

**CORPORATION OF THE
TOWNSHIP OF ORO-MEDONTE**

COUNTY OF SIMCOE

**CONSOLIDATED
FINANCIAL STATEMENTS**

DECEMBER 31, 2015

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

DECEMBER 31, 2015

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COLLINS BARROW SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Township of Oro-Medonte:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Township of Oro-Medonte, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Municipality'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 Municipality'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 Township of Oro-Medonte as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Collins Barrow SGB LLP

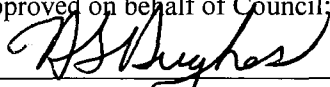
Licensed Public Accountants
Collingwood, Ontario
June 22, 2016

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents (Note 3)	11,336,235	10,621,147
Investments (Note 3)	2,985,895	2,585,440
Taxes receivable	4,138,856	4,322,189
Trade and other receivables	2,160,566	2,164,022
	20,621,552	19,692,798
Liabilities		
Accounts payable and accrued liabilities	2,505,237	2,946,732
Developer deposits and other current liabilities	3,563,653	3,277,504
Deferred revenue - obligatory reserve funds (Note 4)	2,023,700	1,383,603
Long-term (Note 5)	6,891,641	7,832,035
Employee future benefits (Note 6)	164,392	169,263
	15,148,623	15,609,137
Net financial assets	5,472,929	4,083,661
Non-financial assets		
Inventories	135,281	104,399
Tangible capital assets, net (Schedule 1 and Note 7)	69,525,630	68,819,776
	69,660,911	68,924,175
Accumulated surplus (Note 9)	75,133,840	73,007,836

Approved on behalf of Council:



Mayor

June 22nd, 2016 Date

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2015	Actual 2015	Actual 2014
	\$ (Note 2)	\$	\$
Revenues			
Net municipal taxation (Note 10)	14,962,930	14,998,947	13,846,184
Taxation from other governments	131,578	138,489	187,323
User charges	1,835,966	1,577,408	1,437,630
Grants	1,501,602	1,521,155	1,843,083
Contribution from obligatory reserve funds (Note 4)	256,179	1,246	19,358
Investment	221,300	221,532	258,391
Other (Note 8)	2,824,688	3,289,767	3,004,320
	21,734,243	21,748,544	20,596,289
Expenses			
General government	3,875,196	4,102,188	3,786,356
Fire and emergency services	1,703,875	1,594,117	1,529,360
Police	2,504,487	2,581,834	2,300,889
Planning, building and protection	1,846,406	1,895,156	1,909,374
Transportation	7,332,893	7,173,067	7,797,253
Waterworks systems	1,572,309	1,604,198	1,440,837
Parks and recreation	2,036,387	2,011,940	1,509,061
Library services	206,905	190,930	219,258
	21,078,458	21,153,430	20,492,388
Net revenues	655,785	595,114	103,901
Other			
Grants and transfers related to capital			
Contributed tangible capital assets	631,755	462,512	959,065
Grants	141,275	159,011	130,588
Contribution from obligatory reserve funds (Note 4)	1,272,547	704,742	1,653,086
Donations	75,576	255,916	155,866
Loss on disposal of tangible capital assets	-	(51,291)	(55,740)
	2,121,153	1,530,890	2,842,865
Annual surplus	2,776,938	2,126,004	2,946,766
Accumulated surplus, beginning of year	73,007,836	73,007,836	70,061,070
Accumulated surplus, end of year (Note 9)	75,784,774	75,133,840	73,007,836

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Budget 2015	Actual 2015	Actual 2014
	\$ (Note 2)	\$	\$
Annual surplus	2,776,938	2,126,004	2,946,766
Acquisition of tangible capital assets	(9,621,389)	(3,951,491)	(7,249,494)
Amortization of tangible capital assets	3,527,600	3,592,050	3,418,914
Loss on disposal of tangible capital assets	-	51,291	55,740
Writedown of tangible capital assets	-	19,007	-
Proceeds on disposal of tangible capital assets	-	45,801	92,725
Change in inventories	-	(30,882)	(15,289)
Contributed tangible capital assets	-	(462,512)	(959,065)
Change in net financial assets	(3,316,851)	1,389,268	(1,709,703)
Net financial assets, beginning of year	4,083,661	4,083,661	5,793,364
Net financial assets, end of year	766,810	5,472,929	4,083,661

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2015	2014
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	2,126,004	2,946,766
Non-cash items:		
Amortization of tangible capital assets	3,592,050	3,418,914
Contributed tangible capital assets	(462,512)	(959,065)
Loss on disposal of tangible capital assets	51,291	55,740
Employee future benefits	(4,871)	(10,609)
	5,301,962	5,451,746
Changes in:		
Taxes receivable	183,333	(102,056)
Trade and other receivables	(50,898)	(515,391)
Inventories	(30,882)	(15,289)
Accounts payable and accrued liabilities	415,749	(341,921)
Developer deposits and other current liabilities	286,149	1,293,102
	6,105,413	5,770,191
Capital activities		
Accounts payable and accrued liabilities - capital	(857,244)	920,904
Trade and other receivables - capital	54,354	248,950
Acquisition of tangible capital assets	(3,951,491)	(7,249,494)
Proceeds on disposal of tangible capital assets	45,801	92,725
Writedown of tangible capital assets	19,007	-
	(4,689,573)	(5,986,915)
Investing activities		
Interest due upon maturity	(66,396)	(26,962)
Purchase of investments	(949,790)	(900,000)
Proceeds from matured investments	615,731	426,074
	(400,455)	(500,888)
Financing activities		
Issuance of long-term liabilities	275,867	2,750,000
Principal repayment of long-term liabilities	(1,216,261)	(984,997)
Increase (decrease) in deferred revenue - obligatory reserve funds	640,097	(453,556)
	(300,297)	1,311,447
Net change in cash position	715,088	593,835
Cash and cash equivalents, beginning of year	10,621,147	10,027,312
Cash and cash equivalents, end of year	11,336,235	10,621,147

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

Nature of operations

The Township of Oro-Medonte ("the Municipality") is a lower-tier municipality located in the County of Simcoe, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes, such as the Municipal Act, Municipal Affairs Act and related legislation.

1. Summary of significant accounting policies

The consolidated financial statements have been prepared by management of the Municipality in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board (PSAB) of The Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of consolidation

These consolidated financial statements reflect assets, liabilities, revenues and expenses of the Municipality. They include the activities of the committees of Council and the following organizations which are accountable to, and owned or controlled by the Municipality:

The Lake Simcoe Regional Airport Inc. (LSRA)	20%
Severn Sound Environmental Association (SSEA)	12%

All interfund assets and liabilities and sources of financing and expenses have been eliminated.

The Township of Oro-Medonte's portion of the LSRA has been included in these consolidated financial statements on a proportionate consolidation basis. The Township's portion of the SSEA has not been consolidated.

(b) Basis of accounting

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

(c) Deferred revenue

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

1. Summary of significant accounting policies (continued)

(d) County and school boards

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

(e) 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 annual surplus, provides the change in net financial assets for the year.

(i) Tangible capital assets

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

Land improvements	10 to 60 years
Buildings	15 to 85 years
Vehicles	3 to 40 years
Equipment	5 to 40 years
Infrastructure	6 to 100 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Work in progress is not amortized until the asset is available for productive use.

(ii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of the 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.

(iii) Intangible assets

Intangible assets are not recognized as assets in the consolidated financial statements.

(iv) Inventories

Inventories consist of fuel and books and are recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

(f) Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less from the date of acquisition.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

1. Summary of significant accounting policies (continued)

(g) Government transfers

Government transfers are recognized in the consolidated financial statements as grants 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. Conditional government grants are recognized to the extent the conditions imposed on them have been fulfilled. Unconditional government grants are recognized when monies are receivable. Government grants for acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

(h) Revenue recognition

Included in user charges are fees for water usage. These fees are recognized as revenue when the service is rendered.

Service charges and fees are included in other income and include subdivider contributions. These fees are recognized over the period of service or when required expenses are incurred if applicable.

Investment income (other than on obligatory funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances. Revenue from the obligatory reserve funds is recognized in the year in which eligible expenses are incurred. This revenue is shown separately on the consolidated statement of operations as it relates to operating expenses and capital expenditures.

User charges, taxation from other governments, donations and other income are recognized on an accrual basis.

(i) Use of estimates

The preparation of consolidated 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant estimates have been made of historical cost and useful lives of tangible capital assets, employee future benefits and the collectibility of trade and other receivables. Actual results could differ from those estimates.

(j) Segmented disclosures

Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Net municipal taxation revenue is allocated to segments based on the net budget requirements of each segment. Any additional taxation revenue (i.e. supplementary taxes) is considered unallocated for purposes of segmented information.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

1. Summary of significant accounting policies (continued)

(k) Pension plan

The Municipality offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Municipality accounts for its participation in OMERS as a defined benefit plan and recognizes the expense related to this plan as contributions are made.

Employee future benefits other than pension provided by the Municipality include medical, dental and life insurance benefits. These plans provide benefits to employees when they are no longer providing active service. Employee future benefit expense is recognized in the period in which the employees render services on an accrual basis.

The accrued benefit obligations and the current service costs are calculated using the projected benefit method, prorated on service, and based on assumptions that reflect management's best estimates. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gains or losses over 10% of the accrued benefit obligation is amortized to expense over the average remaining service period of active employees to full eligibility.

(l) Taxation and related revenues

Municipal tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by the Municipal Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessments and the related municipal taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

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

2. Budget amounts

The operating budget approved by Council for 2015 is reflected in the consolidated financial statements. The budgets established for 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 the current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these consolidated financial statements to comply with PSAB reporting requirements.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

3. Cash, cash equivalents and investments

Cash, cash equivalents and investments consist of the following:

	2015	2014
	\$	\$
Unrestricted	12,298,430	11,822,984
Restricted	2,023,700	1,383,603
	14,322,130	13,206,587

Investments of \$2,985,895 (2014 - \$2,585,440) consist of cashable term deposits maturing in 2016 to 2020 earning interest at 1.52% to 2.95% per annum. Investments are recorded at cost which approximates fair market value.

4. Deferred revenue - obligatory reserve funds

A requirement of the public sector accounting principles 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 be refunded.

The net change during the year in the obligatory reserve funds was as follows:

	Development Charges Act	Recreational Land	Gas Tax Allocation	Building Code Act	Total
	\$	\$	\$	\$	\$
Deferred revenue, beginning of year	812,994	119,796	450,813	-	1,383,603
Restricted funds received during the year	645,101	13,625	581,367	88,792	1,328,885
Interest earned	11,299	1,397	4,504	-	17,200
Revenue recognized during the year	(197,897)	-	(508,091)	-	(705,988)
Deferred revenue, end of year	1,271,497	134,818	528,593	88,792	2,023,700
				2015	2014
				\$	\$
Obligatory reserve funds:					
Development Charges Act				1,271,497	812,994
Recreational Land				134,818	119,796
Gas Tax Allocation				528,593	450,813
Building Code Act				88,792	-
				2,023,700	1,383,603

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

5. Long-term liabilities

(a) Long-term liabilities consist of the following:

	2015	2014
	\$	\$
Note payable to the City of Barrie, repayable in annual installments of \$23,200 plus interest of 4.35%.	46,400	69,600
OIPC debenture, interest of 2.81%, repayable in semi-annual payments of \$106,748 to 2021	1,171,277	1,348,124
OIPC debenture, interest of 3.46%, repayable in semi-annual payments of \$119,150 to 2020	1,085,551	1,281,198
OIPC debenture, interest of 3.66%, repayable in semi-annual payments of \$90,237 to 2019	665,900	817,819
OIPC debenture, interest at 4.30% repayable in semi-annual payments of \$99,273 to 2019	638,805	804,519
OIPC debenture, interest at 4.38%, repayable in semi-annual payments of \$30,519 to 2018	143,060	196,085
OIPC debenture, interest at 4.96%, repayable in semi-annual payments of \$96,039 to 2017	361,470	529,349
OIPC debenture, interest at 2.74%, repayable in semi-annual payments of \$158,131 to 2024	2,507,438	2,750,000
Daimler financing loan, interest at 4.70%, repayable in monthly payments of \$4,528 to 2020	271,740	-
Caterpillar financing loan, interest at 4.90%, repayable in monthly installments of \$6,946 to 2015, secured by equipment	-	35,341
	6,891,641	7,832,035

(b) Principal payments for the next 5 years and thereafter are as follows:

	\$
2016	1,296,689
2017	1,312,157
2018	1,109,382
2019	1,014,953
2020	758,894
Thereafter	1,399,566

The above long-term liabilities have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

6. Employee future benefits

The employees of the Municipality participate in the Ontario Municipal Employees Retirement Savings Plan (OMERS). Although the plan has a defined retirement benefit for employees, the related obligation of the Municipality cannot be identified. The Municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS during the year were \$552,013 (2014 -\$540,102) for current service.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2015. The results of this valuation disclosed total actuarial liabilities of \$82.4 (2014 - \$77.2) billion in respect of benefits accrued for service with actuarial assets at that date of \$75.4 (2014 - \$70.2) billion, indicating an actuarial deficit of \$7.0 (2014 - \$7.0) billion.

The Municipality pays certain post-retirement benefits for extended health and dental benefits on behalf of its retired employees. The Municipality recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit obligation and the net periodic benefit cost were determined using a discount rate of 3.0%. The accrued benefit obligation at December 31, 2015 of \$164,392 (2014 - \$169,263) and the net periodic benefit cost were determined by management and extrapolated to 2020. Actuarial valuations will be prepared when there are significant changes to the workforce.

Information about the Municipality's defined benefit plan is as follows:

	2015	2014
	\$	\$
Accrued plan liability, beginning of year	155,348	167,527
Interest costs and adjustments	(14,579)	(18,295)
Current service costs	9,027	9,340
Benefits paid for the period	(2,988)	(3,224)
	146,808	155,348
Proportionate share - Lake Simcoe Regional Airport	17,584	13,915
Accrued plan liability and accrued benefit obligation, end of year	164,392	169,263

The main assumptions employed for the valuation are as follows:

(a) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 2.0% in 2015 and thereafter.

(b) Interest (discount) rate

The obligation of the present value of future liabilities and the expense was determined using an annual discount rate of 3.0% in 2015 and thereafter.

(c) Health care costs

Health care costs were assumed to increase at a rate of 5.0% in 2015 and thereafter.

(d) Dental costs

Dental costs were assumed to increase at a rate of 5.0% in 2015 and thereafter.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

7. Tangible capital assets

Schedules 1, 2 and 3 provide information on the tangible capital assets of the Municipality by major asset class and service segment, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(a) Work in progress

Work in progress with a value of \$1,515,610 (2014 - \$921,475) has not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$699,508 (2014 - \$959,065).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

8. Other revenues

Other revenues consist of the following:

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
	(Note 2)		
Penalties and interest on taxation	542,200	584,460	601,864
Service charges and fees	324,178	477,990	301,822
Licences and permits	618,405	670,811	676,018
Fines	353,000	459,271	337,243
Facility rentals	539,334	488,621	339,914
Sundry revenue	447,571	593,857	711,796
Sale of unopened road allowances	-	14,757	35,663
	2,824,688	3,289,767	3,004,320

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

9. Accumulated surplus

The accumulated surplus consists of individual fund surplus and reserves as follows:

	2015	2014
	\$	\$
Surplus		
Invested in tangible capital assets	62,633,989	60,987,741
General area taxation	373,972	(26,899)
Lake Simcoe Regional Airport Inc.	226,763	208,010
Community centres	(3,619)	(3,699)
Water systems	(354,275)	(185,546)
Septic inspection program	(3,731)	(41,335)
Unfunded employee future benefits	(164,392)	(169,263)
	62,708,707	60,769,009
Reserves set aside for specific purposes by Council		
Acquisition of specific assets	6,537,516	6,244,837
Working funds	2,163,349	2,330,118
Insurance	52,313	52,313
Gravel pit restoration	34,634	34,634
Waterworks systems	3,571,431	3,509,341
Community halls	65,890	67,584
	12,425,133	12,238,827
	75,133,840	73,007,836

Capital projects in the amount of \$617,414 were financed from the Waterworks systems reserve in 2008. Annual transfers of \$61,741 will be made until 2017 to replenish the reserve.

10. Net municipal taxation

Net municipal taxation consists of:

	2015	2014
	\$	\$
Taxation revenue	35,996,034	34,349,927
Amounts levied and remitted to School Boards	(9,415,634)	(9,256,944)
Amounts levied and remitted to County of Simcoe	(11,581,453)	(11,246,799)
	14,998,947	13,846,184

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

11. Commitments

The Municipality has leased various equipment for which the minimum annual lease payments are as follows:

	\$
2016	49,411
2017	49,411
2018	40,850
2019	15,169
2020	2,585

12. Future accounting pronouncements

The PSAB has issued Section PS 3450, "Financial Instruments", which establishes recognition, measurement, presentation and disclosure standards relating to financial instruments such as receivables, payables, and equity instruments. The section is effective for governments for fiscal years beginning on or after April 1, 2015; the Municipality is required to adopt this section for its fiscal year beginning January 1, 2016. Earlier adoption is allowed. The new standard is not expected to have a material effect on the consolidated financial statements.

The PSAB issued Section PS 3041, "Portfolio Investments", which replaces Section PS 3040. The new section establishes recognition, measurement, presentation and disclosure standards relating to investments in organizations that do not form part of the government reporting entity. This section must be implemented upon the adoption of Section PS 3450.

The PSAB issued Section PS 1201, "Financial Statement Presentation", which replaces Section 1200. The new section establishes reporting principles and standards for the disclosure of information in government financial statements. This section establishes the requirement of the Municipality's financial statements to include a statement of financial position, statement of operations, a statement of remeasurement gains and losses, a statement of change in net debt and a statement of cash flow. This section must be implemented upon the adoption of Section PS 3450.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

13. Contingencies

- (a) Claims have been filed against the Municipality requesting damages. The ultimate outcome of these claims is not determinable at the time of issue of these consolidated financial statements. No provision for these claims has been recorded in these financial statements. Settlements in excess of insurance, if any, will be reflected in the periods in which financial settlement occurs.
- (b) During 1991, the County of Simcoe assumed the waste management of the Municipality pursuant to provincial legislation. In connection therewith, the Municipality transferred the property and related assets utilized in its waste management activities to the County. The legislation provides for financial adjustments to be made between the Municipality and County with respect to the transfer of these activities, the property and related assets. Settlements were reached for the related assets in prior years. Negotiations remain unresolved and indeterminate regarding the landfill sites and gravel pit property. Settlements will be reflected in the periods in which the settlements occur.
- (c) Annually, the Municipality is unable to estimate its Ontario Provincial Police adjustment. As a result, any adjustment is recorded in the year in which it is received or paid.

14. Government partnerships

The following summarizes the financial position and operations of the Lake Simcoe Regional Airport. The Township of Oro-Medonte's pro-rata share of these amounts have been reported in the consolidated financial statements using the proportionate consolidation method.

	Lake Simcoe Regional Airport
Financial assets	1,201,469
Liabilities	387,572
Net financial assets	813,897
Non-financial assets	20,748,523
Accumulated surplus	21,562,420
Note payable and employee future benefits	(319,921)
Invested in tangible capital assets	20,748,523
Current and capital fund	1,133,818
Revenues	2,018,400
Expenses	(2,401,433)
Annual deficit	(383,033)

For the year ending December 31, 2015, the accumulated deficit of the Severn Sound Environmental Association (SSEA) was \$127,300 (2014 - \$98,352). The Township of Oro-Medonte's pro-rata share of \$14,780 (2014 - \$11,802) has not been consolidated in the financial statements.

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

**SCHEDULE 1
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31**

	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure	Work in Progress	2015 Total	2014 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Balance, beginning of year	9,769,533	5,074,073	12,071,762	7,403,841	7,646,220	70,154,627	921,475	113,041,531	105,780,399
Additions	26,000	25,871	49,440	700,738	68,461	2,930,351	848,096	4,648,957	9,025,551
Disposals	-	-	-	(336,184)	(47,030)	(780,346)	(253,961)	(1,417,521)	(1,764,419)
Balance, end of year	9,795,533	5,099,944	12,121,202	7,768,395	7,667,651	72,304,632	1,515,610	116,272,967	113,041,531
Accumulated amortization									
Balance, beginning of year	-	2,311,168	3,202,298	4,009,762	2,585,850	32,112,677	-	44,221,755	41,601,803
Amortization	-	143,017	290,295	459,882	307,619	2,391,237	-	3,592,050	3,418,914
Disposals	-	-	-	(333,597)	(17,118)	(715,753)	-	(1,066,468)	(798,962)
Balance, end of year	-	2,454,185	3,492,593	4,136,047	2,876,351	33,788,161	-	46,747,337	44,221,755
Net book value, end of year	9,795,533	2,645,759	8,628,609	3,632,348	4,791,300	38,516,471	1,515,610	69,525,630	68,819,776

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 2 CONSOLIDATED SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2015

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation	Waterworks Systems	Parks, Recreation and Library Services	Total
Cost	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	11,914,009	4,834,896	46,350	117,706	73,377,986	12,768,771	9,060,338	112,120,056
Additions	26,000	26,709	-	24,829	3,579,879	41,718	101,725	3,800,860
Disposals	(41,568)	-	-	(22,323)	(1,022,646)	(29,992)	(47,030)	(1,163,559)
Assets in service, end of year	11,898,441	4,861,605	46,350	120,212	75,935,219	12,780,497	9,115,033	114,757,357
Work in progress	19,063	2,182	-	-	217,607	1,137,392	139,366	1,515,610
All assets, end of year	11,917,504	4,863,787	46,350	120,212	76,152,826	13,917,889	9,254,399	116,272,967
Accumulated amortization								
Balance, beginning of year	1,038,018	2,500,569	28,125	54,838	35,049,983	3,118,379	2,431,843	44,221,755
Amortization	86,082	197,193	2,235	14,706	2,705,076	263,536	323,222	3,592,050
Disposals	(41,568)	-	-	(22,324)	(955,467)	(29,992)	(17,117)	(1,066,468)
Balance, end of year	1,082,532	2,697,762	30,360	47,220	36,799,592	3,351,923	2,737,948	46,747,337
Net book value, end of year	10,834,972	2,166,025	15,990	72,992	39,353,234	10,565,966	6,516,451	69,525,630

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2014

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation	Waterworks Systems	Parks, Recreation and Library Services	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	11,067,546	4,725,108	46,350	111,128	71,615,319	12,244,738	4,975,261	104,785,450
Additions	894,397	109,788	-	24,020	2,304,885	563,403	4,385,540	8,282,033
Disposals	(47,934)	-	-	(17,442)	(542,218)	(39,370)	(300,463)	(947,427)
Assets in service, end of year	11,914,009	4,834,896	46,350	117,706	73,377,986	12,768,771	9,060,338	112,120,056
Work in progress	-	-	-	-	343,361	538,608	39,506	921,475
All assets, end of year	11,914,009	4,834,896	46,350	117,706	73,721,347	13,307,379	9,099,844	113,041,531
Accumulated amortization								
Balance, beginning of year	960,275	2,291,664	25,890	53,776	32,886,603	2,893,963	2,489,632	41,601,803
Amortization	82,458	208,905	2,235	13,313	2,662,976	263,786	185,241	3,418,914
Disposals	(4,715)	-	-	(12,251)	(499,596)	(39,370)	(243,030)	(798,962)
Balance, end of year	1,038,018	2,500,569	28,125	54,838	35,049,983	3,118,379	2,431,843	44,221,755
Net book value, end of year	10,875,991	2,334,327	18,225	62,868	38,671,364	10,189,000	6,668,001	68,819,776

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2015

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation	Waterworks Systems	Parks, Recreation and Library Services	Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Net municipal taxation	3,657,926	1,651,541	2,169,052	1,054,220	6,629,355	-	1,407,114	(1,570,261)	14,998,947
Taxation from other governments	-	-	-	-	-	-	-	138,489	138,489
User charges	-	-	-	-	131,385	1,433,402	12,621	-	1,577,408
Grants	10,557	-	8,229	18,064	148,509	-	46,096	1,289,700	1,521,155
Contribution from obligatory reserve funds	-	-	-	-	1,246	-	-	-	1,246
Investment	-	-	-	-	-	30,160	704	190,668	221,532
Other	393,002	150,350	228,561	924,828	297,648	122,108	604,175	569,095	3,289,767
	4,061,485	1,801,891	2,405,842	1,997,112	7,208,143	1,585,670	2,070,710	617,691	21,748,544
Expenses									
Salaries, wages and employee benefits	2,199,052	930,467	39	1,347,083	2,178,610	680,729	918,749	-	8,254,729
Interest on long-term liabilities	-	-	-	-	170,876	-	71,746	-	242,622
Materials and supplies	529,055	404,420	10,633	122,010	1,524,233	616,730	681,409	-	3,888,490
Contracted services	1,145,160	62,037	2,568,927	141,696	578,743	43,203	193,069	-	4,732,835
Rents, financial expenses and external transfers	142,839	-	-	269,661	15,529	-	14,675	-	442,704
Amortization	86,082	197,193	2,235	14,706	2,705,076	263,536	323,222	-	3,592,050
	4,102,188	1,594,117	2,581,834	1,895,156	7,173,067	1,604,198	2,202,870	-	21,153,430
Net revenues (expenses)	(40,703)	207,774	(175,992)	101,956	35,076	(18,528)	(132,160)	617,691	595,114
Other									
Grants and transfers related to capital									
Contributed tangible capital assets	26,000	-	-	-	436,512	-	-	-	462,512
Grants	-	-	-	-	69,830	-	89,181	-	159,011
Contribution from obligatory reserve funds	-	1,091	-	-	671,147	-	32,504	-	704,742
Donations	-	-	-	-	8,605	228,391	18,920	-	255,916
Gain (loss) on disposal of tangible capital assets	2,800	-	-	2,537	(36,262)	9,546	(29,912)	-	(51,291)
	28,800	1,091	-	2,537	1,149,832	237,937	110,693	-	1,530,890
Annual surplus (deficit)	(11,903)	208,865	(175,992)	104,493	1,184,908	219,409	(21,467)	617,691	2,126,004

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 5 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation	Waterworks Systems	Parks, Recreation and Library Services	Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Net municipal taxation	3,466,891	1,563,059	2,036,594	1,173,088	6,139,092	-	1,316,660	(1,849,200)	13,846,184
Taxation from other governments	-	-	-	-	-	-	-	187,323	187,323
User charges	-	-	-	-	131,499	1,305,558	573	-	1,437,630
Grants	-	-	-	45,244	153,392	-	32,347	1,612,100	1,843,083
Contribution from obligatory reserve funds	14,481	-	-	1,115	3,762	-	-	-	19,358
Investment	-	-	-	-	-	36,164	820	221,407	258,391
Other	285,571	64,461	308,819	878,807	425,588	82,209	370,870	587,995	3,004,320
	3,766,943	1,627,520	2,345,413	2,098,254	6,853,333	1,423,931	1,721,270	759,625	20,596,289
Expenses									
Salaries, wages and employee benefits	2,152,597	854,158	118	1,309,692	2,220,009	632,296	787,940	-	7,956,810
Interest on long-term liabilities	-	-	-	-	206,195	-	22,150	-	228,345
Materials and supplies	617,700	404,352	13,545	144,030	1,885,619	484,264	495,215	-	4,044,725
Contracted services	822,729	61,945	2,284,991	173,434	798,331	60,491	181,639	-	4,383,560
Rents, financial expenses and external transfers	110,872	-	-	268,905	24,123	-	56,134	-	460,034
Amortization	82,458	208,905	2,235	13,313	2,662,976	263,786	185,241	-	3,418,914
	3,786,356	1,529,360	2,300,889	1,909,374	7,797,253	1,440,837	1,728,319	-	20,492,388
Net revenues (expenses)	(19,413)	98,160	44,524	188,880	(943,920)	(16,906)	(7,049)	759,625	103,901
Other									
Grants and transfers related to capital									
Contributed tangible capital assets	-	-	-	-	514,815	444,250	-	-	959,065
Grants	104,276	-	-	-	-	-	26,312	-	130,588
Contribution from obligatory reserve funds	-	77,552	-	-	1,456,087	-	119,447	-	1,653,086
Donations	-	14,419	-	-	-	1,711	139,736	-	155,866
Gain (loss) on disposal of tangible capital assets	6,859	-	-	1,309	(9,431)	2,359	(56,836)	-	(55,740)
	111,135	91,971	-	1,309	1,961,471	448,320	228,659	-	2,842,865
Annual surplus (deficit)	91,722	190,131	44,524	190,189	1,017,551	431,414	221,610	759,625	2,946,766

The accompanying notes are an integral part of
this financial statement

CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

SCHEDULE 6 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES BUDGET FOR THE YEAR ENDED DECEMBER 31, 2015

	General Government	Fire and Emergency Services	Police	Planning, Building and Protection	Transportation	Waterworks Systems	Parks, Recreation and Library Services	Unallocated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Net municipal taxation	3,657,926	1,651,541	2,169,052	1,054,220	6,629,355	-	1,407,114	(1,606,278)	14,962,930
Taxation from other governments	-	-	-	-	-	-	-	131,578	131,578
User charges	-	-	-	-	131,499	1,704,467	-	-	1,835,966
Grants	-	-	8,200	34,000	140,000	-	29,702	1,289,700	1,501,602
Contribution from obligatory reserve funds	-	-	-	5,000	222,083	-	29,096	-	256,179
Investment	-	-	-	-	-	35,000	-	186,300	221,300
Other	207,184	69,000	325,000	744,963	278,446	86,760	584,635	528,700	2,824,688
	3,865,110	1,720,541	2,502,252	1,838,183	7,401,383	1,826,227	2,050,547	530,000	21,734,243
Expenses									
Salaries, wages and employee benefits	2,254,900	951,768	1,500	1,337,966	2,293,719	667,595	906,757	-	8,414,205
Interest on long-term liabilities	-	-	-	-	170,877	-	71,746	-	242,623
Materials and supplies	640,974	482,759	12,767	165,719	1,591,561	584,852	753,606	-	4,232,238
Contracted services	746,140	73,014	2,487,985	72,550	628,100	60,500	1,000	-	4,069,289
Rents, financial expenses and external transfers	147,100	-	-	257,948	-	-	187,455	-	592,503
Amortization	86,082	196,334	2,235	12,223	2,648,636	259,362	322,728	-	3,527,600
	3,875,196	1,703,875	2,504,487	1,846,406	7,332,893	1,572,309	2,243,292	-	21,078,458
Net revenues (expenses)	(10,086)	16,666	(2,235)	(8,223)	68,490	253,918	(192,745)	530,000	655,785
Other									
Grants and transfers related to capital									
Contributed tangible capital assets	-	-	-	-	-	631,755	-	-	631,755
Grants	58,348	-	-	-	-	-	82,927	-	141,275
Contribution from obligatory reserve funds	-	435,000	-	-	837,547	-	-	-	1,272,547
Donations	-	-	-	-	-	-	75,576	-	75,576
	58,348	435,000	-	-	837,547	631,755	158,503	-	2,121,153
Annual surplus (deficit)	48,262	451,666	(2,235)	(8,223)	906,037	885,673	(34,242)	530,000	2,776,938

The accompanying notes are an integral part of
this financial statement