

**The Corporation of the  
Town of Fort Frances  
Consolidated Financial Statements  
For the year ended December 31, 2016**

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## The Corporation of the Town of Fort Frances Management's Responsibility for the Consolidated Financial Statements

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The accompanying consolidated financial statements of the Corporation of the Town of Fort Frances and all the information in this annual report are the responsibility of management and have been approved by the Mayor and Treasurer on behalf of Council.

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

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

The Town Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council reviews the Town's consolidated financial statements and meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to Council.

  
\_\_\_\_\_ Mayor

  
\_\_\_\_\_ Treasurer

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## Independent Auditor's Report

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### To the Mayor and Councilors of The Corporation of the Town of Fort Frances

We have audited the accompanying consolidated financial statements of the Corporation of the Town of Fort Frances as at December 31, 2016, which comprise the Consolidated Statement of Financial Position as at December 31, 2016, and the Consolidated Statement of Operations, the Consolidated Statement of Change in Net Financial Assets and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated financial position of the Corporation of the Town of Fort Frances as at December 31, 2016, and the results of operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*


Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
July 10, 2017



## The Corporation of the Town of Fort Frances Consolidated Statement of Financial Position

December 31	2016	2015
<b>Financial assets</b>		
Cash and cash equivalents (Note 1)	\$ 612,183	\$ 473,260
Taxes receivable	583,529	789,235
Accounts receivable	4,176,776	2,717,246
Investments (Note 2)	10,742,115	12,765,922
Investment in government business enterprises (Note 3)	6,051,247	6,014,346
Loans receivable (Note 4)	377,777	475,744
	<b>22,543,627</b>	<b>23,235,753</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,406,686	2,867,010
Deferred revenue (Note 6)	405,751	604,991
Net long-term debt (Note 7)	2,281,831	2,900,095
Solid waste closure and post-closure liabilities (Note 8)	851,138	827,778
Post-employment benefits liabilities (Note 9)	234,843	250,080
	<b>8,180,249</b>	<b>7,449,954</b>
<b>Net financial assets</b>	<b>14,363,378</b>	<b>15,785,799</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	96,773,358	91,511,134
Tangible capital assets under construction	392,486	104,514
Land held for sale	305,794	872,837
Inventory of supplies	436,709	414,554
Prepaid expenses	227,941	267,381
	<b>98,136,288</b>	<b>93,170,420</b>
<b>Accumulated surplus (Note 11)</b>	<b>\$ 112,499,666</b>	<b>\$ 108,956,219</b>
<b>Contingent liabilities (Note 16)</b>		



Treasurer



Mayor

## The Corporation of the Town of Fort Frances Consolidated Statement of Operations

For the year ended December 31	Budget 2016	2016	2015
<b>Revenue</b>			
Taxation	\$ 11,157,334	\$ 11,006,299	\$ 11,165,312
Government transfers - Federal (Note 12)	1,384,253	1,896,950	618,881
Government transfers - Provincial (Note 13)	7,762,816	6,409,610	7,091,664
User fees and service charges	7,730,686	8,288,182	7,966,404
Permits, licenses and fines	62,700	64,387	59,558
Investment income	54,500	277,410	264,273
Income from government business enterprises (Note 3)	-	36,901	258,981
Other income (Note 14)	831,349	738,164	988,756
	<b>28,983,638</b>	<b>28,717,903</b>	<b>28,413,829</b>
<b>Expenses</b>			
General government	2,429,377	2,506,861	2,391,521
Protection services	3,984,163	4,108,006	4,175,755
Transportation services	4,516,886	4,925,913	4,385,113
Environmental services	5,096,299	5,192,698	4,801,238
Health services	1,615,842	1,521,354	1,739,101
Social and family services	1,873,539	1,940,974	1,779,024
Social housing	700,959	700,959	666,611
Recreation and cultural services	3,661,851	3,920,049	3,698,019
Planning and development	436,758	357,642	348,087
	<b>24,315,674</b>	<b>25,174,456</b>	<b>23,984,469</b>
<b>Annual surplus</b>	<b>4,667,964</b>	<b>3,543,447</b>	<b>4,429,360</b>
<b>Accumulated surplus, beginning of year</b>	<b>108,956,219</b>	<b>108,956,219</b>	<b>104,526,859</b>
<b>Accumulated surplus, end of year</b>	<b>\$113,624,183</b>	<b>\$112,499,666</b>	<b>\$108,956,219</b>

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

## The Corporation of the Town of Fort Frances Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2016	2016	2015
Annual surplus	\$ 4,667,964	\$ 3,543,447	\$ 4,429,360
Acquisition of tangible capital assets	(12,164,941)	(9,627,310)	(7,217,094)
Amortization of tangible capital assets	3,860,000	4,027,473	3,789,217
Loss (gain) on sale of tangible capital assets	-	129,645	(90,210)
Proceeds on sale of tangible capital assets	-	207,968	96,820
Disposals of land held for sale	-	567,042	26,580
Capitalization of tangible capital assets under construction	-	(287,972)	(58,489)
	(3,636,977)	(1,439,707)	976,184
Acquisition of prepaid expenses and inventory of supplies	-	17,286	(14,110)
Net change in net financial assets	(3,636,977)	(1,422,421)	962,074
Net financial assets, beginning of year	15,785,799	15,785,799	14,823,725
Net financial assets, end of year	\$ 12,148,822	\$ 14,363,378	\$ 15,785,799

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

## The Corporation of the Town of Fort Frances Consolidated Statement of Cash Flows

For the year ended December 31	2016	2015
<b>Operating transactions</b>		
Annual surplus	\$ 3,543,447	\$ 4,429,360
Items not involving cash		
Loss (income) from government business enterprises	(36,901)	(258,981)
Amortization	4,027,473	3,789,217
Loss (gain) on disposal of tangible capital assets	129,645	(90,210)
Loss on disposal of land held for sale	172,042	11,914
Changes in non-cash operating balances		
Taxes receivable	205,706	(6,236)
Accounts receivable	(1,459,530)	(356,395)
Loans receivable	97,967	95,367
Inventory of supplies	(22,154)	(7,889)
Prepaid expenses	39,440	(6,221)
Accounts payable and accrued liabilities	1,539,676	678,917
Deferred revenue	(199,240)	260,324
Solid waste closure and post-closure liabilities	23,360	23,358
Post-employment benefits	(15,237)	(3,591)
	<u>8,045,694</u>	<u>8,558,934</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(9,627,310)	(7,217,094)
Proceeds on sale of tangible capital assets	207,968	96,820
Acquisition of tangible capital assets under construction	(287,972)	(58,489)
	<u>(9,707,314)</u>	<u>(7,178,763)</u>
<b>Investing transactions</b>		
Decrease (increase) in investments	2,023,807	(3,468,414)
Acquisition of land assets held for sale	-	(26,834)
Proceeds on disposition of land held for sale	395,000	41,500
	<u>2,418,807</u>	<u>(3,453,748)</u>
<b>Financing transactions</b>		
Repayment of long-term debt	(618,264)	(592,743)
<b>Net change in cash and cash equivalents</b>	<b>138,923</b>	<b>(2,666,320)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>473,260</b>	<b>3,139,580</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 612,183</b>	<b>\$ 473,260</b>

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

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## The Corporation of the Town of Fort Frances Summary of Significant Accounting Policies

December 31, 2016

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

The consolidated financial statements of the Corporation of the Town of Fort Frances are the representations of management. They have been prepared in accordance with Canadian accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**Basis of Accounting**

The consolidated financial statements of the Corporation of the Town of Fort Frances are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

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

The consolidated statement of financial position reflects all of the financial assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. 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. Accumulated surplus represents the financial position of the Municipality, and is the difference between its' assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its' ability to finance activities and meet its' obligations.

**Basis of Consolidation**

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal Organizations, committees and boards which are owned or controlled by the Municipality. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

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

Library Board  
Waterworks  
Business Improvement Area



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## The Corporation of the Town of Fort Frances Summary of Significant Accounting Policies

December 31, 2016

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**Basis of Consolidation**  
(continued)

A government partnership exists where the Municipality has shared control over the board or entity. The Municipality's pro-rata share of the assets, liabilities, revenues and expenditures are reflected in the consolidated financial statements using the proportionate consolidation method. No proportionate interest or government partnerships are reflected in the consolidated financial statements.

The following boards are not consolidated:

Northwestern Health Unit  
Rainy River District Social Services Administration Board

Government business enterprises are separate legal entities which do not rely on the Municipality for funding. The Municipality's government business enterprises consist of investments in Fort Frances Power Corporation and Fort Frances Network Services Corporation. These investments are accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies, which follow Canadian generally accepted accounting principles for publicly accountable enterprises, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated.

**Cash and Cash  
Equivalents**

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

**Inventory**

Inventory of supplies is recorded at the lower of cost or net replacement value.

**Investments**

The Municipality accounts for its investments at cost. The carrying value of an investment is written down to its net recoverable amount if a decline in value is judged to be other than temporary.

**Loans Receivable**

Loans receivable are reported on the Municipality's consolidated statement of financial position at the lower of cost and net recoverable value.

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## The Corporation of the Town of Fort Frances Summary of Significant Accounting Policies

December 31, 2016

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### Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	40 years
Buildings	40 years
Machinery and equipment	10 to 15 years
Roads and bridges	15 to 80 years
Water infrastructure	40 to 80 years
Sewer infrastructure	40 to 80 years
Vehicles	7 to 12 years
Computer hardware and software	5 years

### Revenue Recognition

The Municipality prepares property tax billings based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC), in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

User fees and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

### Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. When transfer stipulations give rise to a liability, government transfers are recognized as deferred revenue and recognized as revenue when the stipulations are settled.

### Solid Waste Landfills

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

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## The Corporation of the Town of Fort Frances Summary of Significant Accounting Policies

December 31, 2016

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### Retirement Benefits and Other Employee Benefit Plans

The Municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

### School Boards

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

### Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The estimates used in preparation of these consolidated financial statements are the useful lives of the property, plant and equipment, the capacity of the landfill site, the useful life of the landfill site, the closure and post-closure costs of the landfill, the present value of the Municipality's employee post-retirement benefits, and taxation revenue.

### Trust Funds

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

## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

**December 31, 2016**

### 1. Cash and Cash Equivalents

The balance of cash and cash equivalents reported on the consolidated statement of financial position is made up of the following:

	2016	2015
Unrestricted	\$ 455,565	\$ (385,629)
Restricted by Council resolution	156,618	858,889
	\$ 612,183	\$ 473,260

Certain surplus funds are set aside by by-laws or Council resolution for specific purposes and referred to as reserve funds. Cash and cash equivalents restricted by Council resolution represent assets that are maintained in respect of those reserve funds (Note 11).

### 2. Investments

	2016	2015
Investments restricted by Council resolution		
Bond funds	\$ 7,845,191	\$ 7,659,434
Money market funds	2,422	2,410
GIC's, 1.25% annual interest rate	367,207	302,620
GIC's, 0.90% annual interest rate	-	4,013,094
GIC's, 0.95% annual interest rate	2,525,669	-
GIC's, 1.10% annual interest rate	-	786,746
	10,740,489	12,764,304
Unrestricted investments		
Money market funds	1,626	1,618
	\$ 10,742,115	\$ 12,765,922

The income from investments for the year was \$232,617 (2015 - \$234,739).

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## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

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### 2. Investments (continued)

The effective interest rate of the Municipality's restricted bond funds was 2.31% (2015 - 2.39%). The Municipality's restricted bond funds have a market value of \$7,711,528 (2015 - \$7,659,398).

The effective interest rate of the Municipality's restricted money market funds was 0.51% (2015 - 0.45%). The Municipality's restricted money market funds have a market value of \$2,422 (2015 - \$2,410).

The effective interest rate of the Municipality's unrestricted money market funds was 0.45% (2015 - 0.45%). The Municipality's unrestricted money market funds have a market value of \$1,626 (2015 - \$1,616).

Certain surplus funds are set aside by by-laws or Council resolution for specific purposes and referred to as reserve funds. Investments restricted by Council resolution represent assets that are maintained in respect of those reserve funds (Note 11).

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### 3. Investment in Government Business Enterprises

	<u>2016</u>	<u>2015</u>
Fort Frances Power Corporation	\$ 5,997,692	\$ 5,960,305
Fort Frances Network Services Corporation	53,555	54,041
	<u>\$ 6,051,247</u>	<u>\$ 6,014,346</u>

## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

### 3. Investment in Government Business Enterprises (continued)

#### Fort Frances Power Corporation

Fort Frances Power Corporation is a Corporation that was created for the purpose of distributing electrical power to the Town of Fort Frances. The Municipality holds 100% of the common shares of Fort Frances Power Corporation. The condensed supplementary financial information is as follows:

	2016	2015
Financial position		
Current assets	\$ 5,805,082	\$ 5,436,279
Property, plant and equipment	3,647,160	3,430,685
Regulatory assets	93,368	115,548
Future income tax assets	168,618	176,336
Total assets	9,714,228	9,158,848
Current liabilities	3,318,720	2,787,116
Regulatory liabilities	397,816	411,427
Total liabilities	3,716,536	3,198,543
Net assets		
Equity	\$ 5,997,692	\$ 5,960,305
Results of operations		
Revenue	\$ 11,505,673	\$ 10,847,467
Expenses	(11,468,286)	(10,587,791)
Net income for the year	\$ 37,387	\$ 259,676



## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

**December 31, 2016**

### 3. Investment in Government Business Enterprises (continued)

#### Fort Frances Network Services Corporation

Fort Frances Network Services Corporation is a Corporation that was created for the purpose of providing utility maintenance services to the Town of Fort Frances. The Municipality holds 100% of the common shares of Fort Frances Network Services Corporation. The condensed supplementary financial information is as follows:

	2016	2015
Financial position		
Cash and bank	\$ 53,442	\$ 54,902
Accounts receivable	113	112
	53,555	55,014
Total assets		
Current liabilities	-	973
	-	973
Total liabilities		
Net assets		
Equity	\$ 53,555	\$ 54,041
Results of operations		
Revenue	\$ 380	\$ 437
Expenses	(866)	(1,132)
	-	(695)
Net loss for the year	\$ (486)	\$ (695)

## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

**December 31, 2016**

### 4. Loans Receivable

Loans receivable reported on the consolidated statement of financial position are comprised of the following:

	2016	2015
Fort Frances Community Clinic loan, repayable at \$5,556 monthly, non-interest bearing. Secured by a general security agreement in first priority position on and over any and all assets of the borrower. Matures August 1, 2022.	\$ 377,777	\$ 444,444
Debenture debt, annual payments of \$34,026, including interest at 9%. Matured September 1, 2016.	-	31,300
	\$ 377,777	\$ 475,744

Loans receivable are restricted by Council resolution and represent assets that are maintained in respect of reserve funds (Note 11).

### 5. Bank Indebtedness

Bank indebtedness is secured by general security agreements covering certain assets of the Municipality. The maximum authorized amount is \$4,000,000 and bears interest at the prime rate.

### 6. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Federal and provincial gas tax	\$ 491,311	\$ 552,474	\$ 11,311	\$ (831,879)	\$ 223,217
Other	113,680	182,534	-	(113,680)	182,534
	\$ 604,991	\$ 735,008	\$ 11,311	\$ (945,559)	\$ 405,751

#### Federal and Provincial Gas Tax

The Federal and Provincial Governments advance the Municipality funding related to gasoline tax. This funding must be spent on approved infrastructure projects. The funding can be deferred for a maximum of 5 years.

## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

**December 31, 2016**

### 7. Net Long-term Debt

Net long-term debt reported on the consolidated statement of financial position is comprised of the following:

	2016	2015
Debenture debt, annual payments of \$229,023, including interest at rates between 6.3% to 9%. Unsecured, matures December 1, 2017.	\$ 372,313	\$ 753,533
Demand bank loan, payable at \$7,051 monthly, including interest at 3.3%. Unsecured, matures December 31, 2017.	779,689	837,533
Demand bank loan, payable at \$7,791 monthly, plus interest at 4.19%. Unsecured, matures December 30, 2018.	186,972	280,458
Demand bank loan, payable at \$7,143 monthly, plus interest at 3.36%. Unsecured, matures December 31, 2027.	942,857	1,028,571
	<b>\$ 2,281,831</b>	<b>\$ 2,900,095</b>

Principal and interest repayments relating to net long-term debt of \$2,281,831 outstanding are due as follows:

	Principal Repayments	Interest	Total
2017	\$ 611,294	\$ 77,642	\$ 688,936
2018	240,992	29,154	270,146
2019	149,576	24,600	174,176
2020	151,715	21,720	173,435
2021	153,927	18,840	172,767
Thereafter	974,327	51,000	1,025,327
	<b>\$ 2,281,831</b>	<b>\$ 222,956</b>	<b>\$ 2,504,787</b>

The gross interest paid relating to the above long-term debt was \$110,250 (2015 - \$142,504).

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## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

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### 8. Solid Waste Closure and Post-Closure Liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Municipality's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities.

The liability for the landfill site is recorded at \$851,138 (2015 - \$827,778) and represents the present value of closure and post-closure costs for 100% of the current site's opened cells, using the average long-term borrowing rate of 3.0%. The liability is recorded based on the capacity of the landfill used to date. The estimated remaining capacity of the site's opened cells are approximately 110,000 cubic meters, which will be filled in 11 years. Post-closure care is estimated to continue for a period of 25 years.

The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill. The Municipality has \$544,695 (2015 - \$479,511) in an investment which relates to the solid waste closure and post-closure liability. The landfill liability is therefore underfunded by \$306,443 (2015 - \$348,267) at year end.

# The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

## 9. Post-Employment Benefits Liabilities

Post-employment benefits liabilities reported on the consolidated statement of financial position are comprised of the following:

	2016	2015
Post-retirement benefits liability	\$ 222,343	\$ 231,330
Life insurance coverage	12,500	18,750
	\$ 234,843	\$ 250,080

On February 4, 2011, the Municipality became responsible for providing the following post-retirement benefits on behalf of its eligible full-time employees who are members of the Fort Frances Professional Fire Fighters Association:

- Extended health care
- Dental benefits

The latest actuarial valuation was performed on December 31, 2016.

<b>Post-Retirement Benefits Liabilities</b>	<b>2016</b>	<b>2015</b>
Accrued post-retirement benefits obligation	\$ 199,885	\$ 211,141
Unamortized actuarial gains	22,458	20,189
Post-retirement benefits liabilities	\$ 222,343	\$ 231,330

<b>Post-Retirement Benefits Expenditures</b>	<b>2016</b>	<b>2015</b>
Current year service costs	\$ 2,480	\$ 2,390
Interest on accrued benefit obligation	7,700	7,834
Amortization of net estimation adjustments	(2,615)	(2,615)
Post-retirement benefits expenditures	\$ 7,565	\$ 7,609
Benefit payments during the year	\$ 16,552	\$ 11,200

The significant actuarial assumptions adopted and estimated for the calculation of the accrued benefit obligations are as follows:

	2016	2015
Discount on accrued benefit obligations	2.70%	3.75%
Dental cost trend rates	3.0%	4.0%
Extended health care trend rates	6.25%	7.25%

For December 31, 2016, extended health care trend rates are assumed to be 6.25%, decreasing by 0.25% per annum to an ultimate rate of 4.5% thereafter.

As at December 31, 2016, the Municipality's post-retirement benefits were 100% unfunded.

**The Corporation of the Town of Fort Frances  
Notes to Consolidated Financial Statements**

**December 31, 2016**

**10. Tangible Capital Assets**

											2016
	Land and land improvements	Buildings	Machinery and equipment	Roads and bridges	Water infrastructure	Sewer infrastructure	Vehicles	Computer hardware and software	Total		
Cost, beginning of year	\$ 3,777,943	\$ 53,427,628	\$ 7,604,336	\$ 55,221,965	\$ 19,785,441	\$ 22,088,560	\$ 3,308,900	\$ 439,481	\$ 165,654,254		
Additions	127,834	84,071	3,459,786	3,342,914	1,273,877	1,140,400	46,259	152,169	9,627,310		
Disposals	(329,926)	-	(397,100)	-	-	-	(34,945)	(27,370)	(789,341)		
Cost, end of year	3,575,851	53,511,699	10,667,022	58,564,879	21,059,318	23,228,960	3,320,214	564,280	174,492,223		
Accumulated amortization, beginning of year	352,813	22,362,741	4,129,276	29,365,762	6,496,659	8,876,121	2,222,157	337,591	74,143,120		
Amortization	156,204	1,083,190	497,060	1,453,150	302,263	326,781	151,728	57,097	4,027,473		
Disposals	-	-	(389,413)	-	-	-	(34,945)	(27,370)	(451,728)		
Accumulated amortization, end of year	509,017	23,445,931	4,236,923	30,818,912	6,798,922	9,202,902	2,338,940	367,318	77,718,865		
Net carrying amount, end of year	\$ 3,066,834	\$ 30,065,768	\$ 6,430,099	\$ 27,745,967	\$ 14,260,396	\$ 14,026,058	\$ 981,274	\$ 196,962	\$ 96,773,358		



**The Corporation of the Town of Fort Frances  
Notes to Consolidated Financial Statements**

**December 31, 2016**

**10. Tangible Capital Assets (continued)**

	2015								
	Land and land improvements	Buildings and equipment	Machinery and equipment	Roads and bridges infrastructure	Water infrastructure	Sewer infrastructure	Vehicles	Computer hardware and software	Total
Cost, beginning of year	\$ 3,265,425	\$ 52,248,547	\$ 6,385,429	\$ 53,390,011	\$ 18,733,648	\$ 21,031,337	\$ 3,101,953	\$ 624,009	\$ 158,780,359
Additions	512,524	1,185,380	1,230,162	1,831,954	1,051,793	1,057,223	327,684	20,374	7,217,094
Disposals	(6)	(6,299)	(11,255)	-	-	-	(120,737)	(204,902)	(343,199)
Cost, end of year	3,777,943	53,427,628	7,604,336	55,221,965	19,785,441	22,088,560	3,308,900	439,481	165,654,254
Accumulated amortization, beginning of year	304,278	21,279,137	3,780,412	27,878,091	6,211,412	8,563,371	2,197,334	476,457	70,690,492
Amortization	48,535	1,089,903	353,515	1,487,671	285,247	312,750	145,560	66,036	3,789,217
Disposals	-	(6,299)	(4,651)	-	-	-	(120,737)	(204,902)	(336,589)
Accumulated amortization, end of year	352,813	22,362,741	4,129,276	29,365,762	6,496,659	8,876,121	2,222,157	337,591	74,143,120
Net carrying amount, end of year	\$ 3,425,130	\$ 31,064,887	\$ 3,475,060	\$ 25,856,203	\$ 13,288,782	\$ 13,212,439	\$ 1,086,743	\$ 101,890	\$ 91,511,134

The net book value of tangible capital assets not being amortized because they are under construction is \$392,486 (2015 - \$104,514). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position.

## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

### 11. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2016	2015
Investment in tangible capital assets		
Tangible capital assets	\$ 97,165,843	\$ 91,615,648
Long-term debt	(2,281,831)	(2,900,095)
Land held for sale	305,794	872,837
	95,189,806	89,588,390
General operating	171,346	117,930
Water	-	-
Sewer	-	-
Business improvement area	37,553	77,446
	208,899	195,376
Other allocated deficits		
Landfill closure	(851,138)	(827,778)
Employee future benefits	(234,843)	(250,080)
	(1,085,981)	(1,077,858)
Reserve funds		
Waterworks projects	3,723,793	6,425,711
Replacement of vehicles and equipment	982,924	1,334,121
Library building	642,984	578,775
Landfill closure	544,695	479,511
Parks and cemeteries	48,747	45,640
Social and family assistance	127,066	137,599
Corporate projects and contingencies	4,913,744	4,407,282
Cultural projects	50,641	-
Townsend theatre	101,101	91,420
	11,135,695	13,500,059
Working capital reserve	1,000,000	735,906
	6,051,247	6,014,346
Investment in government business enterprises	6,051,247	6,014,346
	\$112,499,666	\$108,956,219

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by by-law or Council resolution for specific purposes.

## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

### 12. Government Transfers - Federal

	2016	2015
<b>Operating</b>		
Other	\$ 20,437	\$ 10,147
<b>Tangible Capital Assets</b>		
Association of Municipalities of Ontario		
Federal Gas Tax Fund	762,937	152,057
Industry Canada - FedNor	30,553	172,473
Transport Canada	-	264,204
New Building Canada Fund	948,023	-
Other	135,000	20,000
<b>Total tangible capital asset transfers</b>	<b>1,876,513</b>	<b>608,734</b>
<b>Total federal transfers</b>	<b>\$ 1,896,950</b>	<b>\$ 618,881</b>

### 13. Government Transfers - Provincial

	2016	2015
<b>Operating</b>		
Province of Ontario		
Ontario Municipal Partnership Fund	\$ 2,934,100	\$ 2,983,600
Ministry of Transportation	68,942	58,487
Ontario Seniors' Secretariat	46,160	40,000
Rainy River District Social Services Administration Board	1,099,394	1,060,317
Ontario Financial Services	363,923	315,159
Other	295,458	274,530
<b>Total operating transfers</b>	<b>4,807,977</b>	<b>4,732,093</b>
<b>Tangible Capital Assets</b>		
Province of Ontario		
Ministry of Transportation	1,399,968	1,764,155
Northern Ontario Heritage Fund	44,190	249,454
Rainy River District Social Services Administration Board	-	14,360
Other	157,475	331,602
<b>Total tangible capital asset transfers</b>	<b>1,601,633</b>	<b>2,359,571</b>
<b>Total provincial transfers</b>	<b>\$ 6,409,610</b>	<b>\$ 7,091,664</b>

## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

**December 31, 2016**

### 14. Other Income

	2016	2015
Penalties and interest on taxes	\$ 142,454	\$ 152,814
Rents, concessions and franchises	101,699	96,266
Donations	271,889	303,175
Gain (loss) on sale of tangible capital assets	(129,645)	90,210
Loss on sale of land held for sale	(172,042)	(11,914)
Provincial offences	477,791	303,331
Insurance proceeds and other recoveries	46,018	54,874
	\$ 738,164	\$ 988,756

### 15. Expenses by Object

	2016	2015
Salaries, wages and employee benefits	\$ 8,296,612	\$ 8,220,232
Long-term debt charges - interest	110,250	142,504
Materials	3,620,785	3,320,854
Contracted services	5,197,166	5,047,786
Rents and financial expenses	1,353,497	770,386
Contributions to other organizations	2,568,673	2,693,490
Amortization	4,027,473	3,789,217
	\$ 25,174,456	\$ 23,984,469

### 16. Contingent Liabilities

Various lawsuits have been filed against the Municipality for incidents which arose in the ordinary course of business as well as land claims. These lawsuits include the following specific claim:

A claim in the amount of \$2,000,000 has been filed against the Municipality that is in relation to disputed costs between the Municipality and a contractor involved in the rehabilitation of Municipal infrastructure. In the opinion of management and legal counsel, the outcome of the lawsuit, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

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## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

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### 17. Related Party Transactions

The Municipality owns 100% of the common shares of Fort Frances Power Corporation. Fort Frances Power Corporation provides electricity and services to the Municipality. The Fort Frances Power Corporation also contracts the Municipality for the provision of accounting and administrative services. The following is a summary of the significant related party transactions for the year:

	<u>2016</u>	<u>2015</u>
Revenue from services provided to Fort Frances Power Corporation	\$ 198,456	\$ 196,861
Expenses for electricity purchased from Fort Frances Power Corporation	\$ 812,302	\$ 769,915
Other purchased services provided by the Fort Frances Power Corporation	16,033	36,732
	<u>\$ 828,335</u>	<u>\$ 806,647</u>

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### 18. Operations of School Boards

	<u>2016</u>	<u>2015</u>
During the year, the following taxation revenue was raised and remitted to the school boards	\$ 1,701,246	\$ 1,708,576

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## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

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### 19. Pension Agreements

OMERS provides pension services to more than 470,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2016. The results of this valuation disclosed total actuarial liabilities of \$87,554 million in respect of benefits accrued for service with actuarial assets at that date of \$81,834 million indicating an actuarial deficit of \$5,720 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Municipality to OMERS for 2016 were \$533,922 (2015 - \$511,125) for current services.

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### 20. Trust Funds

The Trust Funds administered by the Municipality amounting to \$1,170,151 (2015 - \$1,558,707) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

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### 21. Contributions to Unconsolidated Boards

The following contributions were made by the Municipality to these boards:

	2016	2015
Northwestern Health Unit	\$ 368,813	\$ 350,144
Rainy River District Social Services Administration Board		
Ambulance service	840,800	1,047,918
General assistance	159,926	159,777
Child care	119,702	111,786
Social housing	700,959	666,611
	<u>\$ 2,190,200</u>	<u>\$ 2,336,236</u>



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# The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

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## 22. Segmented Information

The Corporation of the Town of Fort Frances is a diversified municipal government institution that provides a wide range of services to its citizens. The management of the Municipality considers decisions based on separate service areas. These service areas are: general government, protection services, transportation services, environmental services, health services, social and family services, social housing, recreation and cultural services and planning and development.

Descriptions of the services and funds that management bases their decisions on, are as follows:

### **General Government**

General government consists of governance, Corporate management and program support. These categories relate to operations of all of the various programs and services that the Municipality offers to its citizens.

### **Protection Services**

Protection is comprised of police service and fire protection. Police service is contracted out to the Ontario Provincial Police. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishment of fires.

### **Transportation Services**

The transportation services area provides construction and maintenance of the roadways throughout the Municipality as well as the municipal airport.

### **Environmental Services**

Environmental services consists of the management and maintenance of the sanitary sewer system, waterworks system and waste disposal facility located within the municipal borders.

### **Health Services**

Health services are comprised of public health services and ambulance service. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

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## The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

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### 22. Segmented Information (continued)

#### **Social and Family Services**

Social and family services are comprised of general assistance, child care and assistance to the aged. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

#### **Social Housing**

The Municipality contributes to a local board, which provides social housing if the citizens of the Corporation of the Town of Fort Frances require the service.

#### **Recreation and Cultural Services**

This service area consists of the operation and maintenance of local parks, recreation facilities, cultural facilities and the town library.

#### **Planning and Development**

These services relate to zoning issues as well as planning of various municipal maintenance projects.

# The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

## 22. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Family Services	Social and Services	Social Housing	Recreation and		2016 Total
									Cultural Services	Planning and Development	
Revenue											
Taxation	\$ 1,063,325	\$ 1,760,043	\$ 763,371	\$ 2,060,416	\$ 1,839,560	\$ 343,940	\$ 1,480,883	\$ 1,542,772	\$ 151,989	\$ 11,006,299	
Fees and user charges	256,384	51,207	621,007	5,853,942	72,577	347,272	-	998,544	87,249	8,288,182	
Conditional grants	74,743	82,301	3,179,871	479,956	-	1,154,287	-	391,302	10,000	5,372,460	
Unconditional grants	283,465	469,199	203,502	549,273	490,397	91,689	394,779	411,278	40,518	2,934,100	
Other	107,902	178,600	77,463	209,080	186,669	34,901	150,272	156,552	15,423	1,116,862	
	1,785,819	2,541,350	4,845,214	9,152,667	2,589,203	1,972,089	2,025,934	3,500,448	305,179	28,717,903	
Expenses											
Wages and benefits	1,214,996	1,175,616	1,548,136	928,143	188,880	1,194,478	-	1,989,058	57,305	8,296,612	
Long-term debt charges (interest)	60,184	-	8,880	10,549	-	-	-	30,637	-	110,250	
Materials	364,088	243,532	649,602	879,727	42,469	284,575	-	993,545	163,247	3,620,785	
Contracted services	335,433	2,471,554	374,750	1,709,634	3,535	43,539	-	203,036	55,685	5,197,166	
Rents and financial	324,135	27,915	516,724	277,772	-	7,649	-	117,898	81,404	1,353,497	
External transfers	84,348	144,701	-	20,796	1,277,613	340,256	700,959	-	-	2,568,673	
Amortization	123,677	44,688	1,827,821	1,366,077	8,857	70,477	-	585,875	1	4,027,473	
	2,506,861	4,108,006	4,925,913	5,192,698	1,521,354	1,940,974	700,959	3,920,049	357,642	25,174,456	
Net surplus (deficit)	\$ (721,042)	\$ (1,566,656)	\$ (80,699)	\$ 3,959,969	\$ 1,067,849	\$ 31,115	\$ 1,324,975	\$ (419,601)	\$ (52,463)	\$ 3,543,447	

# The Corporation of the Town of Fort Frances Notes to Consolidated Financial Statements

December 31, 2016

## 22. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Family Services	Social and Services	Social Housing	Recreation and Cultural Services	Planning and Development	2015 Total
<b>Revenue</b>											
Taxation	\$ 903,001	\$ 1,915,979	\$ 1,041,617	\$ 1,862,851	\$ 1,909,841	\$ 302,186	\$ 1,410,572	\$ 1,666,533	\$ 152,732	\$ 11,165,312	
Fees and user charges	245,094	45,494	683,141	5,670,390	63,908	249,411	-	930,215	78,751	7,966,404	
Conditional grants	451,763	59,996	2,147,590	799,603	-	1,129,892	-	118,101	20,000	4,726,945	
Unconditional grants	241,301	511,988	278,342	497,792	510,348	80,750	376,935	445,331	40,813	2,983,600	
Other	127,101	269,683	146,612	262,205	268,819	42,534	198,544	234,572	21,498	1,571,568	
	<u>1,968,260</u>	<u>2,803,140</u>	<u>4,297,302</u>	<u>9,092,841</u>	<u>2,752,916</u>	<u>1,804,773</u>	<u>1,986,051</u>	<u>3,394,752</u>	<u>313,794</u>	<u>28,413,829</u>	
<b>Expenses</b>											
Wages and benefits	1,302,111	1,145,073	1,606,931	915,810	217,684	1,008,945	-	1,930,420	93,258	8,220,232	
Long-term debt charges (interest)	64,756	-	12,309	18,019	-	-	-	47,420	-	142,504	
Materials	358,206	177,185	635,878	827,643	41,331	263,313	-	855,078	162,220	3,320,854	
Contracted services	248,026	2,714,000	312,659	1,484,477	4,755	38,441	-	177,691	67,737	5,047,786	
Rents and financial	215,962	29,442	74,917	317,117	-	6,017	-	102,079	24,852	770,386	
External transfers	79,957	64,161	-	23,879	1,466,063	392,819	666,611	-	-	2,693,490	
Amortization	122,503	45,894	1,742,419	1,214,293	9,268	69,489	-	585,331	40	3,789,237	
	<u>2,391,521</u>	<u>4,175,755</u>	<u>4,385,113</u>	<u>4,801,238</u>	<u>1,739,101</u>	<u>1,779,024</u>	<u>666,611</u>	<u>3,698,019</u>	<u>348,107</u>	<u>23,984,489</u>	
<b>Net surplus (deficit)</b>	<b>\$ (423,261)</b>	<b>\$ (1,372,615)</b>	<b>\$ (87,811)</b>	<b>\$ 4,291,603</b>	<b>\$ 1,013,815</b>	<b>\$ 25,749</b>	<b>\$ 1,319,440</b>	<b>\$ (303,267)</b>	<b>\$ (34,313)</b>	<b>\$ 4,429,340</b>	

For each reported segment, revenues and 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. Taxation, payments-in-lieu of taxes, certain government grants and other revenue have been apportioned based on a percentage of budgeted expenditures.

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## Independent Auditor's Report

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### To the Mayor and Councilors of The Corporation of the Town of Fort Frances

We have audited the accompanying financial information for the trust funds of the Corporation of the Town of Fort Frances, which comprise the balance sheet as at December 31, 2016, and the statement of continuity for the year then ended and a summary of significant accounting policies and other explanatory information. The financial information has been prepared by management based on the basis of accounting as described in Note 1.

### Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this financial information in accordance with the basis of accounting as described in Note 1; this includes determining that the basis of accounting is an acceptable basis for the presentation of the financial information in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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



### Opinion

In our opinion, the financial information presents fairly, in all material respects, the balance sheet for the trust funds of the Corporation of the Town of Fort Frances as at December 31, 2016, and the statement of continuity for the year then ended, in accordance with the basis of accounting as described in Note 1.

### Basis of Accounting and Restriction of Use

Without modifying our opinion, we draw attention to the significant accounting policies section of the financial information which describes the basis of accounting. The financial information is prepared to assist the Corporation of the Town of Fort Frances to comply with the reporting requirements of the Bereavement Authority of Ontario. As a result, the financial information may not be suitable for another purpose. Our report is intended solely for the management of the Corporation of the Town of Fort Frances and the Bereavement Authority of Ontario and should not be used by parties other than the management of the Corporation of the Town of Fort Frances and the Ministry of Bereavement Authority of Ontario.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
July 10, 2017



**The Corporation of the Town of Fort Frances  
Trust Funds  
Balance Sheet**

<b>December 31, 2016</b>	Multi Use Tennis Court	Cemetery Care and Maintenance	Cemetery Special Care	Community Chest	Rainy River District School Board	2016 Total	2015 Total
<b>Assets</b>							
Cash	\$ 54,378	\$ -	\$ 784	\$ 91,600	\$ -	\$ 146,762	\$ 116,686
Accounts receivable	-	-	-	10	-	10	-
Investments	-	-	-	-	-	-	-
Other	-	297,307	704,432	-	45,124	1,046,863	1,453,650
	\$ 54,378	\$ 297,307	\$ 705,216	\$ 91,610	\$ 45,124	\$ 1,193,635	\$ 1,570,336
<b>Liabilities</b>							
Own Municipality	\$ 9,860	\$ -	\$ 13,624	\$ -	\$ -	\$ 23,484	\$ 11,629
Balance capital	44,518	297,307	691,592	91,610	45,124	1,170,151	1,558,707
	\$ 54,378	\$ 297,307	\$ 705,216	\$ 91,610	\$ 45,124	\$ 1,193,635	\$ 1,570,336

**Statement of Continuity**

<b>December 31, 2016</b>	Multi Use Tennis Court	Cemetery Care and Maintenance	Cemetery Special Care	Community Chest	Rainy River District School Board	2016 Total	2015 Total
Balance, beginning of year	\$ 35,431	\$ 289,868	\$ 687,510	\$ 80,479	\$ 465,419	\$ 1,558,707	\$ 1,495,390
<b>Revenue and receipts</b>							
Grants	-	-	-	-	-	-	10,000
Care receipts and contributions	-	7,439	13,240	-	-	20,679	32,052
Interest earned	1,060	6,808	15,550	568	360	24,346	29,044
Donations	18,080	-	-	50,975	-	69,055	75,234
	19,140	14,247	28,790	51,543	360	114,080	146,330
<b>Expenditures</b>							
Operations	53	-	-	-	-	53	414
Administration	-	-	-	365	-	365	383
Paid to school board	-	-	-	-	420,655	420,655	-
Transfers to Municipality	10,000	-	9,158	-	-	19,158	10,276
Interest paid to cemetery	-	6,808	15,550	-	-	22,358	24,277
Grants	-	-	-	40,047	-	40,047	47,663
	10,053	6,808	24,708	40,412	420,655	502,636	83,013
Balance, end of year	\$ 44,518	\$ 297,307	\$ 691,592	\$ 91,610	\$ 45,124	\$ 1,170,151	\$ 1,558,707

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**The Corporation of the Town of Fort Frances  
Trust Funds  
Notes to Financial Statements**

**December 31, 2016**

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**1. Summary of Significant Accounting Policies**

**Management's Responsibility** The financial information of the Corporation of the Town of Fort Frances Trust Funds is the representation of management and has been prepared in accordance with Canadian Generally Accepted Accounting Principles. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgment and review.

**Accrual Basis of Accounting** Sources of financing and expenditures are reported on the accrual basis of accounting.

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

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**2. Multi Use Tennis Court Trust**

The Multi Use Tennis Court Trust Fund was established to support fundraising efforts towards the construction of tennis courts.

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**3. Cemetery Care and Maintenance Trust**

The Cemetery Care and Maintenance Trust Fund was established in accordance with the Cemeteries Act for the care and maintenance of certain cemetery grounds.

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**4. Community Chest Trust**

The Community Chest Trust Fund was established to provide grants to individuals to support them with the costs of travel for medical purposes.

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**The Corporation of the Town of Fort Frances  
Trust Funds  
Notes to Financial Statements**

**December 31, 2016**

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**5. Rainy River District School Board Trust**

The Rainy River District School Board Trust Fund was established as security during the construction of the new Robert Moore School and the Education Centre, and the demolition of the old Robert Moore School.

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**6. Statement of Changes in Cash Flows**

A statement of changes in cash flows has not been provided since the sources and uses of cash are readily apparent from the financial information provided.