	<u>\$ 14,728</u>

**The Corporation of the Municipality of Meaford
Bognor Community Centre
Notes to the Financial Statements**

December 31, 2015

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Corporation of the Municipality of Meaford Bognor Community Centre is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. The Bognor Community Hall Board reviews and approves the financial statements.
Basis of Accounting	<p>The financial statements of the Corporation of the Municipality of Meaford Bognor Community Centre have been prepared by management in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	The Bognor Community Centre has been consolidated with the financial statements of the Municipality of Meaford.

The Corporation of the Municipality of Meaford
Bognor Community Centre
Notes to the Financial Statements

December 31, 2015

1. Summary of Significant Accounting Policies - (continued)

Revenue Recognition

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Other revenues are recorded upon sale of goods or provision of services when collection is reasonably assured.

2. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. A budget was not approved in 2015.

**The Corporation of the
Municipality of Meaford
Riverside Community Centre
Financial Statements
For the year ended December 31, 2015**

The Corporation of the Municipality of Meaford
Riverside Community Centre
Financial Statements
For the year ended December 31, 2015

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Meaford

We have audited the accompanying financial statements of the Corporation of the Municipality of Meaford Riverside Community Centre, which comprise the statement of financial position as at December 31, 2015, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.



Basis for Qualified Opinion

In common with many not-for-profit organizations, the entity derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, annual surplus, changes in net financial assets and cash flows for the years ended December 31, 2014 and 2015, financial assets as at December 31, 2014 and 2015 and accumulated surplus as at January 1 and December 31 for both the 2014 and 2015 years. Our audit opinion on the financial statements for the year ended December 31, 2014 was modified accordingly because of the possible effects on this limitation of scope.

Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects, the financial position of the Corporation of the Municipality of Meaford Riverside Community Centre as at December 31, 2015 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
May 2, 2016

The Corporation of the Municipality of Meaford
Riverside Community Centre
Statement of Financial Position

December 31	2015	2014
Financial assets		
Cash	\$ 17,365	\$ 14,582
Accounts receivable	502	202
	<hr/>	<hr/>
	17,867	14,784
Financial Liabilities		
Accounts payable and accrued liabilities	366	\$ 400
	<hr/>	<hr/>
Accumulated surplus	\$ 17,501	\$ 14,384

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Riverside Community Centre
Statement of Operations and Accumulated Surplus

<u>For the year ended December 31</u>	<u>2015</u>	<u>2014</u>
Revenue		
Rental	\$ 3,025	\$ 3,447
Fundraising and other income	7,631	7,639
Interest	150	168
Contribution from Municipality of Meaford	3,228	5,228
Contribution from Community Group	-	13,581
	<u>14,034</u>	<u>30,063</u>
Expenses		
Bank fees	144	83
Insurance	1,728	1,728
Materials and supplies	2,499	3,020
Miscellaneous	398	412
Professional fees	1,500	3,500
Repairs and maintenance	789	1,607
Telephone	492	504
Utilities	3,367	4,825
	<u>10,917</u>	<u>15,679</u>
Annual surplus	3,117	14,384
Accumulated surplus, beginning of the year	<u>14,384</u>	-
Accumulated surplus, end of the year	<u>\$ 17,501</u>	<u>\$ 14,384</u>

The Corporation of the Municipality of Meaford
Riverside Community Centre
Statement of Changes in Net Financial Assets

<u>For the year ended December 31</u>	<u>2015</u>	<u>2014</u>
Annual surplus (Page 5)	\$ 3,117	\$ 14,384
Net financial assets, beginning of the year	<u>14,384</u>	-
Net financial assets, end of the year	<u>\$ 17,501</u>	<u>\$ 14,384</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Riverside Community Centre
Statement of Cash Flows

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 3,117	\$ 14,384
Items not involving operating cash		
Contribution from Community Group	-	(13,581)
	<u>3,117</u>	<u>803</u>
Changes in non-cash working capital balances		
Accounts receivable	(300)	(202)
Accounts payable and accrued liability	(34)	400
	<u>2,783</u>	<u>1,001</u>
Financing transaction		
Cash contributed by Community Group	-	13,581
Net change in cash	2,783	14,582
Cash, beginning of the year	<u>14,582</u>	<u>-</u>
Cash, end of the year	<u>\$ 17,365</u>	<u>\$ 14,582</u>

**The Corporation of the Municipality of Meaford
Riverside Community Centre
Notes to the Financial Statements**

December 31, 2015

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Corporation of the Municipality of Meaford Riverside Community Centre is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. The Riverside Community Hall Board reviews and approves the financial statements.
Basis of Accounting	<p>The financial statements of the Corporation of the Municipality of Meaford Riverside Community Centre have been prepared by management in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	The Riverside Community Centre has been consolidated with the financial statements of the Municipality of Meaford.

The Corporation of the Municipality of Meaford
Riverside Community Centre
Notes to the Financial Statements

December 31, 2015

1. Summary of Significant Accounting Policies - (continued)

Revenue Recognition

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Other revenues are recorded upon sale of goods or provision of services when collection is reasonably assured.

2. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. A budget was not approved in 2015.
