

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

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CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

For The Year Ended December 31, 2015

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Municipality of Trent Hills are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Municipality's assets are appropriately accounted for and adequately safeguarded.

The Municipality's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Municipality's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Municipality of Trent Hills. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditors' report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Municipality. Collins Barrow Kawarthas LLP has full and free access to Council.

Mayor

A handwritten signature in black ink, appearing to be "A. Lill", written over a horizontal line.

Date

June 7, 2016

Director of Finance/
Treasurer

A handwritten signature in black ink, appearing to be "Valerie N. Smith", written over a horizontal line.

Date

June 7, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Trent Hills

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the Municipality of Trent Hills and its local boards, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations and accumulated surplus, change in net financial assets/(liabilities) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Municipality of Trent Hills and its local boards as at December 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 15, 2016

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2015

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash (note 4)	2,317,789	6,472,222
Investments (note 5)	610,055	598,462
Accounts receivable	1,477,306	1,300,822
Taxes receivable	2,712,736	2,744,383
Inventories held for resale	2,703	11,448
Loans and notes receivable	102,159	122,737
TOTAL FINANCIAL ASSETS	7,222,748	11,250,074
LIABILITIES		
Temporary borrowing (note 7)	1,719,480	1,672,111
Accounts payable and accrued liabilities	2,174,457	2,480,173
Deferred revenue - obligatory reserve funds (note 9)	1,247,486	1,104,385
Deferred revenue - other	20,181	61,693
Other bank debt (note 8)	3,900,000	4,160,000
Long term debt (note 10)	8,757,294	9,364,914
TOTAL LIABILITIES	17,818,898	18,843,276
NET FINANCIAL ASSETS/(LIABILITIES)	(10,596,150)	(7,593,202)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 13)	90,211,622	87,565,733
Prepaid expenses	775,579	122,466
Inventories of materials and supplies	553,729	721,099
TOTAL NON-FINANCIAL ASSETS	91,540,930	88,409,298
ACCUMULATED SURPLUS (note 14)	80,944,780	80,816,096

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2015

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
REVENUES			
Property taxation	11,291,860	11,293,130	10,823,541
User charges	4,375,028	4,455,036	4,278,307
Government of Canada	2,796	28,960	25,500
Province of Ontario	6,500,390	2,984,822	2,835,623
Other municipalities	-	15,810	-
Penalties and interest on taxes	390,000	420,115	412,994
Investment income	102,008	85,686	131,032
Donations	11,550	266,619	194,820
Development charges earned	-	60,000	-
Parkland fees earned	-	6,000	72,576
Federal gas tax earned	397,434	364,954	322,879
Provincial gas tax earned	90,000	71,962	91,076
Capital contributions	-	139,944	25,000
Other	337,696	448,201	285,262
Contributed capital assets	-	74,000	250,000
TOTAL REVENUES	23,498,762	20,715,239	19,748,610
EXPENSES			
General government	2,110,204	2,257,524	2,032,602
Protection services	4,890,383	4,741,764	4,980,991
Transportation services	6,693,900	6,165,932	6,606,161
Environmental services	4,711,257	4,052,887	4,282,627
Health services	74,977	35,994	50,130
Recreation and cultural services	2,607,686	2,653,670	2,454,271
Planning and development	829,890	678,784	861,584
TOTAL EXPENSES	21,918,297	20,586,555	21,268,366
ANNUAL SURPLUS/(DEFICIT)	1,580,465	128,684	(1,519,756)
ACCUMULATED SURPLUS - beginning of year	80,816,096	80,816,096	82,335,852
ACCUMULATED SURPLUS - end of year	82,396,561	80,944,780	80,816,096

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)

For the Year Ended December 31, 2015

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
ANNUAL SURPLUS/(DEFICIT)	1,580,465	128,684	(1,519,756)
Amortization of tangible capital assets	4,765,099	4,701,781	4,765,099
Purchase of tangible capital assets	(11,496,573)	(7,316,650)	(3,122,465)
Gain on disposal of tangible capital assets	-	(27,987)	(24,074)
Proceeds on sale of tangible capital assets	-	70,967	24,089
Contributed capital assets	-	(74,000)	(250,000)
(Increase)/decrease in prepaid expenses	-	(653,113)	4,629
(Increase)/decrease in inventories of materials and supplies	-	167,370	(309,263)
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	(5,151,009)	(3,002,948)	(431,741)
NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year	(7,593,202)	(7,593,202)	(7,161,461)
NET FINANCIAL ASSETS/(LIABILITIES) - end of year	(12,744,211)	(10,596,150)	(7,593,202)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

	2015 \$	2014 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	128,684	(1,519,756)
(Increase)/decrease in accounts receivable	(176,484)	1,785,524
(Increase)/decrease in taxes receivable	31,647	(61,327)
(Increase)/decrease in inventories held for resale	8,745	(6,184)
Decrease in loans and notes receivable	20,578	19,744
(Increase)/decrease in prepaid expenses	(653,113)	4,629
(Increase)/decrease in inventories of materials and supplies	167,370	(309,263)
Increase/(decrease) in accounts payable and accrued liabilities	(305,716)	314,519
Increase in deferred revenue - obligatory reserve funds	143,101	72,577
Increase/(decrease) in deferred revenue - other	(41,512)	29,719
Non-cash charges to operations		
Amortization of tangible capital assets	4,701,781	4,765,099
Gain on disposal of tangible capital assets	(27,987)	(24,074)
Contributed capital assets	(74,000)	(250,000)
Net increase in cash from operating transactions	3,923,094	4,821,207
CAPITAL		
Purchase of tangible capital assets	(7,316,650)	(3,122,465)
Proceeds on disposal of tangible capital assets	70,967	24,089
Net decrease in cash from capital transactions	(7,245,683)	(3,098,376)
INVESTING		
Increase in investments	(11,593)	(16,934)
FINANCING		
Other bank debt - loans issued	3,900,000	4,160,000
Debt principal repayments - other bank debt	(4,160,000)	(4,420,000)
Debt principal repayments - long term debt	(607,620)	(595,407)
Increase in temporary borrowing	47,369	49,358
Net decrease in cash from financing transactions	(820,251)	(806,049)
INCREASE/(DECREASE) IN CASH	(4,154,433)	899,848
CASH - beginning of year	6,472,222	5,572,374
CASH - end of year	2,317,789	6,472,222

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

The Municipality of Trent Hills is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned and controlled by the Municipality. These financial statements include:

- Trent Hills Public Library Board
- Campbellford Business Improvement Area

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Municipality are not included in these Consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Taxation

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Municipality's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Municipality is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(d) Recognition of Revenues and Expenses

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Tangible Capital Assets

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

Land improvements	20 years
Buildings	20-40 years
Roadways, bridges and sidewalks	20-50 years
Water and wastewater networks	40-80 years
Vehicles	7 years
Equipment	3-7 years
Pooled equipment	7 years

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

No amortization is charged in the year of acquisition. Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets.

(f) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Municipality because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold.

(g) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(h) Deferred Revenue

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

(i) Government Funding

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Municipality's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

(k) Inventories of Materials and Supplies

Inventories of materials and supplies held for consumption are recorded at cost.

2. CHANGE IN ACCOUNTING POLICY

The Municipality has implemented PSA section 3260 Liability for Contaminated Sites. Section 3260 requires governments to record a liability in their financial statements if they have a contaminated site that meets the requirements set out in the standard. The standard defines contamination as the introduction into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The standard generally applies to sites that are not in productive use. Sites that are in productive use are only considered contaminated if there was an unexpected event that resulted in contamination. This change has been applied retroactively without restatement of prior periods. The adoption of this standard did not have an impact on the Municipality's financial statements.

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2015, requisitions were made by the County of Northumberland and School Boards requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Amounts requisitioned and remitted	3,738,850	6,907,654

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2015

4. CASH

Cash includes the following restricted and unrestricted amounts:

	2015 \$	2014 \$
Unrestricted	605,191	4,761,698
Restricted	1,712,598	1,710,524
	2,317,789	6,472,222

5. INVESTMENTS

Investments are recorded at cost less any non-temporary decline in market value and consist of the following:

	2015 \$	2014 \$
One Bond Portfolio - Hastings Hydro Fund (cost \$629,479)	610,055	598,462

6. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$4,000,000 via an operating line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate less .50% per annum. Council authorized the temporary borrowing limit by By-law 2015-06. At December 31, 2015 there was no balance outstanding (2014 - \$Nil).

7. TEMPORARY BORROWING

Temporary borrowing consists of short term bridge financing for capital projects with an interest rate of Prime + 0.75% (2014 - Prime + 0.75%) and no specific repayment terms.

8. OTHER BANK DEBT

Other bank debt consists of bankers' acceptances to fund capital expenditures as follows:

	2015 \$	2014 \$
Bankers' acceptance issued to Royal Bank of Canada, carrying an effective interest rate of 0.999% per annum, due December 16, 2016.	3,900,000	4,160,000

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

9. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized below:

	2015 \$	2014 \$
Development charges	1,074,320	948,747
Parkland	52,652	52,211
Federal gas tax	56,926	56,453
Provincial gas tax	63,588	46,974
	1,247,486	1,104,385

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2015 \$	2014 \$
Balance - beginning of year	1,104,385	1,031,808
Add amounts received:		
Development charges	175,714	119,468
Parkland	6,000	6,750
Federal gas tax	364,954	374,991
Provincial gas tax	87,697	45,102
Interest	11,652	12,797
	646,017	559,108
Less transfer to operations:		
Development charges earned	60,000	-
Parkland fees earned	6,000	72,576
Federal gas tax earned	364,954	322,879
Provincial gas tax earned	71,962	91,076
	502,916	486,531
Balance - end of year	1,247,486	1,104,385

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2015

10. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2015 \$	2014 \$
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$77,963, interest at 2.72% per annum, due September 15, 2033.	2,207,620	2,301,576
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual principal instalments of \$110,400 plus interest at 3.6% per annum, due December 15, 2031.	3,532,800	3,753,600
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$23,561, interest at 4.83% per annum, due February 15, 2027.	412,261	438,525
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$16,119, interest at 4.83% per annum, due February 15, 2027.	281,933	299,901
Long term loan issued to Royal Bank of Canada, repayable in monthly blended instalments of \$11,700, interest at 5.2% per annum, due December 21, 2016.	1,104,816	1,185,476
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$54,247, interest at 2.51% per annum, due October 1, 2026.	1,037,205	1,118,138
Long term loan issued to Royal Bank of Canada, repayable in semi-annual blended instalments of \$9,047, interest at 3.99% per annum, due April 25, 2021.	88,580	102,715
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$27,387, interest at 4.63% per annum, due February 15, 2017.	78,499	127,917
Long term loan issued to Royal Bank of Canada, repayable in monthly blended instalments of \$1,426, interest at 2.38% per annum, due December 19, 2015.	-	16,962
Debentures issued to Province of Ontario to finance tile drainage debentures issued to landowners, principal and interest to be recovered from landowners, maturing at various dates to 2019.	13,580	20,104
	8,757,294	9,364,914

- (b) The long term debt in (a) issued in the name of the Municipality have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2015

10. LONG TERM DEBT, continued

(c) Interest paid during the year on long term debt amounted to \$424,004 (2014 - \$445,857).

(d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2016	1,624,869	306,106	1,930,975
2017	498,416	231,927	730,343
2018	479,568	215,930	695,498
2019	486,139	198,822	684,961
2021 and subsequent years	5,668,302	1,142,881	6,811,183
	8,757,294	2,095,666	10,852,960

11. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
Salaries and benefits	6,294,311	6,362,724	6,119,987
Interest charges	535,573	424,004	445,857
Materials	5,954,783	4,879,992	5,250,878
Contracted services	4,143,549	3,974,218	4,433,433
Rents and financial	38,120	79,961	94,060
External transfers	186,862	191,862	183,125
Amortization	4,765,099	4,701,781	4,765,099
Loss (gain) on disposal of tangible capital assets	-	(27,987)	(24,073)
	21,918,297	20,586,555	21,268,366

12. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$451,741 (2014 - \$439,757) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2015

13. TANGIBLE CAPITAL ASSETS

The net book value of the Municipality's tangible capital assets are:

	2015 \$	2014 \$
General		
Land and land improvements	5,292,576	2,858,788
Building and leasehold improvements	22,464,412	20,253,650
Vehicles and equipment	3,100,954	3,538,620
Infrastructure		
Linear - storm	5,880,926	5,883,839
Linear - sanitary	6,779,109	6,748,287
Water distribution	12,978,044	13,168,890
Roadways, bridges and sidewalks	33,543,774	33,554,960
	90,039,795	86,007,034
Assets under construction	171,827	1,558,699
	90,211,622	87,565,733

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2014 - \$Nil) and no interest capitalized (2014 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2015 \$	2014 \$
General government	1,886,404	1,900,574
Protection services	1,197,670	1,391,900
Transportation services	35,428,009	35,514,371
Environmental services	40,180,372	41,521,786
Health services	6,418	7,891
Recreation and cultural services	8,921,460	5,071,532
Planning and development	2,591,289	2,157,679
	90,211,622	87,565,733

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

14. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2015 \$	2014 \$
Surplus		
Municipality	-	115,281
Trent Hills Public Library Board	-	18,795
	-	134,076
Invested In Capital Assets		
Tangible capital assets - net book value	90,211,622	87,565,733
Unfunded capital - Orchard Hill	(1,719,482)	(1,672,112)
Unfunded capital - Streetlights (b)	(573,833)	-
Unfunded capital - Field House (b)	(3,048,182)	-
Long term debt	(8,655,135)	(9,242,094)
Other bank debt	(3,900,000)	(4,160,000)
	72,314,990	72,491,527
Surplus	72,314,990	72,625,603
Reserves		
Working capital and contingency	1,437,273	2,058,428
General government	183,098	113,020
Protection to persons and property	621,699	308,918
Transportation services	1,640,721	1,483,139
Environmental services	2,136,529	1,877,580
Health services	100,649	35,536
Recreation and culture	803,750	619,294
Planning and development	341,391	285,039
Total Reserves	7,265,110	6,780,954
Reserve Funds		
Working capital and contingency	1,129,638	1,151,249
Environmental services	60,853	60,346
Recreation and culture	150,509	174,462
Planning and development	23,680	23,482
Total Reserve Funds	1,364,680	1,409,539
	80,944,780	80,816,096

(b) Unfunded capital amounts related to capital construction in 2015 will be financed in 2016 through long term debt.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

15. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions required on account of current service in 2015 were \$297,465 (2014 - \$288,179).

Some of the employees of the Municipality are eligible to be members of a contributory pension plan. Employer contributions to the plan by the Municipality during the year amounted to \$46,706 (2014 - \$35,075). These contributions which match the employee's contributions for current service, are expensed during the year in which services are rendered and represent the total pension obligation of the Municipality.

16. BUDGET FIGURES

The budget, approved by the Municipality, for 2015 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets/(Liabilities). The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

17. SEGMENTED INFORMATION

The Municipality of Trent Hills is a municipal government organization that provides a range of services to its residents. Municipality services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Municipality and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Municipality's roads and bridges, winter control, street lighting and transit services.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

17. SEGMENTED INFORMATION, continued

Environmental Services

The environmental services function is responsible for providing water and sewer services to the Municipality's ratepayers.

Health Services

The health services function consists of services provided to maintain the Municipality's cemeteries.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library and other cultural services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Municipality including the Campbellford Business Improvement Area.

18. CONTINGENT LIABILITIES

The Municipality, in the course of its operations, has been named in several lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

Subsequent to the year end, it was determined the Municipality has an obligation for closure costs for a historical landfill site in Campbellford that was not transferred to the County of Northumberland in 1991, when the County assumed waste management operations for the lower-tier municipalities. Initial cost estimates, from the Municipality's consultant, for this project range from \$375,000 to \$3,430,000. As of the audit report date the Municipality has not approved their approach to fulfilling this obligation and therefore a liability for this has not been recorded in these consolidated financial statements. Once an approach has been determined by the Municipality, the obligation will be funded from taxation and be recorded in subsequent financial statements.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2015

	General			Infrastructure					Totals
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Linear - Storm	Linear - Sanitary	Water Distribution	Roadways, Bridges and Sidewalks	Assets Under Construction	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST									
Balance, beginning of year	3,725,219	37,368,136	14,325,353	7,556,046	9,647,243	16,618,246	75,470,945	1,558,699	166,269,887
Add: additions during the year	2,573,436	2,013,196	624,747	95,673	159,454	37,206	1,886,938	-	7,390,650
Less: disposals during the year	1	-	357,930	-	-	-	50,733	8,068	416,732
Internal transfers	-	1,378,804	-	-	-	-	-	(1,378,804)	-
Balance, end of year	6,298,654	40,760,136	14,592,170	7,651,719	9,806,697	16,655,452	77,307,150	171,827	173,243,805
ACCUMULATED AMORTIZATION									
Balance, beginning of year	866,431	17,114,486	10,786,733	1,672,207	2,898,956	3,449,356	41,915,985	-	78,704,154
Add: additions during the year	139,647	1,181,238	1,048,655	98,586	128,632	228,052	1,876,971	-	4,701,781
Less: disposals during the year	-	-	344,172	-	-	-	29,580	-	373,752
Balance, end of year	1,006,078	18,295,724	11,491,216	1,770,793	3,027,588	3,677,408	43,763,376	-	83,032,183
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	5,292,576	22,464,412	3,100,954	5,880,926	6,779,109	12,978,044	33,543,774	171,827	90,211,622

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2015

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	1,334,784	1,817,096	5,000,351	152,853	58,705	2,320,196	609,145	11,293,130
User charges	129,725	355,102	26,269	3,546,494	37,259	314,587	45,600	4,455,036
Government transfers - operating	1,320	2,693,122	2,710	-	-	73,044	-	2,770,196
Government transfers - capital	-	-	170,255	-	-	73,331	-	243,586
Other municipalities	-	-	15,810	-	-	-	-	15,810
Penalties and interest on taxes	420,115	-	-	-	-	-	-	420,115
Investment income	79,802	-	-	-	1,407	509	3,968	85,686
Donations	-	-	-	-	2,263	169,872	94,484	266,619
Development charges earned	-	-	-	-	-	60,000	-	60,000
Parkland fees earned	-	-	-	-	-	6,000	-	6,000
Federal gas tax earned	-	-	364,954	-	-	-	-	364,954
Provincial gas tax earned	-	-	71,962	-	-	-	-	71,962
Capital contributions	-	-	139,944	-	-	-	-	139,944
Other	219,499	318	24,008	7,392	-	171,245	25,739	448,201
Contributed capital assets	-	-	-	-	-	-	74,000	74,000
Total revenues	2,185,245	4,865,638	5,816,263	3,706,739	99,634	3,188,784	852,936	20,715,239
Expenses								
Salaries and benefits	1,312,133	842,896	1,950,846	679,556	13,132	1,243,953	320,208	6,362,724
Interest charges	151	-	42,802	375,887	-	-	5,164	424,004
Materials	700,156	644,900	1,411,243	1,032,500	12,479	994,132	84,582	4,879,992
Contracted services	69,435	2,670,196	427,272	599,843	8,911	104,395	94,166	3,974,218
Rents and financial	9,683	4,873	10,175	3,471	-	4,390	47,369	79,961
External transfers	-	141,362	45,500	-	-	-	5,000	191,862
Amortization	160,050	368,435	2,294,120	1,446,130	1,472	306,800	124,774	4,701,781
Loss (gain) on disposal of tangible capital assets	5,916	(15,398)	(15,984)	-	-	-	(2,521)	(27,987)
Internal transfers	-	84,500	(42)	(84,500)	-	-	42	-
Total expenses	2,257,524	4,741,764	6,165,932	4,052,887	35,994	2,653,670	678,784	20,586,555
Net surplus/(deficit)	(72,279)	123,874	(349,669)	(346,148)	63,640	535,114	174,152	128,684

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2014

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	1,144,961	1,927,569	4,659,177	158,630	64,672	2,302,284	566,248	10,823,541
User charges	117,598	305,187	17,994	3,478,498	20,201	319,621	19,208	4,278,307
Government transfers - operating	1,100	2,785,141	-	-	-	41,656	9,881	2,837,778
Government transfers - capital	-	111	-	-	-	1,110	22,124	23,345
Penalties and interest on taxes	412,994	-	-	-	-	-	-	412,994
Investment income	124,496	-	-	-	1,625	396	4,515	131,032
Donations	-	-	-	-	140	158,373	36,307	194,820
Parkland fees earned	-	-	-	-	-	72,576	-	72,576
Federal gas tax earned	-	-	322,879	-	-	-	-	322,879
Provincial gas tax earned	-	-	91,076	-	-	-	-	91,076
Capital contributions	-	-	-	-	-	25,000	-	25,000
Other	215,593	-	26,894	7,661	-	14,313	20,801	285,262
Contributed capital assets	-	-	-	-	-	250,000	-	250,000
Total revenues	2,016,742	5,018,008	5,118,020	3,644,789	86,638	3,185,329	679,084	19,748,610
Expenses								
Salaries and benefits	1,157,046	878,767	1,841,292	674,043	21,530	1,228,578	318,731	6,119,987
Interest charges	681	-	45,803	393,291	-	-	6,082	445,857
Materials	616,385	610,115	1,946,956	1,049,519	8,666	805,316	213,921	5,250,878
Contracted services	100,811	2,962,764	455,891	625,861	18,462	108,058	161,586	4,433,433
Rents and financial	18,755	7,464	11,035	5,805	-	1,643	49,358	94,060
External transfers	-	137,625	45,500	-	-	-	-	183,125
Amortization	138,924	328,942	2,274,664	1,586,184	1,472	310,676	124,237	4,765,099
Loss (gain) on disposal of tangible capital assets	-	(452)	(9,632)	-	-	-	(13,989)	(24,073)
Internal transfers	-	55,766	(5,348)	(52,076)	-	-	1,658	-
Total expenses	2,032,602	4,980,991	6,606,161	4,282,627	50,130	2,454,271	861,584	21,268,366
Net surplus/(deficit)	(15,860)	37,017	(1,488,141)	(637,838)	36,508	731,058	(182,500)	(1,519,756)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Corporation of the Municipality of Trent Hills

Report on the Financial Statements

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Municipality of Trent Hills, which comprise the statement of financial position 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 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Municipality of Trent Hills as at December 31, 2015 and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 15, 2016

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2015

	Cemetery Perpetual Care \$	Other \$	2015 Total \$	2014 Total \$
FINANCIAL ASSETS				
Cash	167,402	72,611	240,013	232,303
Investments (note 2)	220,929	2,412	223,341	222,899
Due from Municipality	-	-	-	5,490
	388,331	75,023	463,354	460,692
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Province	-	-	-	9,825
Due to Municipality	4,834	-	4,834	5,188
Due to Cemetery	611	-	611	-
Accounts payable	6,168	-	6,168	5,922
	11,613	-	11,613	20,935
FUND BALANCES (note 3)	376,718	75,023	451,741	439,757
	388,331	75,023	463,354	460,692

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS

STATEMENT OF CONTINUITY

For the Year Ended December 31, 2015

	Cemetery Perpetual Care \$	Other \$	2015 Total \$	2014 Total \$
BALANCES - beginning of year	365,503	74,254	439,757	378,206
RECEIPTS				
Interest	5,946	819	6,765	6,745
Care and Maintenance	6,815	-	6,815	2,424
Trent Valley Cemetery (note 4)	3,660	-	3,660	1,102
Burnbrae Cemetery (note 4)	740	-	740	-
Deposits	-	-	-	57,596
	17,161	819	17,980	67,867
EXPENSES				
Bursaries and scholarships	-	50	50	196
Transfer to Municipality	-	-	-	2,231
Transfer to external Cemeteries (note 4)	5,916	-	5,916	3,835
Bank charges	30	-	30	54
	5,946	50	5,996	6,316
BALANCES - end of year	376,718	75,023	451,741	439,757

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which 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.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENTS

Included in investments are the following recorded at cost:

	2015	2014
	\$	\$
GIC due February 27, 2018 with an interest rate of 2.15%	2,412	2,412
Public Trustee investment for Henderson Cemetery	188	188
One Fund	220,741	220,299
	223,341	222,899

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

3. FUND BALANCES

Included in fund balances are the following:

	2015	2014
	\$	\$
Cemetery Trust Funds		
Warkworth Cemetery	128,049	121,284
Stones Cemetery	8,244	8,244
Henderson Cemetery	188	188
English Line Cemetery	20,535	20,485
Hoards United Church Cemetery	11,071	11,071
Trent Valley Cemetery	134,804	131,144
Burnbrae Cemetery	73,827	73,087
	376,718	365,503
Other Trust Funds		
Alexis	1,184	1,171
893984 Ontario Ltd.	534	528
564444 Ontario Ltd.	2,623	2,595
379593 Ontario Inc.	5,112	5,058
Smith	928	918
Russell	780	772
Carswell	778	770
Hastings Recreation	145	143
HABA	2,739	2,737
Campbellford Minor Sports	1,452	1,437
J.R. Connor - Future Road Work	3,539	3,502
Schickendanz Subdivision Deposit	4,289	4,243
Givatiam	50,920	50,380
	75,023	74,254

4. TRENT VALLEY CEMETERY AND BURNBRAE CEMETERY

During 2013 the Municipality agreed to manage the perpetual care trust funds for the Trent Valley Cemetery and the Burnbrae Cemetery. The Cemetery operations for these two Cemeteries remain external to the Municipality. The Municipality transfers any interest earned on the perpetual care trust funds annually back to those Cemeteries.

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

TRENT HILLS PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2015

INDEPENDENT AUDITORS' REPORT

**To the Members of the Trent Hills Public Library Board, the Members of Council,
Inhabitants and Ratepayers of the Corporation of the Municipality of Trent Hills**

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Report on the Financial Statements

We have audited the accompanying financial statements of the Trent Hills Public Library Board of the Corporation of the Municipality of Trent Hills, which comprise the statement of financial position as at December 31, 2015, the statements of operations and accumulated surplus, change 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 qualified audit opinion.

Basis for Qualified Opinion

The Board derives revenue from donations, fines and user fees, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to donations, fines and user fees revenue, assets and accumulated surplus.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Trent Hills Public Library Board as at December 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 15, 2016

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2015

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash	82,335	48,731
LIABILITIES		
Accounts payable and accrued liabilities	19,509	15,495
Due to Municipality	35,525	143
Deferred revenue	3,731	-
TOTAL LIABILITIES	58,765	15,638
NET FINANCIAL ASSETS	23,570	33,093
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	145,859	160,900
ACCUMULATED SURPLUS (note 3)	169,429	193,993

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2015

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
REVENUES			
Municipal contribution	442,002	442,002	464,676
Provincial grants	39,692	41,434	33,099
Federal grants	1,796	1,320	1,155
Other grants	1,100	1,022	1,210
Facilities rental	3,500	3,420	5,131
User fees	2,750	3,424	4,213
Donations	50	1,115	2,083
Fines	1,500	1,767	2,213
Investment income	50	509	396
Sale of books	1,200	961	1,092
Non-resident fees	450	435	420
TOTAL REVENUES	494,090	497,409	515,688
EXPENSES			
Salaries and benefits	281,932	308,169	299,882
Utilities	44,493	46,912	45,918
Office	13,220	10,962	11,713
Professional fees	4,500	4,500	4,500
Insurance	21,425	21,806	21,006
Periodicals, e-book fees and other	7,320	5,791	5,940
Contracts	15,610	17,308	16,611
Literacy and connectivity grants	2,720	2,154	1,565
Amortization	44,338	43,634	44,338
Book processing and computer services	25,450	23,747	24,595
Conferences, training and travel	5,500	3,307	5,442
Repairs, maintenance and security	33,720	33,683	33,546
TOTAL EXPENSES	500,228	521,973	515,056
ANNUAL SURPLUS/(DEFICIT)	(6,138)	(24,564)	632
ACCUMULATED SURPLUS - beginning of year	193,993	193,993	193,361
ACCUMULATED SURPLUS - end of year	187,855	169,429	193,993

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2015

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
ANNUAL SURPLUS/(DEFICIT)	(6,138)	(24,564)	632
Amortization of tangible capital assets	44,338	43,634	44,338
Acquisition of tangible capital assets	(40,000)	(28,593)	(35,444)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(1,800)	(9,523)	9,526
NET FINANCIAL ASSETS - beginning of year	33,093	33,093	23,567
NET FINANCIAL ASSETS - end of year	31,293	23,570	33,093

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2015

	2015 \$	2014 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	(24,564)	632
Increase/(decrease) in accounts payable and accrued liabilities	4,014	(773)
Increase/(decrease) in due to Municipality	35,382	(8,435)
Increase in deferred revenue	3,731	-
Non-cash charges to operations		
Amortization of tangible capital assets	43,634	44,338
Net increase in cash from operating transactions	62,197	35,762
CAPITAL		
Acquisition of tangible capital assets	(28,593)	(35,444)
INCREASE IN CASH	33,604	318
CASH - beginning of year	48,731	48,413
CASH - end of year	82,335	48,731

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

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

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

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

Books	7 years
Furniture and fixtures	7 years
Computer hardware and software	3 years

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

No amortization is charged in the year of acquisition.

(d) Deferred revenue

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

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Government Funding

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

(g) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Books \$	Software and Equipment \$	2015 Totals \$	2014 Totals \$
COST				
Balance, beginning of year	330,202	30,051	360,253	360,152
Add: additions during the year	28,593	-	28,593	35,444
Less: disposals during the year	40,367	-	40,367	35,343
Balance, end of year	318,428	30,051	348,479	360,253
ACCUMULATED AMORTIZATION				
Balance, beginning of year	174,377	24,976	199,353	190,358
Add: additions during the year	41,405	2,229	43,634	44,338
Less: disposals during the year	40,367	-	40,367	35,343
Balance, end of year	175,415	27,205	202,620	199,353
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	143,013	2,846	145,859	160,900

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2015

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2015	2014
	\$	\$
Surplus/(Deficit)		
General operations	-	18,795
Invested In Capital Assets		
Tangible capital assets - net book value	145,859	160,900
Surplus	145,859	179,695
Reserves		
Bequests	517	320
Literacy	4,626	4,555
General	18,427	7,618
Total Reserves	23,570	12,493
Reserve Funds		
Donated funds	-	1,805
	169,429	193,993

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2015 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of the Campbellford Business Improvement Area, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Trent Hills

T. 705.742.3418
F. 705.742.9775

www.collinsbarrowkawarthas.com

Report on the Financial Statements

We have audited the accompanying financial statements of the Campbellford Business Improvement Area of the Corporation of the Municipality of Trent Hills, which comprise the statement of financial position as at December 31, 2015, the statements of operations and accumulated surplus, change 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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, these financial statements present fairly, in all material respects, the financial position of the Campbellford Business Improvement Area as at December 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 10, 2016

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2015

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash	43,264	29,711
Accounts receivable	-	257
HST receivable	1,911	3,015
TOTAL FINANCIAL ASSETS	45,175	32,983
LIABILITIES		
Accounts payable and accrued liabilities	6,226	6,664
NET FINANCIAL ASSETS	38,949	26,319
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	1,977	2,933
ACCUMULATED SURPLUS (note 2)	40,926	29,252

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2015

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
REVENUES			
Municipal contribution	38,000	38,000	38,000
Waterfront festival	5,000	7,329	5,051
Miscellaneous revenue	-	280	101
Special events	-	1,483	-
TOTAL REVENUES	43,000	47,092	43,152
EXPENSES			
Waterfront festival	10,000	10,721	11,963
Secretarial support	5,400	5,917	9,360
Christmas program	7,000	1,259	6,487
Streetscape	3,500	-	4,155
Office	2,300	896	891
Professional fees	1,530	1,587	1,500
Insurance	920	1,653	918
Advertising	4,000	6,387	2,751
Donations	400	25	163
Website	1,500	527	1,323
Amortization	1,712	2,090	1,712
Special events	2,000	4,356	-
TOTAL EXPENSES	40,262	35,418	41,223
ANNUAL SURPLUS	2,738	11,674	1,929
ACCUMULATED SURPLUS - beginning of year	29,252	29,252	27,323
ACCUMULATED SURPLUS - end of year	31,990	40,926	29,252

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2015

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
ANNUAL SURPLUS	2,738	11,674	1,929
Amortization of tangible capital assets	1,712	2,090	1,712
Acquisition of tangible capital assets	(1,500)	(1,134)	(2,036)
INCREASE IN NET FINANCIAL ASSETS	2,950	12,630	1,605
NET FINANCIAL ASSETS - beginning of year	26,319	26,319	24,714
NET FINANCIAL ASSETS - end of year	29,269	38,949	26,319

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

	2015	2014
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	11,674	1,929
(Increase)/decrease in accounts receivable	257	(182)
Decrease in HST receivable	1,104	91
Decrease in accounts payable and accrued liabilities	(438)	(1,396)
Non-cash charges to operations		
Amortization of tangible capital assets	2,090	1,712
Net increase in cash from operating transactions	14,687	2,154
CAPITAL		
Acquisition of tangible capital assets	(1,134)	(2,036)
INCREASE IN CASH	13,553	118
CASH - beginning of year	29,711	29,593
CASH - end of year	43,264	29,711

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS
CAMPBELLFORD BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the organization are as follows:

(a) Recognition of Revenue and Expenses

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the organization's best information and judgment. Actual results could differ from these estimates.

(c) Tangible Capital Assets

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

Christmas decorations	3 to 5 years
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Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Pooled assets are recorded as disposals in the year after they become fully amortized.

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the organization because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.

(e) Reserves

Certain amounts, as approved by the organization, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS
CAMPBELLFORD BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

2. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2015 \$	2014 \$
Invested In Capital Assets		
Tangible capital assets - net book value	1,977	2,933
Reserves		
General	38,949	26,319
	40,926	29,252

3. TANGIBLE CAPITAL ASSETS

The net book value of the organization's tangible capital assets are:

	2015 Christmas Decorations and Banners \$	2014 Christmas Decorations and Banners \$
COST		
Balance, beginning of year	18,198	16,162
Add: additions during the year	1,134	2,036
Less: disposals during the year	12,248	-
Balance, end of year	7,084	18,198
ACCUMULATED AMORTIZATION		
Balance, beginning of year	15,265	13,553
Add: additions during the year	2,090	1,712
Less: disposals during the year	12,248	-
Balance, end of year	5,107	15,265
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,977	2,933

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS
CAMPBELLFORD BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

4. BUDGET FIGURES

The operating budget, approved by the organization, for 2015 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

5. CONTINGENT LIABILITY

The Campbellford Business Improvement Area amongst others, was named as a defendant in a personal accident litigation claim in 2000. The action seeks \$5,100,000 in damages. There has been no correspondence related to this claim in the past four years. The directors are unable to assess the organization's potential liability, if any, resulting from this action.

No provision for possible loss has been included in these financial statements.