

**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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**Town of Gananoque  
Consolidated  
Financial Statements  
December 31, 2015**

**Town of Gananoque**  
**Five Year Financial Review**  
(not subject to audit)

December 31	2015	2014	2013	2012	2011
<b>Population</b> (Statistics Canada)	5,194	5,194	5,194	5,194	5,194
<b>Number of Households</b> (MPAC)	2,528	2,528	2,527	2,505	2,495
<b>Taxable Assessment</b> (000's)	\$	\$	\$	\$	\$
Residential and farm	425,138	417,283	407,625	401,805	378,905
Commercial and industrial	84,541	82,459	80,378	80,244	77,820
<b>Total</b>	<b>509,679</b>	<b>499,742</b>	<b>488,003</b>	<b>482,049</b>	<b>456,725</b>
Commercial, industrial as % of assessment	16.6%	16.5%	16.5%	16.7%	17.0%
<b>Rates of Taxation</b>					
Residential					
▸ for general municipal purposes	1.233900	1.195050	1.166170	1.140340	1.154470
▸ for school board purposes	0.195000	0.203000	0.212000	0.221000	0.231000
<b>Total</b>	<b>1.428900</b>	<b>1.398050</b>	<b>1.378170</b>	<b>1.361340</b>	<b>1.385470</b>
Multi-Residential (total)	2.474630	2.410870	2.366490	2.380790	2.425650
Commercial (total)	3.709630	3.667870	3.644490	3.649790	3.939650
Industrial (total)	3.867010	3.823430	3.798720	3.749792	4.966250
<b>Tax Arrears</b> ▸ percentage of current levy (<10%)**	10.7%	11.7%	12.3%	12.8%	12.2%
<b>Taxes Transferred</b> (000's)					
▸ School Boards	2,022	2,038	2,058	2,077	2,187
<b>Revenues</b> (000's)					
	\$	\$	\$	\$	\$
▸ Taxation and payments in lieu	7,613	7,159	6,780	6,582	6,426
▸ Government transfers	2,038	2,223	2,195	2,446	1,928
▸ Fees and service charges	4,195	3,937	3,682	3,731	3,479
▸ Other	2,205	2,181	2,260	2,183	2,177
▸ Revenues related to capital assets	1,313	279	1,373	1,669	999
<b>Total</b>	<b>17,364</b>	<b>15,779</b>	<b>16,290</b>	<b>16,611</b>	<b>15,009</b>
<b>Expenditures</b> (000's)					
▸ Operations	14,518	14,894	14,032	13,652	13,073
▸ Amortization	2,361	2,240	2,228	2,140	2,050
<b>Net Financial Assets (Net Debt)</b>					
▸ % of Operating Revenue (>(20%)) **	(5.27%)	(15.32%)	(10.79%)	(7.89%)	(21.53%)
▸ % of Taxation and User Charges (>(50%)) **	(7.17%)	(21.40%)	(15.36%)	(11.43%)	(30.45%)

\*\* Represents the Provincial Low Risk Indicator.  
(Note: All dollar amounts are in thousands of dollars.)

**Town of Gananoque**  
**Five Year Financial Review**  
(not subject to audit)

<b>December 31</b>	<b>2015</b>	2014	2013	2012	2011
	\$	\$	\$	\$	\$
<b>Long Term Debt</b>					
▸ Net long term debt (000's)	<b>5,562</b>	5,865	6,154	6,688	7,006
▸ Long term debt charges (000's)	<b>574</b>	603	827	624	804
▸ Annual repayment limit (000's) (Total)	<b>3,313</b>	3,176	3,375	3,027	3,061
▸ Long term debt per household	<b>2,200</b>	2,320	2,435	2,670	2,808
▸ Debt charges					
▸ rate supported ▸ water & sewer (000's)	<b>36</b>	37	39	38	189
▸ tax supported (000's)	<b>538</b>	566	788	586	615
<b>Municipal Equity (000's)</b>					
▸ Surplus and Reserves	<b>7,655</b>	6,454	4,155	5,098	4,007
▸ Invested in capital assets	<b>50,212</b>	48,566	49,980	46,779	45,370
▸ Asset consumption ratio	<b>45.33%</b>	44.52%	44.27%	44.34%	43.72%
▸ Reserves as % of operating expenses (>20%) **	<b>55.87%</b>	46.29%	43.94%	25.71%	33.15%
<b>Financial Indicators</b>					
▸ Sustainability					
▸ financial assets to liabilities	<b>0.895</b>	0.708	0.781	0.885	0.700
▸ financial assets to liabilities excluding long term debt	<b>2.917</b>	1.763	2.289	2.546	2.315
▸ long term debt to tangible capital assets	<b>9.48%</b>	10.14%	10.96%	12.51%	13.38%
▸ capital reserve to accumulated amortization	<b>14.40%</b>	12.91%	11.77%	5.57%	7.96%
▸ Flexibility					
▸ Debt charges to total operating revenue (<5%) **	<b>3.58%</b>	3.89%	5.55%	4.17%	5.74%
▸ Total operating revenue to taxable assessment	<b>3.15%</b>	3.10%	3.06%	3.10%	3.07%
▸ Working capital to operating expenses (>10%) **	<b>32.48%</b>	20.18%	29.25%	40.36%	30.51%
▸ Vulnerability					
▸ Operating government transfers ▸ to operating revenue	<b>11.63%</b>	13.22%	13.45%	15.49%	13.76%
▸ Total government transfers ▸ to total revenues	<b>18.31%</b>	19.49%	20.55%	17.66%	20.06%

## Management's Responsibility for the Consolidated Financial Statements

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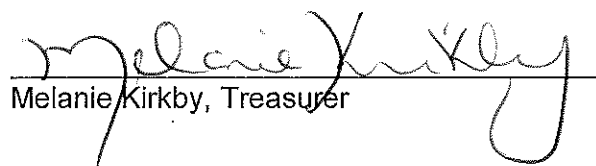
The accompanying consolidated financial statements of the Corporation of the Town of Gananoque are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

The consolidated financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Town. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

  
Shellee Fournier, CAO

  
Melanie Kirkby, Treasurer



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## INDEPENDENT AUDITOR'S REPORT

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**To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Town of Gananoque:**

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

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of 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 assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Town of Gananoque as at December 31, 2015 and its consolidated results of operations, changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in black ink, appearing to read "Allan", written in a cursive style.

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
June 21, 2016.

**Town of Gananoque  
Consolidated Statement of Financial Position**

December 31	2015	2014
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term deposits	4,374,916	4,035,926
Taxes receivable (net of allowance of \$95,243)	899,368	981,426
User charges receivable (net of allowance \$1,048)	691,279	523,194
Accounts receivable (net of allowance \$159,499)	1,210,365	1,384,181
Mortgage receivable (note 5)	---	21,400
	<b>7,175,928</b>	<b>6,946,127</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	1,073,287	2,131,046
Other current liabilities	117,601	83,954
Employee future benefit obligations (note 6)	685,041	696,544
Deferred revenues (note 7)	584,239	1,028,480
Long term liabilities (note 8)	5,562,400	5,864,820
	<b>8,022,568</b>	<b>9,804,844</b>
<b>NET DEBT</b>	<b>(846,640)</b>	<b>(2,858,717)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 15)	58,674,006	57,828,737
Inventories	38,771	50,000
	<b>58,712,777</b>	<b>57,878,737</b>
Commitments (note 13) Contingent Liabilities (note 12)		
<b>MUNICIPAL EQUITY (note 9)</b>	<b>57,866,137</b>	<b>55,020,020</b>

Approved On Behalf of Council:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Deputy Mayor

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

**Town of Gananoque  
Consolidated Statement of Operations**

For the year ended December 31	(Note 17) Budget	2015	2014
	\$	\$	\$
<b>REVENUES</b>			
Taxation ▶ residential	5,371,480	5,393,531	5,103,666
▶ commercial and industrial	1,861,577	1,897,473	1,772,234
▶ other governments	315,000	321,773	283,181
User charges ▶ environmental	2,520,435	2,584,389	2,464,963
▶ transportation	65,000	69,093	65,738
▶ recreation and culture	1,038,565	1,044,764	975,301
▶ other	308,692	496,834	430,686
Government transfers	2,048,950	2,039,148	2,223,274
Investment income	67,200	61,785	56,674
Penalties and interest on taxes	143,000	141,629	146,635
Licenses and permits	85,900	86,270	66,328
Provincial offenses	48,500	53,548	41,373
Casino revenues	1,600,000	1,716,684	1,722,000
Other	105,500	144,762	147,858
<b>TOTAL REVENUES</b>	<b>15,579,799</b>	<b>16,051,683</b>	<b>15,499,911</b>
<b>EXPENDITURES</b>			
General government	1,416,034	1,367,071	1,782,294
Protection to persons and property	4,436,549	4,460,366	4,518,434
Transportation services	2,628,792	2,353,941	2,416,011
Environmental services	2,976,332	2,785,072	2,695,535
Health services	468,528	512,045	451,123
Social and family services	608,435	530,326	535,141
Recreation and cultural services	1,968,817	2,026,096	1,940,695
Planning and development	528,687	465,874	510,198
Post retirement benefits actuarial valuation	---	17,538	44,931
<b>TOTAL EXPENDITURES</b>	<b>15,032,174</b>	<b>14,518,329</b>	<b>14,894,362</b>
<b>NET REVENUES FROM OPERATIONS</b>	<b>547,625</b>	<b>1,533,354</b>	<b>605,549</b>
<b>OTHER</b>			
Grants and transfers related to capital			
Deferred revenues earned (note 7)	---	748,701	296,379
Government transfers	390,100	564,062	915,338
Loss on disposal of capital assets	---	---	(947,861)
Other	---	---	15,618
	390,100	1,312,763	279,474
<b>ANNUAL SURPLUS</b>	<b>937,725</b>	<b>2,846,117</b>	<b>885,023</b>
<b>MUNICIPAL EQUITY, BEGINNING OF YEAR</b>	<b>55,020,020</b>	<b>55,020,020</b>	<b>54,134,997</b>
<b>MUNICIPAL EQUITY, END OF YEAR</b>	<b>55,957,745</b>	<b>57,866,137</b>	<b>55,020,020</b>

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



**Town of Gananoque**  
**Consolidated Statement of Changes in Net Debt**

For the year ended December 31	(Note 17) Budget	2015	2014
	\$	\$	\$
<b>ANNUAL SURPLUS</b>	937,725	<b>2,846,117</b>	885,023
Amortization of tangible capital assets	2,387,396	<b>2,360,855</b>	2,239,789
Acquisition of tangible capital assets	(3,852,856)	<b>(3,206,124)</b>	(4,881,855)
Disposal of tangible capital assets	---	---	947,861
Acquisition of supplies inventories	---	<b>11,229</b>	---
	(1,465,460)	<b>(834,040)</b>	(1,694,204)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(527,735)	<b>2,012,077</b>	(809,182)
<b>NET DEBT, BEGINNING OF YEAR</b>	(2,858,717)	<b>(2,858,717)</b>	(2,049,535)
<b>NET DEBT, END OF YEAR</b>	(3,385,452)	<b>(846,640)</b>	(2,858,717)

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

**Town of Gananoque  
Consolidated Statement of Cash Flows**

For the year ended December 31	2015	2014
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus for the year	2,846,117	885,023
Amortization	2,360,855	2,239,789
	<b>5,206,972</b>	<b>3,124,812</b>
<b>Net Change in Non-Cash Working Capital Balances</b>		
Taxes receivable	82,058	20,681
User charges receivable	(168,085)	16,128
Accounts receivable	173,816	241,098
Accounts payable and accrued liabilities	(1,057,759)	580,233
Other current liabilities	33,647	(35,224)
Employee future benefit obligations	(11,503)	(258,795)
Deferred revenues	(444,241)	469,016
Inventories	11,229	---
	<b>(1,380,838)</b>	<b>1,033,137</b>
<b>Working Capital from Operations</b>	<b>3,826,134</b>	<b>4,157,949</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,206,124)	(4,881,855)
Disposal of tangible capital assets	---	947,861
<b>Net investment in tangible capital assets</b>	<b>(3,206,124)</b>	<b>(3,933,994)</b>
<b>INVESTING ACTIVITIES</b>		
Decrease in mortgage receivable	21,400	21,400
<b>Net decrease in cash from investing activities</b>	<b>21,400</b>	<b>21,400</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(302,420)	(289,241)
<b>Net decrease in cash from financing activities</b>	<b>(302,420)</b>	<b>(289,241)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>338,990</b>	<b>(43,886)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>4,035,926</b>	<b>4,079,812</b>
<b>CASH, END OF YEAR</b>	<b>4,374,916</b>	<b>4,035,926</b>

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

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# Town of Gananoque

## Notes to the Consolidated Financial Statements

December 31, 2015

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### 1. Status of the Town of Gananoque

The Town of Gananoque (the 'Town') was incorporated in 1890. The Town operates as a single tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

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### 2. Significant Accounting Policies

The consolidated financial statements of the Corporation of the Town of Gananoque are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Town are as follows:

#### Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Town. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:
  - ▶ Public Library Board
  - ▶ Business Improvement Area Committee
  - ▶ Police Commission
- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements.

#### Basis of Accounting

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and / or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

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**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

December 31, 2015

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**2. Significant Accounting Policies / continued**

**Tangible Capital Assets**

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Land	
Buildings	40 years
Equipment	5 to 15 years
Vehicles	5 to 15 years
Linear Assets	
Roads	60 years
Bridges	60 years
Sidewalks	20 years
Traffic Lights	15 years
Street Lights	15 years
Sanitary Sewer	60 years
Storm Sewer	60 years
Water Lines	60 years
Construction in Progress	

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Town has a capitalization threshold of \$10,000 for vehicles and equipment and \$50,000 for linear assets and buildings so that individual capital assets of lesser value are expensed.

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

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

**Leases**

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

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**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

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**2. Significant Accounting Policies / continued**

**Inventories and Prepaid Expenses**

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

**Pension and Employee Benefits**

The Town accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Town's policy.

The Town accrues its obligation for employee benefit plans which will require funding in future period. The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on services and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

Actual gains (losses) which can arise from changes in the actuarial assumptions used to determine the accrued benefit obligation will be amortized over the average remaining service period of active employees.

**Cash and Cash Equivalents**

The Town considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the consolidated financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Town defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, and infrastructure funding are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

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

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Town has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

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**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

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**2. Significant Accounting Policies / continued**

**Investments**

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on surplus current funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on deferred revenue is added to the fund balance and forms part of respective deferred revenue balances.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. The Town has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity, financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Town classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the consolidated financial statements in the period in which they become known.

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**3. Operations of the School Boards**

During 2015, the Town collected and made property tax transfers including payments in lieu of property taxes, to the School Boards as follows:

	2015	2014
	\$	\$
Property taxes	2,022,101	2,037,509
Amounts requisitioned and paid	2,022,101	2,037,509

**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

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**4. Bank Indebtedness**

The Town's financial agreement with its bank provides for an operating credit facility of up to \$2,100,000 to finance expenses, pending receipt of property taxes and other income. Interest on funds drawn is charged at the Bank of Montreal's prime rate. As at December 31, 2015, there was \$Nil (2014 \$Nil) drawn on the facility.

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**5. Mortgage Receivable**

	2015	2014
	\$	\$
United Counties of Leeds and Grenville, bearing interest at the rate (prime + 1%), with annual principal payments to begin on December 1, 2007 of \$21,400.	---	21,400

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**6. Employee Future Benefit Obligations**

The Town previously provided a sick leave benefit plan, now discontinued, that would allow unused sick leave to accumulate such that employees became entitled to cash payment when they left the Town's employment.

The liabilities for these accumulated days, to the extent they were vested and could be taken in cash by an employee on termination is \$183,211 (2014 \$212,252). An amount of \$33,344 was paid out in 2015 (2014 \$303,113). Payout to employees eligible to retire in the next five years approximates \$147,781.

The Town provides non-pension retirement benefits for extended health care, dental and other benefits to specific groups of employees. Eligibility is based upon unreduced retirement until age 65. The Town's cost is 100% of the monthly premium.

An independent actuarial study of the employee non-pension benefits has been undertaken. The most recent valuation of the employee future benefit was effective January 1, 2013.

The accrued benefit obligation relating to the employee non-pension retirement benefits has been actuarially determined using the projected benefit method pro-rated on services. At December 31, 2015, based on actuarial update, the accrued benefit obligation was \$501,830 (2014 \$484,292).

The significant actuarial assumptions adopted in estimating the Town's accrued benefit obligation are as follows:

Discount Rate	2.9%
Trend Rates	7.5% decreasing by 0.5% annually to 4.0%
Employee Turnover	4.5% decreasing to 1.% after 25 years of service, none after age 55 (50 for Police and Fire)
Retirement Age	Earlier of age 65 or age plus service totals 90 with at least 30 years of service (age 60 or 85 with at least 20 years of service for Police and Fire)

**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**6. Employee Future Benefit Obligations / continued**

The continuity of post employment benefits for 2015 is as follows:

	2015	2014
	\$	\$
Balance, Beginning of Year	484,292	439,361
Current service costs	22,444	19,988
Interest cost	14,094	16,614
Benefits paid	(19,000)	(15,000)
Loss (gain)	---	23,329
Balance, End of Year	501,830	484,292

	2015			2014		
	Gross	Funded	Unfunded	Gross	Funded	Unfunded
	\$	\$	\$	\$	\$	\$
Health Benefits	501,830	---	501,830	484,292	---	484,292
Sick Leave	183,211	183,211	---	212,252	212,252	---
	685,041	183,211	501,830	696,544	212,252	484,292

**7. Deferred Revenues**

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The transactions for the year are summarized below:

	Parkland	Federal Gas Tax	Infrastructure Funding	Total
	\$	\$	\$	\$
January 1, 2015	9,501	270,278	748,701	1,028,480
Grants	---	300,789	---	300,789
Interest	---	3,671	---	3,671
Transfer to capital acquisitions	---	---	(748,701)	(748,701)
December 31, 2015	9,501	574,738	---	584,239



**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**8. Long Term Liabilities**

- (a) The balance of long term liabilities reported on the "Consolidated Statement of Financial Position" is comprised of the following:

	2015	2014
	\$	\$
Fixed rate bank loans with maturity dates in 2016 and interest rates of 4.989%.	2,780,542	2,908,489
Ontario Infrastructure Projects Corporation with maturity dates between 2023 and 2047 and interest rates between 2.840% and 5.606%.	2,772,519	2,924,905
Capital lease obligations with MFA Leasing Corporation with maturity dates between 2012 and 2018 and interest rates between 2.500% and 5.000%.	9,339	31,426
<b>Net long term liabilities at the end of the year</b>	<b>5,562,400</b>	<b>5,864,820</b>

- (b) Principal payments fall due as follows:

	Water and Sewer Rates	General Revenues	Total
	\$	\$	\$
2016	10,206	2,938,901	2,949,107
2017	10,498	155,884	166,382
2018	10,805	163,087	173,892
2019	11,107	170,602	181,709
2020	11,424	178,488	189,912
2021 to 2025	62,216	643,064	705,280
2026 and thereafter	406,679	789,439	1,196,118
	<b>522,935</b>	<b>5,039,465</b>	<b>5,562,400</b>

- (c) Interest expense on long term liabilities in 2015 amounted to \$272,112 (2014 \$313,752).

- (d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**9. Municipal Equity**

Municipal equity consists of:

	2015	2014
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	58,674,006	57,828,737
Long term liabilities	(5,562,400)	(5,864,820)
	53,111,606	51,963,917
Unfinanced Capital Projects		
Road projects	---	(27,134)
Water and sewer projects	(160,047)	(414,513)
Recreation facilities	(2,740,000)	(2,955,851)
	50,211,559	48,566,419
Unrestricted surplus	44,916	43,766
Unfunded future employee benefits	(501,830)	(484,292)
Reserves (Schedule 1)	8,106,992	6,889,627
Reserve Funds (Schedule 1)	4,500	4,500
<b>Total Municipal Equity</b>	<b>57,866,137</b>	<b>55,020,020</b>

**10. Pension Contributions**

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Town does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS was \$465,986 (2014 \$422,524) for current services and is included as an expenditure on the Consolidated Statement of Operations classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

**11. Provincial Offences Administration (POA)**

The United Counties of Leeds and Grenville has assumed the administration of the Provincial Offences office for all County of Leeds and Grenville resident municipalities. The transfer of administration from the Ministry of the Attorney General to the Town was a result of the Provincial Offences Act (POA) 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

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**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

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**11. Provincial Offences Administration (POA) / continued**

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

The Town's share of net revenues arising from operation of the POA office have been consolidated with these consolidated financial statements. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

The Town of Gananoque shares net POA revenues based on weighted assessment, population, households and the number of tickets collected.

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**12. Contingent Liabilities**

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2015, management believes that the Town has valid defences and appropriate insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the consolidated financial statements.

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**13. Commitments**

The Town has entered into the following contractual service commitments:

- (a) An agreement with Frontenac Municipal Law Enforcement Incorporated for the provision of by-law enforcement services which expires December 2016. Fees are based on an hourly rate and mileage is reimbursed on a kilometre basis. Fee increases are to be reviewed from time to time at the request of the contractor. Fees paid under the contract for 2015 were \$92,691 (2014 \$89,142).
- (b) The Town has entered into a contractual obligation with Progressive Waste Solutions for the collection and disposal of solid waste and recycled materials. Fees are based on tonnage and are adjusted for a fuel surcharge and annually for inflation. The contract expires September 2017. Fees paid under the contract for 2015 were \$177,278 (2014 \$176,328).
- (c) The Town has committed to a long term vehicle supply for police vehicles with Gananoque Chevrolet Cadillac. The agreement provides for an annual payment of \$29,500 per year from 2011 to 2016 for the acquisition of vehicles. The agreement provides for a 10% increase after the third year and establishes targets to reducing fleet mileage, upgrading the average age and lowering fleet maintenance costs.

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**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

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**13. Commitments / continued**

- (d) The Town has entered into agreements to lease computer and office equipment, of which the costs are provided for in the operating budget. Any lease may be terminated with the payment of the present value of the remaining lease payments. The future minimum lease payments are:

	\$
2016	4,416
2017	4,416
2018	4,416
2019	4,416

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**14. Risk Management**

In the normal course of operations, the Town is exposed to a variety of financial risks which are actively managed by the Town.

The Town's financial instruments consist of cash, investments, accounts receivable, mortgage receivable and accounts payable. The fair values of cash, investments, accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Town's exposure to and management of risk has not changed materially from December 31, 2014.

**Credit Risk**

Credit risk arises from the possibility that the entities to which the Town provides services to may experience difficulty and be unable to fulfill their obligations. The Town is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Town does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

**Interest Rate Risk**

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Town is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Town's operating results.

**Liquidity Risk**

Liquidity risk is the risk that the Town will not be able to meet its obligations as they fall due. The Town requires working capital to meet day-to-day operating activities. Management expects that the Town's cash flows from operating activities will be sufficient to meet these requirements.

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**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**15. Tangible Capital Assets**

	2015	2014
	\$	\$
Land	5,027,221	4,880,271
Buildings	16,626,641	15,168,401
Equipment	3,618,732	3,486,632
Vehicles	419,734	475,450
Linear Assets		
Roads	14,737,687	14,793,824
Bridges	2,627,904	2,579,019
Sidewalks	1,480,907	1,376,379
Traffic Lights	244,117	278,577
Street Lights	80,234	88,101
Sanitary Sewer	5,479,835	5,624,990
Storm Sewer	1,604,178	1,658,250
Water Lines	6,470,535	6,661,390
Construction in Progress		
Road Projects	76,059	60,666
Water and Sewer Projects	32,972	555,623
Administration	147,250	141,164
	<b>58,674,006</b>	<b>57,828,737</b>

For additional information, see Schedule 2 ▶ Tangible Capital Assets.

**16. Segmented Information**

The Town is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the consolidated statement of operations.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 2.

**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**16. Segmented Information / continued**

<b>2015</b>	<b>Salaries, Wages &amp; Employee Benefits</b>	<b>Debt Interest</b>	<b>Materials &amp; Services</b>	<b>Materials &amp; Services Non TCA</b>	<b>Interfunc tional Adjustments</b>	<b>External Transfers</b>	<b>Amortization</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>General Government</b>								
Governance	71,741	---	10,830	---	---	---	---	82,571
Corporate Management & Program Support	587,676	---	543,746	53,583	---	---	99,495	1,284,500
<b>Protection to Persons and Property</b>								
Fire	655,582	822	140,926	---	94,939	---	116,663	1,008,932
Police	2,843,045	---	232,748	---	114,939	---	67,675	3,258,407
Conservation Authority	---	---	2,057	---	---	39,267	---	41,324
Protective Inspection	71,218	---	71,791	---	---	---	---	143,009
Emergency Measures	---	87,403	131,169	---	(209,878)	---	---	8,694
<b>Transportation</b>								
Roadways	539,857	80,851	512,968	---	---	---	828,369	1,962,045
Winter Control	125,308	---	64,147	---	---	---	---	189,455
Parking	---	---	36,855	---	---	---	---	36,855
Street Lighting	---	---	157,719	---	---	---	7,867	165,586
<b>Environmental</b>								
Sanitary Sewer	327,411	6,517	261,779	---	---	---	451,158	1,046,865
Waterworks	445,380	17,721	417,756	---	---	---	477,717	1,358,574
Waste Services	88,268	---	291,365	---	---	---	---	379,633
<b>Health Services</b>								
Public Health Services	---	---	---	---	---	94,717	---	94,717
Hospital	---	---	---	---	---	45,000	---	45,000
Ambulance	---	---	---	---	---	259,972	---	259,972
Doctor Recruitment	---	---	112,356	---	---	---	---	112,356
<b>Social and Family</b>								
General Assistance	---	---	---	---	---	234,145	---	234,145
Assistance to Aged Persons	---	17,918	---	---	---	5,776	14,206	37,900
Child Care	---	---	---	---	---	26,276	---	26,276
Social Housing	---	---	---	---	---	232,005	---	232,005
<b>Recreation and Cultural Services</b>								
Parks	196,876	---	90,434	---	---	---	---	287,310
Recreation Facilities & Programs	470,740	60,880	523,219	---	---	206,946	277,021	1,538,806
Libraries	130,813	---	48,483	---	---	---	20,684	199,980
<b>Planning and Development</b>								
Planning & Zoning	97,501	---	15,196	---	---	---	---	112,697
Commercial & Industrial	230,477	---	72,078	---	---	50,622	---	353,177
<b>Post Retirement Benefits</b>	17,538	---	---	---	---	---	---	17,538
<b>2015</b>	<b>6,899,431</b>	<b>272,112</b>	<b>3,737,622</b>	<b>53,583</b>	<b>---</b>	<b>1,194,726</b>	<b>2,360,855</b>	<b>14,518,329</b>

**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

December 31, 2015

**16. Segmented Information / continued**

2014	Salaries, Wages & Employee Benefits	Debt Interest	Materials & Services	Materials & Services Non TCA	Interfunc tional Adjustments	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>General Government</b>								
Governance	74,225	---	32,685	---	---	---	---	106,910
Corporate Management & Program Support	622,427	---	820,114	89,027	---	---	143,816	1,675,384
<b>Protection to Persons and Property</b>								
Fire	836,660	5,482	135,514	23,375	102,694	---	128,806	1,232,531
Police	2,627,764	---	246,138	43,861	102,694	---	59,204	3,079,661
Conservation Authority	---	---	---	---	---	37,862	---	37,862
Protective Inspection	98,872	---	69,508	---	---	---	---	168,380
Emergency Measures	---	91,501	113,887	---	(205,388)	---	---	---
<b>Transportation</b>								
Roadways	618,294	113,516	428,102	57,127	---	---	798,655	2,015,694
Winter Control	78,910	---	97,275	---	---	---	---	176,185
Parking	---	---	36,466	---	---	---	---	36,466
Street Lighting	---	---	179,799	---	---	---	7,867	187,666
<b>Environmental</b>								
Sanitary Sewer	276,626	8,025	266,791	---	---	---	418,775	970,217
Waterworks	412,531	18,046	444,666	27,121	---	---	471,017	1,373,381
Waste Services	69,462	---	282,475	---	---	---	---	351,937
<b>Health Services</b>								
Public Health Services	---	---	---	---	---	90,548	---	90,548
Hospital	---	---	---	---	---	30,000	---	30,000
Ambulance	---	---	---	---	---	239,374	---	239,374
Doctor Recruitment	---	---	91,201	---	---	---	---	91,201
<b>Social and Family</b>								
General Assistance	---	---	---	---	---	238,889	---	238,889
Assistance to Aged Persons	---	19,206	---	---	---	8,268	14,206	41,680
Child Care	---	---	---	---	---	33,577	---	33,577
Social Housing	---	---	---	---	---	220,995	---	220,995
<b>Recreation and Cultural Services</b>								
Parks	178,514	---	74,763	---	---	---	---	253,277
Recreation Facilities & Programs	474,311	57,976	532,907	61,112	4,800	196,766	183,899	1,511,771
Libraries	126,047	---	36,056	---	---	---	13,544	175,647
<b>Planning and Development</b>								
Planning & Zoning	99,418	---	26,015	6,286	---	---	---	131,719
Commercial & Industrial	248,956	---	134,323	---	(4,800)	---	---	378,479
<b>2014</b>	<b>6,843,017</b>	<b>313,752</b>	<b>4,048,685</b>	<b>307,909</b>	<b>---</b>	<b>1,096,279</b>	<b>2,239,789</b>	<b>14,849,431</b>

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**Town of Gananoque**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

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**17. Budget Figures**

The operating budget approved by Town Council, for 2015 is reflected on the Consolidated Statement of Operations. 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. As well, the Town does not budget activity within Reserves and reserve Funds, with the exception being those transactions, which affect either operations or capital investments. Budget figures have been reclassified for the purposes of these consolidated financial statements to comply with PSAB reporting requirements.

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**Town of Gananoque**  
**Schedule 1 ▶ Continuity of Reserves and Reserve Funds**

For the year ended December 31	(Note 17) Budget	2015	2014
	\$	\$	\$
<b>Net Transfers From / (To) Other Funds</b>			
Transfers from operations	3,374,449	3,650,721	2,606,902
Transfers to capital acquisitions	(3,822,256)	(2,433,356)	(1,878,953)
<b>Total Net Transfers</b>	(447,807)	1,217,365	727,949
<b>Reserves and Reserve Fund Balances, Change in Year</b>	(447,807)	1,217,365	727,949
<b>Reserves and Reserve Fund Balances, Beginning of Year</b>	6,894,127	6,894,127	6,166,178
<b>Reserves and Reserve Fund Balances, End of Year</b>	6,446,320	8,111,492	6,894,127

**Composition of Reserves and Reserve Funds**

For the year ended December 31	2015	2014
	\$	\$
<b>Reserves set aside for specific purposes by Council:</b>		
▶ for working capital	647,809	647,809
▶ for contingencies	92,602	12,602
▶ for election	600	---
▶ for economic development	225,069	200,464
▶ for other	137,912	40,031
<b>For Capital Purposes</b>		
▶ for future capital expenditures ▶ infrastructure	4,178,922	2,523,876
▶ recreation facilities	18,531	18,531
▶ other	---	802,894
▶ waterworks and sewer	2,789,471	2,629,824
▶ parks	2,480	---
▶ parking	13,596	13,596
<b>Total Reserves</b>	8,106,992	4,246,207
<b>Reserve Funds</b>		
<b>For Capital Purposes</b>		
▶ for library purposes	4,500	4,500
<b>Total Reserves and Reserve Funds</b>	8,111,492	6,894,127

The accompany notes are an integral part of these consolidated financial statements.

**Town of Gananoque**  
**Schedule 2 ▶ 2015 Tangible Capital Assets**

Asset Class	Cost 01/01/15	Additions	(Disposals)	Cost 31/12/15
	\$	\$	\$	\$
Land	4,880,271	146,950	---	5,027,221
Buildings	27,471,724	2,093,590	---	29,565,314
Equipment	5,798,832	481,885	---	6,280,717
Vehicles	1,975,857	40,195	(120,976)	1,895,076
Linear Assets				
Roads	26,196,809	468,760	---	26,665,569
Bridges	3,694,662	124,922	---	3,819,584
Sidewalks	3,217,897	200,835	---	3,418,732
Traffic Lights	754,577	---	---	754,577
Street Lights	872,926	---	---	872,926
Sanitary Sewer	10,581,251	57,614	---	10,638,865
Storm Sewer	4,312,887	---	---	4,312,887
Water Lines	13,724,508	92,545	---	13,817,053
Construction in Progress				
Roads Projects	60,666	15,393	---	76,059
Water and Sewer Projects	555,623	(522,651)	---	32,972
Administration	141,164	6,086	---	147,250
	104,239,654	3,206,124	(120,976)	107,324,802

Asset Class	Accumulated Amortization 01/01/15	Amortization	(Disposals)	Accumulated Amortization 31/12/15	Net Book Value 31/12/15
	\$	\$	\$	\$	\$
Land	---	---	---	---	5,027,221
Buildings	12,303,323	635,350	---	12,938,673	16,626,641
Equipment	2,312,200	349,785	---	2,661,985	3,618,732
Vehicles	1,500,407	95,911	(120,976)	1,475,342	419,734
Linear Assets					
Roads	11,402,985	524,897	---	11,927,882	14,737,687
Bridges	1,115,643	76,037	---	1,191,680	2,627,904
Sidewalks	1,841,518	96,307	---	1,937,825	1,480,907
Traffic Lights	476,000	34,460	---	510,460	244,117
Street Lights	784,825	7,867	---	792,692	80,234
Sanitary Sewer	4,956,261	202,769	---	5,159,030	5,479,835
Storm Sewer	2,654,637	54,072	---	2,708,709	1,604,178
Water Lines	7,063,118	283,400	---	7,346,518	6,470,535
Construction in Progress					
Roads Projects	---	---	---	---	76,059
Water and Sewer Projects	---	---	---	---	32,972
Administration	---	---	---	---	147,250
	46,410,917	2,360,855	(120,976)	48,650,796	58,674,006

The accompany notes are an integral part of these consolidated financial statements.

**Town of Gananoque  
Schedule 2 ▶ 2014 Tangible Capital Assets**

Asset Class	Cost 01/01/14	Additions	(Disposals)	Cost 31/12/14
	\$	\$	\$	\$
Land	4,893,730	266,932	(280,391)	4,880,271
Buildings	24,140,820	4,419,337	(1,088,433)	27,471,724
Equipment	5,319,367	479,465	---	5,798,832
Vehicles	1,940,872	34,985	---	1,975,857
Linear Assets				
Roads	25,760,910	---	---	26,196,809
Bridges	2,684,211	435,899	---	3,694,662
Sidewalks	3,113,100	1,010,451	---	3,217,897
Traffic Lights	653,178	104,797	---	754,577
Street Lights	872,926	101,399	---	872,926
Sanitary Sewer	9,768,735	812,516	---	10,581,251
Storm Sewer	4,312,887	---	---	4,312,887
Water Lines	13,586,582	137,926	---	13,724,508
Construction in Progress				
Roads Projects	914,650	(853,984)	---	60,666
Water and Sewer Projects	621,177	(65,554)	---	555,623
Recreation Projects	53,280	(53,280)	---	---
Administration	2,090,198	(1,949,034)	---	141,164
	100,726,623	4,881,855	(1,368,824)	104,239,654

Asset Class	Accumulated Amortization 01/01/14	Amortization	(Disposals)	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$
Land	---	---	---	---	4,880,271
Buildings	12,167,736	556,550	(420,963)	12,303,323	15,168,401
Equipment	1,957,038	355,162	---	2,312,200	3,486,632
Vehicles	1,400,903	99,504	---	1,500,407	475,450
Linear Assets					
Roads	10,867,294	535,691	---	11,402,985	14,793,824
Bridges	1,063,543	52,100	---	1,115,643	2,579,019
Sidewalks	1,752,448	89,070	---	1,841,518	1,376,379
Traffic Lights	447,737	28,263	---	476,000	278,577
Street Lights	776,958	7,867	---	784,825	88,101
Sanitary Sewer	4,769,882	186,379	---	4,956,261	5,624,990
Storm Sewer	2,600,565	54,072	---	2,654,637	1,658,250
Water Lines	6,787,987	275,131	---	7,063,118	6,661,390
Construction in Progress					
Roads Projects	---	---	---	---	60,666
Water and Sewer Projects	---	---	---	---	555,623
Recreation Projects	---	---	---	---	---
Administration	---	---	---	---	141,164
	44,592,091	2,239,789	(420,963)	46,410,917	57,828,737

The accompany notes are an integral part of these consolidated financial statements.



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## INDEPENDENT AUDITOR'S REPORT

---

### **To the Board Members, Inhabitants and Ratepayers of the Town of Gananoque Public Library Board:**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Gananoque Public Library Board as at December 31, 2015 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script, appearing to read "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
June 21, 2016.

**Town of Gananoque  
Public Library Board  
Statement of Financial Position**

December 31	2015	2014
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term investments	25,152	30,929
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Due to Town	6,365	25,180
<b>NET FINANCIAL ASSETS</b>	<b>18,787</b>	<b>5,749</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 4)	80,741	85,555
<b>ACCUMULATED SURPLUS (note 3)</b>	<b>99,528</b>	<b>91,304</b>

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

**Town of Gananoque  
Public Library Board  
Statement of Operations**

For the year ended December 31	(Note 5) Budget	2015	2014
	\$	\$	\$
<b>REVENUES</b>			
Municipal Grants	182,900	182,900	148,764
Province of Ontario ▶ operating	13,700	13,700	13,700
▶ other	3,000	5,500	---
User Charges ▶ fees, service charges and fines	300	1,544	---
Other Income			
Donations	---	738	1,233
<b>TOTAL REVENUES</b>	<b>199,900</b>	<b>204,382</b>	<b>163,697</b>
<b>EXPENDITURES</b>			
Salaries and benefits	137,163	130,813	124,879
Automation	5,000	11,494	5,991
Insurance	4,737	5,796	---
Supplies	5,300	2,860	2,205
Utilities and maintenance	18,700	17,648	18,128
Administration	7,000	3,263	5,257
Amortization	22,000	24,284	13,544
<b>TOTAL EXPENDITURES</b>	<b>199,900</b>	<b>196,158</b>	<b>170,004</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>---</b>	<b>8,224</b>	<b>(6,307)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>91,304</b>	<b>91,304</b>	<b>97,611</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>91,304</b>	<b>99,528</b>	<b>91,304</b>

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

**Town of Gananoque  
Public Library Board  
Statement of Cash Flows**

For the year ended December 31	2015	2014
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	8,224	(6,307)
Amortization	24,284	13,544
	<b>32,508</b>	<b>7,237</b>
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts payable and accrued liabilities	---	(665)
Due to Town	(18,815)	14,054
	<b>(18,815)</b>	<b>13,389</b>
<b>Working Capital from Operations</b>	<b>13,693</b>	<b>20,626</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(19,470)	(19,399)
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(5,777)</b>	<b>1,227</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>30,929</b>	<b>29,702</b>
<b>CASH, END OF YEAR</b>	<b>25,152</b>	<b>30,929</b>

**Statement of Changes in Net Financial Assets**

For the year ended December 31	2015	2014
	\$	\$
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>8,224</b>	<b>(6,307)</b>
Amortization of tangible capital assets	24,284	13,544
Acquisition of tangible capital assets	(19,470)	(19,399)
	<b>4,814</b>	<b>(5,855)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>13,038</b>	<b>(12,162)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>5,749</b>	<b>17,911</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>18,787</b>	<b>5,749</b>

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



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**Town of Gananoque  
Public Library Board  
Notes to the Financial Statements**

**December 31, 2015**

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**1. Status of the Board**

The Gananoque Public Library Board (the 'Board') was established by By-law in 1981 under the Public Libraries Act by the Town of Gananoque. The predecessor had history back to 1892.

---

**2. Significant Accounting Policies**

The financial statements of the Gananoque Public Library Board are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Board are as follows:

**Reporting Entity**

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

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

**Tangible Capital Assets**

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

<b>Assets</b>	<b>Estimated Useful Life</b>
Books	7 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

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

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**Town of Gananoque  
Public Library Board  
Notes to the Financial Statements**

**December 31, 2015**

---

**2. Significant Accounting Policies / continued**

**Tangible Capital Assets / continued**

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the statement of operations.

**Cash and Cash Equivalents**

The Board considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

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

**Deferred Revenues**

The Board defers recognition of 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.

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board 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 expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Board has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the statement of financial position. The Board has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

**Town of Gananoque  
Public Library Board  
Notes to the Financial Statements**

December 31, 2015

---

**2. Significant Accounting Policies / continued**

**Financial Instruments / continued**

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Board classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that 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 expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

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**3. Accumulated Surplus**

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

	2015	2014
	\$	\$
<b>Surplus</b>		
Invested in tangible capital assets	80,741	85,555
<b>Unrestricted Surplus</b>	14,287	1,249
<b>Reserves</b>		
Capital	4,500	4,500
<b>Accumulated Surplus</b>	99,528	91,304

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**Town of Gananoque  
Public Library Board  
Notes to the Financial Statements**

**December 31, 2015**

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**4. Tangible Capital Assets**

<b>Net Book Value of Assets</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Books	<b>80,741</b>	85,555

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For additional information, see Schedule 2 ▶ Tangible Capital Assets.

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**5. Budget Figures**

Gananoque Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2015 is included in the budget figures presented in the Statement of Operations.

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**Town of Gananoque  
Public Library Board**

**Schedule 1 ▶ Continuity of Reserves and Reserve Funds**

For the year ended December 31	(Note 5) Budget	2015	2014
	\$	\$	\$
<b>Net Transfers from (to) Other Funds</b>			
Transfer from current fund	---	---	---
Transfer from capital fund	---	---	---
<b>Total Net Transfers</b>	---	---	---
<b>Reserves and Reserve Fund Balance, Change in Year</b>	---	---	---
<b>Reserves and Reserve Fund Balance, Beginning of Year</b>	4,500	4,500	4,500
<b>Reserves and Reserve Fund Balance, End of Year</b>	4,500	4,500	4,500

**Composition of Reserves**

For the year ended December 31	2015	2014
	\$	\$
<b>Reserves</b>		
Capital	4,500	4,500

**Town of Gananoque  
Public Library Board  
Schedule 2 ▶ Tangible Capital Assets**

**December 31, 2015**

Assets	Cost 01/01/15	Additions (Disposals)	Cost 31/12/15	Accumulated Amortization 01/01/15	Amortization 2015	Accumulated Amortization 31/12/15	Net Book Value 31/12/15
	\$	\$	\$	\$	\$	\$	\$
Books	283,377	19,470	302,847	197,822	24,284	222,106	80,741

**December 31, 2014**

Assets	Cost 01/01/14	Additions (Disposals)	Cost 31/12/14	Accumulated Amortization 01/01/14	Amortization 2014	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$	\$	\$
Books	263,978	19,399	283,377	184,278	13,544	197,822	85,555

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



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## INDEPENDENT AUDITOR'S REPORT

---

### **To the Board Members, Inhabitants and Ratepayers of the Town of Gananoque Business Improvement Area Committee:**

We have audited the accompanying financial statements of the Town of Gananoque Business Improvement Area Committee which comprise the statement of financial position as at December 31, 2015 and the statement of operations, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Town of Gananoque Business Improvement Area Committee's management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Gananoque Business Improvement Area Committee as at December 31, 2015 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script, appearing to read "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
June 21, 2016.



**Town of Gananoque  
Business Improvement Area Committee  
Statement of Financial Position**

December 31	2015	2014
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	3,352	7,821
Accounts receivable	---	8,490
	<b>3,352</b>	<b>16,311</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Due to Town	11,494	23,794
<b>NET DEBT</b>	<b>(8,142)</b>	<b>(7,483)</b>
<b>ACCUMULATED DEFICIT (note 3)</b>	<b>(8,142)</b>	<b>(7,483)</b>

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

**Town of Gananoque  
Business Improvement Area Committee  
Statement of Operations**

For the year ended December 31	(Note 4) Budget	2015	2014
	\$	\$	\$
<b>REVENUES</b>			
Municipal contribution	44,000	44,000	43,716
Interest	---	---	6
Government grants	21,500	2,000	6,436
Fees and service charges	12,117	2,382	3,949
<b>TOTAL REVENUES</b>	77,617	48,382	54,107
<b>EXPENDITURES</b>			
Administration	5,525	6,433	8,732
Advertising and promotion	2,250	13,411	15,702
Beautification	2,700	335	1,867
Salaries and benefits	27,631	17,012	33,080
Special events	16,450	7,036	9,006
Taxation write offs	---	4,814	---
<b>TOTAL EXPENDITURES</b>	54,556	49,041	68,387
<b>ANNUAL (DEFICIT) SURPLUS</b>	23,061	(659)	(14,280)
<b>ACCUMULATED (DEFICIT) SURPLUS, BEGINNING OF YEAR</b>	(7,483)	(7,483)	6,797
<b>ACCUMULATED DEFICIT, END OF YEAR</b>	15,578	(8,142)	(7,483)

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

**Town of Gananoque  
Business Improvement Area Committee  
Statement of Changes in Net Debt**

For the year ended December 31	2015	2014
	\$	\$
<b>ANNUAL DEFICIT</b>	<b>(659)</b>	<b>(14,280)</b>
<b>DECREASE IN NET ASSETS</b>	<b>(659)</b>	<b>(14,280)</b>
<b>NET (DEBT) FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>(7,483)</b>	<b>6,797</b>
<b>NET DEBT, END OF YEAR</b>	<b>(8,142)</b>	<b>(7,483)</b>

**Statement of Cash Flows**

For the year ended December 31	2015	2014
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(659)	(14,280)
Net Change in Non-Cash Working Capital Items		
Accounts receivable	8,490	(1,636)
Accounts payable and accrued liabilities	---	(997)
Due to Town	(12,300)	219
	<b>(3,810)</b>	<b>(2,414)</b>
<b>Working Capital from Operations</b>	<b>(4,469)</b>	<b>(16,694)</b>
<b>NET DECREASE IN CASH</b>	<b>(4,469)</b>	<b>(16,694)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>7,821</b>	<b>24,515</b>
<b>CASH, END OF YEAR</b>	<b>3,352</b>	<b>7,821</b>

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

---

**Town of Gananoque  
Business Improvement Area Committee  
Notes to the Financial Statements**

**December 31, 2015**

---

**1. Status of the Committee**

Pursuant to the Municipal Act, the Gananoque Business Improvement Area Committee (the 'Committee') was established by By-law No. 78-33 on October 17, 1978 by the Town of Gananoque.

---

**2. Significant Accounting Policies**

The financial statements of the Gananoque Business Improvement Area Committee are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of accounting policies by the Committee are as follows:

**Reporting Entity**

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Committee.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

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

**Tangible Capital Assets**

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

<b>Assets</b>	<b>Estimated Useful Life</b>
Equipment	3 to 30 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

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

---

**Town of Gananoque  
Business Improvement Area Committee  
Notes to the Financial Statements**

**December 31, 2015**

---

**2. Significant Accounting Policies / continued**

**Tangible Capital Assets / continued**

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Committee's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the statement of operations.

**Cash and Cash Equivalents**

The Committee considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

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

**Deferred Revenues**

The Committee defers recognition of 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.

The Committee receives restricted contributions under the authority of Federal and Provincial legislation and Committee 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 expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Committee has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the statement of financial position. The Committee has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

---

**Town of Gananoque  
Business Improvement Area Committee  
Notes to the Financial Statements**

**December 31, 2015**

---

**2. Significant Accounting Policies / continued**

**Financial Instruments / continued**

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Committee classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions on such areas as employee benefits, assessment appeals and environmental provisions. These estimates and assumptions are based on the Board's best information and judgment and may differ significantly based on actual results.

---

**3. Accumulated Surplus (Deficit)**

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

	2015	2014
	\$	\$
<b>Unrestricted Deficit</b>	<b>(8,142)</b>	<b>(7,483)</b>
<b>Accumulated Deficit</b>	<b>(8,142)</b>	<b>(7,483)</b>

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**4. Budget Figures**

Gananoque Business Improvement Area Committee reviews its operating and capital budgets each year. The approved operating budget for 2015 is included in the budget figures presented in the Statement of Operations.

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**Town of Gananoque  
Waterworks and Sewer Operations  
Schedule of Financial Activities**

For the year ended December 31	(Note 17) Budget	2015	2014
	\$	\$	\$
<b>REVENUES</b>			
User charges ▶ water and sewer revenue	2,351,935	2,410,968	2,267,534
▶ penalty	25,000	23,740	24,930
▶ interest	---	26,961	---
▶ miscellaneous fees and service charges	6,500	7,142	33,632
Government grants ▶ capital	---	1,222,553	605,886
<b>TOTAL REVENUES</b>	<b>2,383,435</b>	<b>3,691,364</b>	<b>2,931,982</b>
<b>EXPENDITURES</b>			
Overhead			
▶ salaries and benefits	788,054	397,302	384,365
▶ materials and supplies	191,121	108,376	126,440
▶ vehicle and equipment operation	18,000	11,944	23,039
Water treatment plant & storage tank			
▶ salaries and benefits	---	159,880	147,377
▶ materials and supplies	242,235	198,779	210,347
▶ property tax	42,230	42,114	41,080
Water distribution			
▶ salaries and benefits	2,500	97,810	73,089
▶ materials and supplies	63,200	73,531	84,755
Water meters and meter reading			
▶ salaries and benefits	---	24,169	17,122
▶ materials and supplies	29,700	22,107	7,415
Sewage pumping stations and lagoon			
▶ salaries and benefits	---	72,322	44,653
▶ materials and supplies	184,500	163,844	151,958
▶ property tax	3,090	9,048	8,901
Sewage collection			
▶ salaries and benefits	---	21,879	21,793
▶ materials and supplies	103,920	46,389	58,279
Interest on long term debt	24,198	24,238	26,072
Minor capital	---	2,832	27,122
Amortization	953,147	928,875	889,792
<b>TOTAL EXPENDITURES</b>	<b>2,645,895</b>	<b>2,405,439</b>	<b>2,343,599</b>
<b>NET REVENUE (EXPENDITURES) FOR THE YEAR</b>	<b>(262,460)</b>	<b>1,285,925</b>	<b>588,383</b>
<b>CASH REQUIREMENTS</b>			
<b>Net Revenues (Expenditures)</b>	<b>(262,460)</b>	<b>1,285,925</b>	<b>588,383</b>
Amortization	953,147	928,875	889,792
Tangible capital assets	(2,312,256)	(1,809,036)	(1,427,480)
Increase (decrease) in inventory	---	20,053	8,262
Principal paid on long term debt	(61,838)	(61,846)	(60,013)
	<b>(1,683,407)</b>	<b>363,971</b>	<b>(1,056)</b>

**Town of Gananoque  
Police Commission  
Schedule of Financial Activities**

For the year ended December 31	(Note 17) Budget	2015	2014
	\$	\$	\$
<b>REVENUES</b>			
Provincial grants	109,500	88,367	128,487
Miscellaneous fees and service charges	289,800	440,050	335,312
<b>TOTAL REVENUES</b>	<b>399,300</b>	<b>528,417</b>	<b>463,799</b>
<b>EXPENDITURES</b>			
Police Force			
Salaries and benefits	1,971,141	2,105,703	1,874,332
Materials and supplies	114,500	133,888	137,339
Vehicle maintenance	35,200	35,517	28,277
Equipment repair and replacement	60,000	17,802	15,247
Dispatch and Communications			
Salaries and benefits	441,458	429,553	475,624
Administration			
Salaries and benefits	281,568	293,753	256,656
Materials and supplies	30,257	35,512	51,170
Police Services Board			
Honorarium	6,117	5,500	5,372
Materials and supplies	9,625	1,399	13,168
Youth in Policing and Police Auxiliary			
Salaries and benefits	15,930	15,736	15,780
Materials and supplies	3,000	1,430	937
Occupancy			
Materials and supplies	53,619	61,237	53,072
Amortization	64,470	67,675	59,204
<b>TOTAL EXPENDITURES</b>	<b>3,086,885</b>	<b>3,204,705</b>	<b>2,986,178</b>
<b>NET EXPENDITURES FOR THE YEAR</b>	<b>(2,687,585)</b>	<b>(2,676,288)</b>	<b>(2,522,379)</b>
<b>CASH REQUIREMENTS</b>			
<b>Net Expenditures</b>	<b>(2,687,585)</b>	<b>(2,676,288)</b>	<b>(2,522,379)</b>
Acquisition of tangible capital assets	(78,000)	(81,573)	(70,957)
Amortization	64,470	67,675	59,204
	<b>(2,701,115)</b>	<b>(2,690,186)</b>	<b>(2,534,132)</b>