

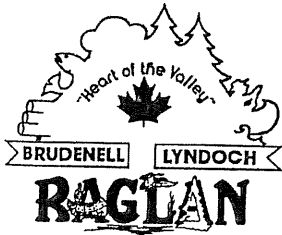
Township of Brudenell, Lyndoch and Raglan

Financial Report

For the year ended 31 December 2015

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS



TOWNSHIP OF
BRUDENELL, LYNDOCH AND RAGLAN

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Management's Responsibility for the Consolidated Financial Statements

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

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MacKillican & Associates, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.


Michelle Mantifel - Clerk-Treasurer

Township of Brudenell, Lyndoch and Raglan

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For the year ended 31 December 2015

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**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Brudenell, Lyndoch and Raglan.

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Brudenell, Lyndoch and Raglan, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of operations, changes in net financial assets (liabilities) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards for local governments, and for such internal control as management determines is necessary to enable the preparation of 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 Township of Brudenell, Lyndoch and Raglan and its local boards as at 31 December 2015, and the results of their operations, changes in net financial assets (liabilities) and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKillican & Associates

RENFREW, Ontario.
2 March 2016.

Chartered Professional Accountants,
Licensed Public Accountants.

Township of Brudenell, Lyndoch and Raglan
Consolidated Statement of Financial Position

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

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash in bank	\$ 424,545	\$ 172,623
Taxes receivable	426,138	406,405
Accounts receivable	<u>32,071</u>	<u>41,444</u>
	<u>\$ 882,754</u>	<u>\$ 620,472</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 124,417	\$ 139,493
Deferred revenue - obligatory reserve funds (Note 6)	23,975	
- other		8,180
Net long term liabilities (Note 4)	380,819	419,114
Landfill closure and post closure costs (Note 7)	<u>164,456</u>	<u>164,456</u>
	<u>\$ 693,667</u>	<u>\$ 731,243</u>
Net financial assets (liabilities)	<u>\$ 189,087</u>	<u>\$ (110,771)</u>
Non-financial assets:		
Tangible capital assets (net)	\$ 23,448,063	\$ 24,356,766
Inventories of supplies	21,521	21,454
Prepaid expenses	<u>6,437</u>	<u>5,498</u>
	<u>\$ 23,476,021</u>	<u>\$ 24,383,718</u>
Accumulated surplus	<u>\$ 23,665,108</u>	<u>\$ 24,272,947</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets	\$ 23,067,245	\$ 23,937,653
General	18,779	18,194
Bicentennial Park Committee	8,323	11,190
Recreation Committee	2,942	(2,121)
Reserves and reserve funds	732,275	472,487
Unfunded - landfill closure and post closure costs (Note 3)	<u>(164,456)</u>	<u>(164,456)</u>
Total accumulated surplus	<u>\$ 23,665,108</u>	<u>\$ 24,272,947</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Consolidated Statement of Operations
For the year ended 31 December 2015
(with 2015 budget and 2014 actual figures for comparison)

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Revenue:			
Taxation and user charges	\$ 1,133,075	\$ 1,136,676	\$ 1,042,616
Government transfers:			
Ontario	785,658	785,921	706,576
Canada	1,000	24,033	51,352
Other	<u>101,083</u>	<u>116,953</u>	<u>175,773</u>
	<u>\$ 2,020,816</u>	<u>\$ 2,063,583</u>	<u>\$ 1,976,317</u>
Expenses:			
General government	\$ 272,802	\$ 237,818	\$ 247,209
Protection to persons and property	427,121	408,842	376,505
Transportation services	1,752,937	1,695,723	1,744,552
Environmental services	204,972	190,766	170,269
Health services	14,000	14,000	14,000
Recreation and cultural services	154,326	120,764	138,664
Planning and development	<u>2,100</u>	<u>3,509</u>	<u>2,705</u>
	<u>\$ 2,828,258</u>	<u>\$ 2,671,422</u>	<u>\$ 2,693,904</u>
Shortfall of revenue over expenses	\$ (807,442)	\$ (607,839)	\$ (717,587)
Accumulated surplus at the beginning of the year	<u>24,272,947</u>	<u>24,272,947</u>	<u>24,990,534</u>
Accumulated surplus at the end of the year	<u>\$ 23,465,505</u>	<u>\$ 23,665,108</u>	<u>\$ 24,272,947</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Consolidated Statement of Changes in Net Financial Assets (Liabilities)

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

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Shortfall of revenue over expenses	\$ (807,442)	\$ (607,839)	\$ (717,587)
Amortization of tangible capital assets	1,067,396	1,067,396	1,069,866
Acquisition of tangible capital assets	(238,700)	(192,594)	(158,598)
Loss (gain) on sale of tangible capital assets		31,401	(6,500)
Proceeds on sale of tangible capital assets		2,500	6,500
Use of (acquisition of) inventory		(67)	1,509
Consumption (acquisition) of prepaid expenses	<u> </u>	<u> (939)</u>	<u> (5,498)</u>
Increase in net financial assets	\$ 21,254	\$ 299,858	\$ 189,692
Net financial assets (liabilities) at the beginning of the year	<u> (110,771)</u>	<u> (110,771)</u>	<u> (300,463)</u>
Net financial assets (liabilities) at the end of the year	<u>\$ (89,517)</u>	<u>\$ 189,087</u>	<u>\$ (110,771)</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Shortfall of revenue over expenses	\$ (607,839)	\$ (717,587)
Add (deduct) items which do not involve cash:		
- amortization	1,067,396	1,069,866
- loss (gain) on sale of assets	<u>31,401</u>	<u>(6,500)</u>
	<u>\$ 490,958</u>	<u>\$ 345,779</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (19,733)	\$ (8,590)
- decrease (increase) in accounts receivable	9,373	107,898
- increase (decrease) in accounts payable and accrued liabilities	(15,076)	(122,122)
- increase (decrease) in deferred revenue	15,795	8,180
- decrease (increase) in inventories of supplies	(67)	1,509
- decrease (increase) in prepaid expenses	<u>(939)</u>	<u>(5,498)</u>
	<u>\$ (10,647)</u>	<u>\$ (18,623)</u>
Cash flows from operating activities	<u>\$ 480,311</u>	<u>\$ 327,156</u>
Cash flows from financing activities:		
Increase (decrease) in construction advance		\$ (285,000)
Decrease (increase) in long term liabilities	<u>\$ (38,295)</u>	<u>211,041</u>
Cash flows used for financing activities	<u>\$ (38,295)</u>	<u>\$ (73,959)</u>
Cash flows used for investing activities:		
Disposals (additions) to tangible capital assets:		
General government	\$ (5,086)	\$ (15,712)
Protection services	(31,700)	
Transportation services	(155,808)	(142,886)
Proceeds on sale of tangible capital assets	<u>2,500</u>	<u>6,500</u>
Cash flows used for investing activities	<u>\$ (190,094)</u>	<u>\$ (152,098)</u>
Increase in cash and cash equivalents during the year	\$ 251,922	\$ 101,099
Cash and cash equivalents at the beginning of the year	<u>172,623</u>	<u>71,524</u>
Cash and cash equivalents at the end of the year	<u>\$ 424,545</u>	<u>\$ 172,623</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Brudenell, Lyndoch and Raglan are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

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

(a) Reporting Entity

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

These consolidated financial statements include:

- Township of Brudenell, Lyndoch and Raglan Recreation Committee
- Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee

(ii) Accounting for County and School Board Transactions

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

(b) Basis of Accounting

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

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

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

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

(c) Non-financial Assets

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

(d) Tangible Capital Assets

(i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Non-Residential Building Construction Price Index (NRBCPI) for infrastructure and using the Consumer Price Index (CPI) for all other assets. Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 - 25 years
Buildings	15 - 40 years
Machinery and equipment	5 - 15 years
Vehicles	7 - 20 years
Linear assets	15 - 50 years

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

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

(ii) Contribution of Tangible Capital Assets

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

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenditure as incurred.

(e) Inventory

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

(f) Investment Income

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

Township of Brudenell, Lyndoch and Raglan

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

(g) Government Transfers

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

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

(h) Deferred Revenue

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

(i) Deferred Revenue - Obligatory Reserve Funds

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

(j) Use of Estimates

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

(k) Cash and Cash Equivalents

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

2. FINANCIAL INSTRUMENTS

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

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

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

3. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to finance unfunded liabilities, comprised of the landfill closure and post closure liabilities.

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

4. NET LONG TERM LIABILITIES

(a) The balance of net long term liabilities of \$ 380,819 (2014 - \$ 419,114) reported on the "Consolidated Statement of Financial Position" is made up of long term liabilities incurred by the Municipality.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 32,196	\$ 12,157	\$ 44,353
2017	32,765	11,077	43,842
2018	33,352	10,033	43,385
2019	33,956	8,971	42,927
2020	34,579	7,908	42,487
2021 to 2025	90,221	27,376	117,597
2026 onwards	<u>123,750</u>	<u>19,584</u>	<u>143,334</u>
	<u>\$ 380,819</u>	<u>\$ 97,106</u>	<u>\$ 477,925</u>

5. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

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

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 395,082	\$ 643,721
Payments in lieu	<u>619</u>	<u>36,816</u>
	<u>\$ 395,701</u>	<u>\$ 680,537</u>

6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

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

	<u>2015</u>	<u>2014</u>
Gasoline Tax - Federal	\$ <u>23,975</u>	\$ <u>-</u>

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

Balance at the beginning of the year	\$ -	\$ -
Gas tax revenue received	<u>48,008</u>	<u>49,235</u>
	\$ 48,008	\$ 49,235
Used to purchase tangible capital assets		(49,235)
Used for operations	<u>(24,033)</u>	<u>-</u>
Balance at the end of the year	<u>\$ 23,975</u>	<u>\$ -</u>

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

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

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. Some closure costs are incurred on an ongoing basis and are included in the yearly fiscal operating budget. All remaining expected closure and post closure costs have been discounted at the Township's average long term borrowing rate, net of estimated inflation. There are currently no reserves set aside for either closure or post closure activities.

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

Landfill sites' estimated remaining capacity in cubic metres	18,610
Landfill sites' remaining useful life in years	10
Expected years of post closure care	25

8. CONTINGENT LIABILITIES

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

9. BUDGET FIGURES

The operating budget approved by the Township of Brudenell, Lyndoch and Raglan for 2015 is reflected on the Consolidated Statement of Operations. The budget established for capital investment in tangible capital assets is on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budget has not been audited.

10. TANGIBLE CAPITAL ASSETS

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

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. There were no such transfers in 2015.

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

(ii) Tangible Capital Assets Recognized at Nominal Value

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

11. EXPENDITURES BY OBJECT

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

	<u>2015</u>	<u>2014</u>
Salaries, wages and employee benefits	\$ 602,001	\$ 606,296
Interest on long term debt	13,146	5,234
Operating materials and supplies	722,387	768,532
Contracted services	247,492	225,373
External transfers	19,000	18,603
Amortization	<u>1,067,396</u>	<u>1,069,866</u>
Total expenditures by object	<u>\$ 2,671,422</u>	<u>\$ 2,693,904</u>

12. MUNICIPALITIES BENEFIT COMMITTEE

The Township of Brudenell, Lyndoch and Raglan is a member of the Municipalities Benefit Committee (MBC) which is an employee group benefits plan arranged through Manulife to share in the financial risk of extended health and dental benefits. In the event that a deficit position is incurred, the Township of Brudenell, Lyndoch and Raglan must repay their pro-rata share of the deficit through a lump sum deposit or an increase in future annual premiums collected through the monthly billed rates. In the case of a surplus position, upon full funding of the claims fluctuation reserve (CFR), the surplus is transferred into a deposit account held by Manulife on the MBC's behalf. The surplus funds in the deposit account are to be used to fund premium requirements, enhancements to the benefit plan or fund future deficits. If the Township of Brudenell, Lyndoch and Raglan leaves the MBC, the Township forfeits its right to any surplus.

13. CONTRACTUAL OBLIGATIONS

The Township has not negotiated a contract with the Ontario Provincial Police for the provision of policing services, however the Ontario Provincial Police provide policing services on an annual basis. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The contract for 2015 was \$ 223,711 (2014 - \$ 208,104).

The Township has negotiated a contract with Beaumen Waste Management for the collection and disposal of recycled materials from the landfill site and the two transfer stations. Annual charges are determined based on the number of cubic yard bins. The contract for 2015 was \$ 17,197 (2014 - \$ 10,685).

Township of Brudenell, Lyndoch and Raglan
Schedule of General Operations
For the year ended 31 December 2015
(with 2015 budget and 2014 actual figures for comparison)

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 1,133,075	\$ 1,136,676	\$ 1,042,616
Government transfers:			
Ontario	777,478	777,741	693,857
Canada		24,033	49,235
Other	<u>70,630</u>	<u>76,781</u>	<u>108,632</u>
	<u>\$ 1,981,183</u>	<u>\$ 2,015,231</u>	<u>\$ 1,894,340</u>
Expenses:			
General government	\$ 272,802	\$ 237,818	\$ 247,209
Protection to persons and property	427,121	408,842	376,505
Transportation services	1,752,937	1,695,723	1,744,552
Environmental services	204,972	190,766	170,269
Health services	14,000	14,000	14,000
Recreation and cultural services	64,300	45,683	33,098
Planning and development	<u>2,100</u>	<u>3,509</u>	<u>2,705</u>
	<u>\$ 2,738,232</u>	<u>\$ 2,596,341</u>	<u>\$ 2,588,338</u>
Shortfall of revenue over expenses	<u>\$ (757,049)</u>	<u>\$ (581,110)</u>	<u>\$ (693,998)</u>
Transfers:			
Transfer to recreation	\$ (41,324)	\$ (28,925)	\$ (30,000)
Transfer to reserves	(10,222)	(259,788)	(110,681)
Transfer from equity in tangible capital assets	<u>790,401</u>	<u>870,408</u>	<u>835,574</u>
Net transfers	<u>\$ 738,855</u>	<u>\$ 581,695</u>	<u>\$ 694,893</u>
Change in general surplus (deficit) for the year	\$ (18,194)	\$ 585	\$ 895
General surplus at the beginning of the year	<u>18,194</u>	<u>18,194</u>	<u>17,299</u>
General surplus at the end of the year	<u>\$ -</u>	<u>\$ 18,779</u>	<u>\$ 18,194</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Reserves and Reserve Funds

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

	<u>2015</u>	<u>2014</u>
Contributions:		
From operations	\$ 268,000	\$ 112,895
Sale of shoreline		<u>6,805</u>
	<u>\$ 268,000</u>	<u>\$ 119,700</u>
Transfers:		
Transfer to operations	<u>8,212</u>	<u>2,214</u>
Change in reserves and reserve funds balance	\$ 259,788	\$ 117,486
Reserves and reserve funds at the beginning of the year	<u>472,487</u>	<u>355,001</u>
Reserves and reserve funds at the end of the year	<u>\$ 732,275</u>	<u>\$ 472,487</u>
Reserves:		
Working funds	\$ 105,377	\$ 111,089
General government	26,800	1,800
Protection services	151,184	111,184
Roadways	321,090	156,090
Solid waste disposal	86,393	78,393
Recreation	<u>33,500</u>	<u>6,000</u>
Total reserves	\$ 724,344	\$ 464,556
Discretionary reserve fund set aside for specific purpose:		
Recreation facilities - other	<u>7,931</u>	<u>7,931</u>
Total reserves and reserve funds	<u>\$ 732,275</u>	<u>\$ 472,487</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Tangible Capital Assets

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

Segmented by asset class:	Balance at 31 December <u>2014</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
<u>Cost</u>				
Land	\$ 240,900			\$ 240,900
Buildings	2,487,185			2,487,185
Machinery and equipment	719,078	\$ 5,086		724,164
Vehicles	1,293,923	50,281	\$ (163,745)	1,180,459
Linear assets	<u>42,312,828</u>	<u>137,227</u>		<u>42,450,055</u>
Total	<u>\$ 47,053,914</u>	<u>\$ 192,594</u>	<u>\$ (163,745)</u>	<u>\$ 47,082,763</u>

Accumulated <u>amortization</u>	Balance at 31 December <u>2014</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
Buildings	\$ 775,378	\$ 41,534		\$ 816,912
Machinery and equipment	580,986	17,480		598,466
Vehicles	743,127	86,364	\$ (129,844)	699,647
Linear assets	<u>20,597,657</u>	<u>922,018</u>		<u>21,519,675</u>
Total	<u>\$ 22,697,148</u>	<u>\$ 1,067,396</u>	<u>\$ (129,844)</u>	<u>\$ 23,634,700</u>

<u>Net book value</u>	Balance at 31 December <u>2014</u>	Balance at 31 December <u>2015</u>
Land	\$ 240,900	\$ 240,900
Buildings	1,711,807	1,670,273
Machinery and equipment	138,092	125,698
Vehicles	550,796	480,812
Linear assets	<u>21,715,171</u>	<u>20,930,380</u>
Total	<u>\$ 24,356,766</u>	<u>\$ 23,448,063</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Tangible Capital Assets

For the year ended 31 December 2015

(with 2014 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 December <u>2014</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
General government (administration)	\$ 508,928	\$ 5,086		\$ 514,014
Protection services (fire)	594,094	31,700	\$ (77,803)	547,991
Transportation services (roads)	43,776,399	155,808	(85,942)	43,846,265
Environmental services (waste, recycling)	419,728			419,728
Recreation and cultural services (recreation)	<u>1,754,765</u>			<u>1,754,765</u>
Total	<u>\$ 47,053,914</u>	<u>\$ 192,594</u>	<u>\$ (163,745)</u>	<u>\$ 47,082,763</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2014</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2015</u>
General government (administration)	\$ 86,838	\$ 11,560		\$ 98,398
Protection services (fire)	233,043	22,206	\$ (43,902)	211,347
Transportation services (roads)	21,712,000	991,371	(85,942)	22,617,429
Environmental services (waste, recycling)	192,538	19,049		211,587
Recreation and cultural services (recreation)	<u>472,729</u>	<u>23,210</u>		<u>495,939</u>
Total	<u>\$ 22,697,148</u>	<u>\$ 1,067,396</u>	<u>\$ (129,844)</u>	<u>\$ 23,634,700</u>

<u>Net book value</u>	Balance at 31 December <u>2014</u>	Balance at 31 December <u>2015</u>
General government (administration)	\$ 422,090	\$ 415,616
Protection services (fire)	361,051	336,644
Transportation services (roads)	22,064,399	21,228,836
Environmental services (waste, recycling)	227,190	208,141
Recreation and cultural services (recreation)	<u>1,282,036</u>	<u>1,258,826</u>
Total	<u>\$ 24,356,766</u>	<u>\$ 23,448,063</u>

(See accompanying notes)



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Recreation Committee Members,
Members of Council, Inhabitants and
Ratepayers of the Corporation of the
Township of Brudenell, Lyndoch and Raglan.

We have audited the accompanying financial statements of the Township of Brudenell, Lyndoch and Raglan Recreation Committee, which comprise the statement of financial position as at 31 December 2015, and the statement of operations and accumulated surplus (deficit) 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 for local governments, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with many recreation committees, the organization derives revenue from fundraising and recreation activities, 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 Township of Brudenell, Lyndoch and Raglan Recreation Committee and we were not able to determine whether any adjustments might be necessary to fundraising and recreation activities, assets and accumulated surplus.

Qualified 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 Township of Brudenell, Lyndoch and Raglan Recreation Committee as at 31 December 2015, and the results of its operations and accumulated surplus for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

MacKilligan & Associates

RENFREW, Ontario.

2 March 2016.

Chartered Professional Accountants,

Licensed Public Accountants.

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Statement of Financial Position

As at 31 December 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current:		
Cash in bank	\$ 7,711	\$ 592
Due from Canada	<u> </u>	<u>749</u>
	<u>\$ 7,711</u>	<u>\$ 1,341</u>
 <u>LIABILITIES AND ACCUMULATED SURPLUS (DEFICIT)</u>		
Liabilities:		
Accounts payable	\$ 4,571	\$ 3,351
Due to Township	117	111
Due to Canada	<u>81</u>	<u> </u>
	\$ 4,769	\$ 3,462
Accumulated surplus (deficit)	<u>2,942</u>	<u>(2,121)</u>
	<u>\$ 7,711</u>	<u>\$ 1,341</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Statement of Operations and Accumulated Surplus (Deficit)

For the year ended 31 December 2015

(with 2015 budget and 2014 actual figures for comparison)

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Revenue:			
Canada grants - Canada Day	\$ 1,000		\$ 1,000
- Swim program			1,117
Municipal grant	38,824	\$ 25,000	30,000
Arena revenues	8,581	9,358	16,025
Minor sports	1,472	1,472	
Calendar revenue		330	1,580
Cafeteria	1,200	1,391	1,684
Fees - swim program			1,225
Fundraising activities	10,000	14,079	25,666
Donations		<u>852</u>	<u>298</u>
	<u>\$ 61,077</u>	<u>\$ 52,482</u>	<u>\$ 78,595</u>
Expenses:			
Audit and legal	\$ 1,272	\$ 1,272	\$ 1,246
Insurance	10,075	10,075	9,796
Programs and activities	3,000	3,000	3,500
Rink, swim program and ball diamond:			
- wages	2,800	1,580	12,035
- utilities	19,000	14,096	17,445
- maintenance and supplies	12,309	6,506	13,039
Summer programs - supplies			460
Advertising and fundraising	9,500	9,699	23,840
Cafeteria supplies	<u>1,000</u>	<u>1,191</u>	<u>1,282</u>
	<u>\$ 58,956</u>	<u>\$ 47,419</u>	<u>\$ 82,643</u>
Excess (shortfall) of revenue over expenses	\$ 2,121	\$ 5,063	\$ (4,048)
Accumulated surplus (deficit) at the beginning of the year	<u>(2,121)</u>	<u>(2,121)</u>	<u>1,927</u>
Accumulated surplus (deficit) at the end of the year	<u>\$ -</u>	<u>\$ 2,942</u>	<u>\$ (2,121)</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Statement of Cash Flows

For the year ended 31 December 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ <u>5,063</u>	\$ <u>(4,048)</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in due from Canada	\$ 749	\$ (239)
- decrease (increase) in due from Township		1,872
- increase (decrease) in accounts payable and accrued liabilities	1,220	2,376
- increase (decrease) in due to Township	6	111
- increase (decrease) in due to Canada	<u>81</u>	<u> </u>
	\$ <u>2,056</u>	\$ <u>4,120</u>
Cash flows from operating activities	\$ <u>7,119</u>	\$ <u>72</u>
Increase in cash and cash equivalents during the year	\$ 7,119	\$ 72
Cash and cash equivalents at the beginning of the year	<u>592</u>	<u>520</u>
Cash and cash equivalents at the end of the year	<u>\$ 7,711</u>	<u>\$ 592</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Brudenell, Lyndoch and Raglan Recreation Committee are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

(a) Basis of Accounting

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

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

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

(b) Government Transfers

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

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

(c) Use of Estimates

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

(d) Deferred Revenue

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

(e) Cash and Cash Equivalents

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

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2015

2. FINANCIAL INSTRUMENTS

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

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

3. CONTINGENT LIABILITIES

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



INDEPENDENT AUDITOR'S REPORT

To the Bicentennial Park Committee Members,
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Brudenell, Lyndoch and Raglan.

We have audited the accompanying financial statements of the Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee, which comprise the statement of financial position as at 31 December 2015, and the statement of operations and accumulated surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with many park committees, the organization derives revenue from fundraising and park activities, 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 Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee and we were not able to determine whether any adjustments might be necessary to fundraising and park activities, assets and accumulated surplus.

Qualified 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 Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee as at 31 December 2015, and the results of its operations and accumulated surplus for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

M. Killigan & Associates

RENFREW, Ontario.
2 March 2016.

Chartered Professional Accountants,
Licensed Public Accountants.

Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Statement of Financial Position

As at 31 December 2015

(with 2014 figures for comparison)

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current:		
Cash in bank	\$ 8,187	\$ 19,066
Due from Canada	<u>175</u>	<u>379</u>
	<u>\$ 8,362</u>	<u>\$ 19,445</u>
<u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
Current liabilities:		
Deferred revenue - Ontario Trillium Grant (Note 4)		\$ 8,180
Due to Township	\$ <u>39</u>	<u>75</u>
	\$ 39	\$ 8,255
Accumulated surplus	<u>8,323</u>	<u>11,190</u>
	<u>\$ 8,362</u>	<u>\$ 19,445</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Bicentennial Park Committee
Statement of Operations and Accumulated Surplus
For the year ended 31 December 2015
 (with 2015 budget and 2014 actual figures for comparison)

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Revenue:			
Municipal grant	\$ 2,500	\$ 3,925	
Trillium Grant	8,180	8,180	\$ 12,720
Fundraising and donations	<u>9,200</u>	<u>12,690</u>	<u>13,857</u>
	<u>\$ 19,880</u>	<u>\$ 24,795</u>	<u>\$ 26,577</u>
Expenses:			
Fundraising	\$ 5,000	\$ 7,556	\$ 7,629
Maintenance, supplies and utilities	2,900	5,365	2,574
Renovation project	<u>23,170</u>	<u>14,741</u>	<u>12,720</u>
	<u>\$ 31,070</u>	<u>\$ 27,662</u>	<u>\$ 22,923</u>
Excess (shortfall) of revenue over expenses	\$ (11,190)	\$ (2,867)	\$ 3,654
Accumulated surplus at the beginning of the year	<u>11,190</u>	<u>11,190</u>	<u>7,536</u>
Accumulated surplus at the end of the year	<u>\$ -</u>	<u>\$ 8,323</u>	<u>\$ 11,190</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Notes to the Financial Statements

For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee are the representation of management prepared in accordance with Canadian Public Sector Accounting Standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

(a) Basis of Accounting

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

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

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

(b) Government Transfers

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

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

(c) Use of Estimates

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

(d) Cash and Cash Equivalents

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

2. FINANCIAL INSTRUMENTS

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

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

Township of Brudenell, Lyndoch and RaglanBicentennial Park CommitteeNotes to the Financial StatementsFor the year ended 31 December 2015

3. CONTINGENT LIABILITIES

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

4. DEFERRED REVENUE

Transactions during the year in deferred revenue are as follows:

	<u>2015</u>	<u>2014</u>
Balance at the beginning of the year	\$ 8,180	\$ -
Ontario Trillium Grant received	<u> </u>	<u>20,900</u>
Portion earned during the year	\$ 8,180 <u>(8,180)</u>	\$ 20,900 <u>(12,720)</u>
Balance at the end of the year	<u>\$ -</u>	<u>\$ 8,180</u>