

RECEIVED
MAR 16 2016
RECEIVED

**The Corporation of
the Township of Chapple
Financial Statements
For the year ended
December 31, 2015**

**The Corporation of
the Township of Chapple
Financial Statements
For the year ended December 31, 2015**

	Contents
Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Summary of Significant Accounting Policies	8 - 10
Notes to Financial Statements	11 - 22
The Corporation of the Township of Chapple Trust Fund	
Independent Auditor's Report	23
Balance Sheet and Statement of Continuity	25
Notes to Financial Statements	26

The Corporation of the Township of Chapple Management's Responsibility for Financial Reporting

The accompanying financial statements of the Corporation of the Township of Chapple and all the information in this annual report are the responsibility of management and have been approved by the Reeve and Treasurer on behalf of Council.

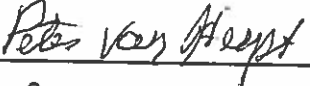
The financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most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

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

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

The Council reviews the Municipality's 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 financial statements and the external auditor's report.

The 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 the Council.


_____ Reeve


_____ Treasurer

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Chapple

We have audited the accompanying financial statements of the Corporation of the Township of Chapple as at December 31, 2015, which are comprised of the Statement of Financial Position as at December 31, 2015, and the Statement of Operations, the Statement of Change in Net Financial Assets and the 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 Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Chapple as at December 31, 2015, and the results of its operations, change in net financial assets and its 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
March 08, 2016

**The Corporation of the Township of Chapple
Statement of Financial Position**

December 31	2015	2014
Financial assets		
Cash and cash equivalents	\$ 252,802	\$ 363,244
Taxes receivable	121,312	100,684
Accounts receivable	287,651	102,755
Investments (Note 1)	771,252	770,856
	<u>1,433,017</u>	<u>1,337,539</u>
Liabilities		
Accounts payable and accrued liabilities	160,017	77,634
Deferred revenue (Note 2)	161,110	127,324
Post employment benefits	39,775	34,857
Solid waste closure and post-closure liabilities (Note 3)	47,101	2,021
	<u>408,003</u>	<u>241,836</u>
Net financial assets	<u>1,025,014</u>	<u>1,095,703</u>
Non-financial assets		
Tangible capital assets (Note 5)	5,752,899	5,387,960
Inventories of supplies	8,475	53,610
Tangible capital assets under construction	8,603	-
Prepaid expenses	606	-
	<u>5,770,583</u>	<u>5,441,570</u>
Accumulated surplus (Note 6)	<u>\$ 6,795,597</u>	<u>\$ 6,537,273</u>

Commitments (Note 11)



Treasurer



Reeve

The Corporation of the Township of Chapple Statement of Operations

For the year ended December 31	Budget 2015	2015	2014
Revenue			
Taxation	\$ 955,086	\$ 1,019,461	\$ 953,715
Government transfers - Federal (Note 7)	42,912	32,801	-
Government transfers - Provincial (Note 8)	741,741	738,212	753,595
User fees and service charges	428,277	178,855	111,143
Permits, licenses and fines	285,700	135,432	29,618
Investment income	9,500	8,574	10,084
Municipal grants	3,500	7,888	3,620
Donations	71,000	628,289	34,836
Miscellaneous	69,082	140,831	35,104
	2,606,798	2,890,343	1,931,715
Expenses			
General government	413,809	308,991	337,330
Protection services	181,029	254,284	165,904
Transportation services	991,871	845,174	828,713
Environmental services	235,619	348,301	287,548
Health services	168,336	152,571	157,975
Social and family services	53,867	46,445	43,687
Social housing	59,146	71,068	57,304
Recreation and cultural services	77,452	93,543	88,549
Planning and development	547,262	511,642	32,055
	2,728,391	2,632,019	1,999,065
Annual surplus (deficit)	(121,593)	258,324	(67,350)
Accumulated surplus, beginning of year	6,537,273	6,537,273	6,604,623
Accumulated surplus, end of year	\$ 6,415,680	\$ 6,795,597	\$ 6,537,273

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

**The Corporation of the Township of Chapple
Statement of Change in Net Financial Assets**

For the year ended December 31	Budget 2015	2015	2014
Annual surplus (deficit)	\$ (121,593)	\$ 258,324	\$ (67,350)
Acquisition of tangible capital assets	(612,230)	(760,960)	(135,131)
Amortization of tangible capital assets	305,630	340,184	305,631
Loss (gain) on disposal of tangible capital assets	-	(24,665)	-
Proceeds on sale of tangible capital assets	-	80,502	-
Acquisition of assets under construction	-	(8,603)	-
	(428,193)	(115,218)	103,150
Acquisition of inventory of supplies	-	45,135	(42,710)
Prepaid expenses	-	(606)	-
Net change in net financial assets	(428,193)	(70,689)	60,440
Net financial assets, beginning of year	1,095,703	1,095,703	1,035,263
Net financial assets, end of year	\$ 667,510	\$ 1,025,014	\$ 1,095,703

The Corporation of the Township of Chapple Statement of Cash Flows

For the year ended December 31	2015	2014
Operating transactions		
Annual surplus (deficit)	\$ 258,324	\$ (67,350)
Items not involving cash		
Amortization	340,184	305,631
Loss (gain) on disposal of tangible capital assets	(24,665)	-
Changes in non-cash operating balances		
Taxes receivable	(20,627)	51,070
Accounts receivable	(184,897)	(20,943)
Prepays	(606)	-
Inventories of supplies	45,135	(42,710)
Accounts payable and accrued liabilities	82,383	(3,233)
Post employment benefits	4,918	5,766
Deferred revenue	33,786	45,072
Solid waste closure and post-closure liabilities	45,080	226
	<u>579,015</u>	<u>273,529</u>
Capital transactions		
Acquisition of tangible capital assets	(760,960)	(135,131)
Proceeds on sale of tangible capital assets	80,502	-
Construction in progress	(8,603)	-
	<u>(689,061)</u>	<u>(135,131)</u>
Investing transactions		
Acquisition of investments	(396)	(187,087)
Net change in cash and cash equivalents	(110,442)	(48,689)
Cash and cash equivalents, beginning of year	363,244	411,933
Cash and cash equivalents, end of year	\$ 252,802	\$ 363,244

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

The Corporation of the Township of Chapple Summary of Significant Accounting Policies

December 31, 2015

Basis of Consolidation The financial statements reflect the assets, liabilities, revenues and expenditures of all municipal organizations, committees, and boards which are owned or controlled by Council.

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 financial statements using the proportionate consolidation method. No proportionate interest or government partnerships are reflected in the financial statements.

The following boards are not consolidated:

Northwestern Health Unit
Rainy River District Social Services Administration Board

Government business enterprises and partnerships are separate legal entities which do not rely on the Municipality for funding. Investments in government business enterprises are accounted for using the modified equity method. No government business enterprises are reflected in the financial statements.

Basis of Accounting Revenues 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.

The 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.

The Corporation of the Township of Chapple Summary of Significant Accounting Policies

December 31, 2015

Cash and Cash Equivalents

The policy of the Municipality is to disclose bank balances under cash and cash equivalents including bank overdrafts and lines of credit with balances that fluctuate frequently from being positive to being overdrawn and temporary investments with a maturity of three months or less from the date of acquisition.

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.

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:

Buildings	20 to 50 years
Roads	10 to 80 years
Machinery and equipment	10 to 20 years
Vehicles	10 to 20 years
Furniture and equipment	10 years
Computer hardware and software	5 to 10 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 when the taxable event occurs.

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

The Corporation of the Township of Chapple Summary of Significant Accounting Policies

December 31, 2015

Deferred Revenue Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

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

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 financial statements.

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

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.

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the 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 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 post-closure costs of the landfill, and taxation revenue.

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2015

1. Investments

	2015	2014
Money market fund	\$ 574,295	\$ 578,631
Bond fund	196,957	192,225
	\$ 771,252	\$ 770,856

The investments are valued at cost and have no stated interest rate. The income from investments for the year was \$8,574 (2014 - \$10,084). The market value of the Municipality's marketable securities was \$761,414 (2014 - \$762,541).

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 the assets that are maintained in respect of those reserve funds (Note 6).

2. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Federal gas tax	\$ 127,324	\$ 42,912	\$ 972	\$ (32,801)	\$ 138,407
Other	-	22,703	-	-	22,703
	\$ 127,324	\$ 65,615	\$ 972	\$ (32,801)	\$ 161,110

Federal Gas Tax

The Federal Government advances 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.

Other

Funds received from CN to rectify damage due to a train derailment in the year. These funds are required to be utilized on the rehabilitation of the area. This work will be completed during the 2016 fiscal year.

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2015

3. 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 Richardson landfill site is recorded at \$141 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 6%. 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 128,750 cubic metres, which will be filled in 206 years. Post-closure care is estimated to continue for a period of 37 years.

The liability for the landfill site is recorded at \$46,960 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 6%. 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 387,300 cubic metres, which will be filled in 19 years. Post-closure care is estimated to continue for a period of 43 years.

The Municipality has \$57,347 (2014 - \$12,252) in an investment which relates to the solid waste closure and post-closure liability. The landfill liability is over funded by \$10,246 (2014 - \$10,231) at year end.

4. Bank Indebtedness

Bank indebtedness is secured by general security agreements covering certain assets of the Municipality. The maximum authorized amount is \$410,000 and bears interest at the prime rate. As of December 31, 2015, the amount of overdraft used is \$NIL (2014 - \$NIL).

**The Corporation of the Township of Chapple
Notes to Financial Statements**

December 31, 2015

5. Tangible Capital Assets	2015						
	Land	Buildings	Equipment and vehicles	Roads	Culverts and bridges	Sewer and water	Other
Cost, beginning of year	\$ 247,560	\$ 1,368,744	\$ 1,518,575	\$ 1,507,009	\$ 2,841,501	\$ 3,541,318	\$ 23,653
Additions	-	43,752	574,550	129,355	13,303	-	-
Disposals	(18,000)	(20,672)	(179,310)	-	-	-	-
Cost, end of year	229,560	1,391,824	1,913,815	1,636,364	2,854,804	3,541,318	23,653
Accumulated amortization, beginning of year	-	853,958	803,087	1,114,595	843,595	2,027,681	17,484
Amortization	-	33,322	88,701	84,197	42,225	88,445	3,294
Disposals	-	(20,672)	(141,473)	-	-	-	-
Accumulated amortization, end of year	-	866,608	750,315	1,198,792	885,820	2,116,126	20,778
Net carrying amount, end of year	\$ 229,560	\$ 525,216	\$ 1,163,500	\$ 437,572	\$ 1,968,984	\$ 1,425,192	\$ 2,875
							\$ 5,752,899
							5,838,439

The net book value of tangible capital assets not being amortized because they are under construction is \$8,603 (2014 - \$NIL). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position.

**The Corporation of the Township of Chapple
Notes to Financial Statements**

December 31, 2015

5. Tangible Capital Assets (continued)

	2014							
	Land	Buildings	Equipment and vehicles	Roads	Culverts and bridges	Sewer and water	Other	Total
Cost, beginning of year	\$ 247,560	\$ 1,368,744	\$ 1,481,828	\$ 1,435,707	\$ 2,821,098	\$ 3,534,639	\$ 23,653	\$ 10,913,229
Additions	-	-	36,747	71,302	20,403	6,679	-	135,131
Disposals	-	-	-	-	-	-	-	-
Cost, end of year	247,560	1,368,744	1,518,575	1,507,009	2,841,501	3,541,318	23,653	11,048,360
Accumulated amortization, beginning of year	-	822,742	741,619	1,035,279	801,703	1,939,236	14,190	5,354,769
Amortization	-	31,216	61,468	79,316	41,892	88,445	3,294	305,631
Disposals	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	853,958	803,087	1,114,595	843,595	2,027,681	17,484	5,660,400
Net carrying amount, end of year	\$ 247,560	\$ 514,786	\$ 715,488	\$ 392,414	\$ 1,997,906	\$ 1,513,637	\$ 6,169	\$ 5,387,960

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2015

6. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2015	2014
<u>Investment in tangible capital assets</u>		
Tangible capital assets	\$ 5,761,502	\$ 5,387,960
<u>Current operations</u>		
General operating	335,963	391,981
Water	(57,780)	(55,819)
Recreation	6,906	5,426
Museum	27,244	25,277
Total operating surplus	312,333	366,865
<u>Other allocated deficits</u>		
Landfill closure	(47,101)	(2,021)
Employee future benefits	(39,775)	(34,857)
Total other allocated deficits	(86,876)	(36,878)
<u>Reserve funds</u>		
Replacement of capital assets	463,005	525,615
Landfill closures	57,347	12,252
Other	77,331	76,736
Sick leave	35,161	28,929
Total reserve funds	632,844	643,532
Working capital reserve	175,794	175,794
Total surplus	\$ 6,795,597	\$ 6,537,273

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 Township of Chapple
Notes to Financial Statements**

December 31, 2015

7. Government Transfers - Federal

	2015	2014
Operating		
Other	\$ -	\$ -
Tangible Capital Assets		
Association of Municipalities of Ontario		
Federal Gas Tax Fund	32,801	-
Total federal transfers	\$ 32,801	\$ -

8. Government Transfers - Provincial

	2015	2014
Operating		
Province of Ontario		
Ontario Municipal Partnership Fund	\$ 688,100	\$ 716,700
Ministry of Tourism Culture and Sport	4,703	4,714
Ministry of Agriculture, Food and Rural		
Affairs Environmental Management Branch	165	4,028
Other	17,195	7,394
Total operating transfers	710,163	732,836
Tangible Capital Assets		
Province of Ontario		
Ministry of Rural Affairs	28,049	20,759
Total provincial transfers	\$ 738,212	\$ 753,595

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2015

9. Expenses by Object

	2015	2014
Salaries, wages and employee benefits	\$ 801,056	\$ 750,494
Materials	382,987	451,758
Contracted services	697,243	185,011
Rents and financial expenses	140,293	53,292
Contributions to other organizations	270,256	252,880
Amortization	340,184	305,630
	<u>\$ 2,632,019</u>	<u>\$ 1,999,065</u>

10. Pension Agreement

The Municipality makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), a multi-employer plan, on behalf of 7 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of the Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2015 was \$90,888 (2014 - \$85,341) for current service. The OMERS Board rate was 9% to 14.6% depending on income level for 2015 (2014 - 9.0% to 14.6% depending on income level).

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2015

11. Commitments

As a result of the restructuring of Rainycrest Home for the Aged, the Municipality has agreed to annual contributions to Riverside Health Care Facilities, Inc. for support of Long-Term Care Programs and Services, until the period ending December 31, 2016.

The committed annual payment for next year is as follows:

Year	Amount
2016	\$ 5,743

12. Operations of School Boards

During the year, the following taxation revenue was raised and remitted:

	2015	2014
School boards	\$ 248,214	\$ 244,668

13. Trust Fund

The trust fund administered by the Municipality amounting to \$20,414 (2014 - \$18,364) has not been included in the statement of financial position nor have the operations been included in the statement of operations.

14. Contributions to Unconsolidated Boards

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

	2015	2014
Northwestern Health Unit	\$ 32,425	\$ 33,204
Rainy River District Social Services Administration Board	211,740	195,248
	\$ 244,165	\$ 228,452

15. Comparatives

Certain prior year balances have been reclassified to reflect changes in current year's presentation.

The Corporation of the Township of Chapple

Notes to Financial Statements

December 31, 2015

16. Segmented Information

The Corporation of the Township of Chapple 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 for providing fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. The members of the fire department consist of volunteers.

Transportation Services

The transportation services area provides construction and maintenance of roadways throughout the Municipality.

Environmental Services

Environmental services consist of maintenance of the two waste disposal facilities 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.

Social and Family Services

Social and family services are comprised of general assistance, childcare 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 Township of Chapple require the service.

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2015

16. Segmented Information (continued)

Recreation and Cultural Services

This service area consists of various small recreation programs. Also, the Municipality contributes to the library board of another Municipality in order to ensure a library is available to the citizens of the Municipality.

Planning and Development

This service relates to zoning issues as well as planning of various municipal maintenance projects.

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2015

16. 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
Revenue												
Taxation	\$ 134,041	\$ 89,444	\$ 376,497	\$ 69,268	\$ 63,455	\$ 22,349	\$ 31,886	\$ 34,410	\$ 198,111	\$ 1,019,461		
Fees and user charges	-	-	3,675	163,038	1,829	-	-	420	9,893	178,855		
Conditional grants	-	15,473	28,049	-	-	-	-	4,703	165	48,390		
Unconditional grants	90,003	62,880	222,504	97,907	44,610	13,533	21,796	24,192	139,275	716,700		
Municipal grants	-	7,888	-	-	-	-	-	-	-	7,888		
Other	111,824	80,634	285,324	125,550	57,205	20,148	28,746	31,021	178,597	919,049		
	335,868	256,319	916,049	455,763	167,099	56,030	82,428	94,746	526,041	2,890,343		
Expenses												
Wages and benefits	151,510	33,791	435,554	152,509	2,240	-	-	25,105	347	801,056		
Materials	48,011	54,669	157,707	48,843	2,926	-	-	33,642	37,189	382,987		
Contracted services	48,690	144,411	14,221	153	8,931	11,918	-	-	468,919	697,243		
Rents and financial	45,063	7,978	24,782	58,350	-	-	-	4,120	-	140,293		
External transfers	4,081	259	-	-	138,137	34,527	71,068	16,997	5,187	270,256		
Amortization	11,636	13,176	212,910	88,446	337	-	-	13,679	-	340,184		
	308,991	254,284	845,174	348,301	152,571	46,445	71,068	93,543	511,642	2,632,019		
Net surplus	\$ 26,877	\$ 2,035	\$ 70,875	\$ 107,462	\$ 14,528	\$ 9,585	\$ 11,360	\$ 1,203	\$ 14,399	\$ 258,324		

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2015

16. 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	2014
											Total
Revenue											
Taxation	\$ 160,211	\$ 74,367	\$ 462,235	\$ 70,284	\$ 78,803	\$ 24,574	\$ 31,035	\$ 38,907	\$ 13,299	\$ 953,715	
Fees and user charges	-	895	5,925	93,305	2,946	-	-	1,275	6,798	111,144	
Conditional grants	20,759	5,555	-	-	-	-	-	6,553	4,028	36,895	
Unconditional grants	115,681	55,885	302,273	105,421	59,219	16,288	22,701	29,238	9,994	716,700	
Municipal grants	-	3,620	-	-	-	-	-	-	-	3,620	
Other	17,269	8,549	46,242	16,127	9,059	2,825	3,568	4,473	1,529	109,641	
	<u>313,920</u>	<u>148,871</u>	<u>816,675</u>	<u>285,137</u>	<u>150,027</u>	<u>43,687</u>	<u>57,304</u>	<u>80,446</u>	<u>35,648</u>	<u>1,931,715</u>	
Expenses											
Wages and benefits	135,747	30,493	407,153	143,085	3,253	-	-	29,946	817	750,494	
Materials	133,932	29,358	185,796	43,773	1,145	-	-	31,703	26,051	451,758	
Contracted services	40,223	91,161	32,248	1,200	8,550	11,629	-	-	-	185,011	
Rent and financial	14,596	5,454	19,942	10,964	-	-	-	2,336	-	53,292	
External transfers	1,196	259	-	-	144,690	32,058	57,304	12,186	5,187	252,880	
Amortization	11,636	9,179	183,574	88,526	337	-	-	12,378	-	305,630	
	<u>337,330</u>	<u>165,904</u>	<u>828,713</u>	<u>287,548</u>	<u>157,975</u>	<u>43,687</u>	<u>57,304</u>	<u>88,549</u>	<u>32,055</u>	<u>1,999,065</u>	
Net surplus (deficit)	\$ (23,410)	\$ (17,033)	\$ (12,038)	\$ (2,411)	\$ (7,948)	\$ -	\$ -	\$ (8,103)	\$ 3,593	\$ (67,350)	

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.

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Chapple

We have audited the accompanying financial information for the trust fund of the Corporation of the Township of Chapple, which comprise the balance sheet as at December 31, 2015, the statement of continuity for the year then ended and a summary of significant accounting policies and other explanatory information. 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 described basis of accounting is an acceptable basis for the preparation 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 the 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 judgment, 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 fund of the Corporation of the Township of Chapple as at December 31, 2015, 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 Restrictions on 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 Township of Chapple to comply with the reporting requirements of the Ministry of Consumer Services. 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 Township of Chapple and the Ministry of Consumer Services and should not be used by parties other than the management of the Corporation of the Township of Chapple and the Ministry of Consumer Services.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
March 08, 2016

**The Corporation of the Township of Chapple
Trust Fund
Balance Sheet**

Cemetery Perpetual Care

December 31	2015	2014
Assets		
Cash	\$ 4,152	\$ 2,511
Investment	16,262	15,853
	<u>\$ 20,414</u>	<u>\$ 18,364</u>
Liabilities		
Balance - capital	\$ 20,414	\$ 18,364

Statement of Continuity

Cemetery Perpetual Care

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 18,364	\$ 15,004
Receipts	2,050	3,360
Expenditures	-	-
Balance, end of year	<u>\$ 20,414</u>	<u>\$ 18,364</u>

**The Corporation of the Township of Chapple
Trust Fund
Notes to Financial Statements**

December 31, 2015

1. Summary of Significant Accounting Policies

Management's Responsibility	The financial information of the Corporation of the Township of Chapple Trust Fund are the representation of management and have been prepared in accordance with accrual based 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 judgement and review.
Accrual Basis of Accounting	<p>Sources of financing and expenditures are reported on the accrual basis of accounting.</p> <p>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 receipts of goods or services and the creation of a legal obligation to pay.</p>
Basis of Consolidation	This trust fund has not been consolidated with the financial statements of the Municipality.

2. Nature of Trust Fund

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