

**The Corporation of the
Town of Ingersoll**
Consolidated Financial Statements
For the year ended December 31, 2015

**The Corporation of the Town of Ingersoll
Consolidated Financial Statements
For the year ended December 31, 2015**

Contents

Auditors' Report	2
Consolidated Financial Statements	
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Financial Assets (Debt)	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7-9
Notes to the Consolidated Financial Statements	10-23

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Ingersoll

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

Town 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 Town management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

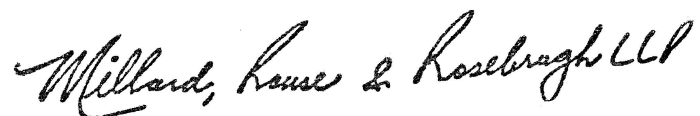
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Town 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Town of Ingersoll as at December 31, 2015, and the consolidated results of its operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.




August 10, 2016
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

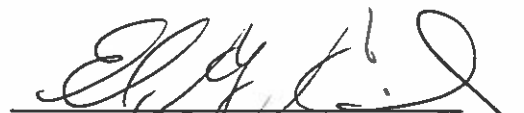
The Corporation of the Town of Ingersoll
Consolidated Statement of Financial Position

For the year ended December 31	2015	2014
		Note 2 (b)
Financial Assets		
Cash and Cash Equivalents	\$ 8,795,778	\$ 6,272,177
Taxes Receivable	1,201,890	1,204,384
Accounts Receivable	1,249,745	929,711
Land for resale (Note 1)	1,919,129	1,919,129
Investment in Government Business Enterprise (Note 2)	9,279,944	9,180,794
	22,446,486	19,506,195
Liabilities		
Accounts Payable and Accrued Liabilities	3,264,007	1,951,901
Employee Benefits Liability (Note 3)	5,342,860	6,824,392
Deferred Revenue (Note 4)	2,052,276	1,638,832
Net Long-Term Debt (Note 5)	6,283,776	6,988,153
	16,942,919	17,403,278
Net Financial Assets (Debt)	5,503,567	2,102,917
Non-financial Assets		
Tangible Capital Assets (Note 6)	63,743,927	62,340,292
Prepaid Expenses and Inventories of Supplies	176,757	173,619
	63,920,684	62,513,911
Accumulated Surplus (Note 7)	\$ 69,424,251	\$ 64,616,828

Contingent Liabilities (Note 12)



 Treasurer



 Mayor

The Corporation of the Town of Ingersoll
Consolidated Statement of Operations

For the year ended December 31	Budget 2015 Note 11	2015	2014 Note 2 (b)
Revenue			
Taxation	\$ 13,020,086	\$ 13,137,288	\$ 12,601,374
Government Grants - Federal (Note 8)	204,104	156,814	651,492
Government Grants - Provincial (Note 8)	1,814,096	1,512,744	1,135,894
Municipal Transfers	375,755	423,982	391,420
User fees and service charges	1,037,286	1,049,338	1,082,246
Income (loss) from government business enterprises (Note 2)	-	99,150	(432,518)
Other (Note 9)	1,968,544	2,273,492	3,412,486
	<u>18,419,871</u>	<u>18,652,808</u>	<u>18,842,394</u>
Expenses			
General Government	\$ 2,415,608	\$ 1,424,142	\$ 2,518,251
Protection Services	4,177,384	3,974,349	4,343,054
Transportation Services	4,142,591	3,806,574	4,032,652
Environmental Services	671,755	647,176	644,364
Health Services	130,375	109,415	117,252
Recreational and Cultural Services	4,064,561	3,605,303	4,092,619
Planning and Development	337,162	278,426	395,182
	<u>15,939,436</u>	<u>13,845,385</u>	<u>16,143,374</u>
Annual Surplus	<u>2,480,435</u>	<u>4,807,423</u>	<u>2,699,020</u>
Accumulated Surplus, beginning of year	64,616,828	64,616,828	61,917,808
Accumulated Surplus, end of year	<u>\$ 67,097,263</u>	<u>\$ 69,424,251</u>	<u>\$ 64,616,828</u>

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

The Corporation of the Town of Ingersoll
Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31	Budget 2015 Note 11	2015	2014 Note 2 (b)
Annual surplus	\$ 2,480,435	\$ 4,807,423	\$ 2,699,020
Acquisition of tangible capital assets	(3,811,000)	(4,277,694)	(4,093,810)
Amortization of tangible capital assets	2,601,800	2,667,559	2,626,750
Loss (gain) on disposal of tangible capital assets	200,000	206,500	36,566
Proceeds on sale of tangible capital assets	-	0	282,679
	<u>\$ 1,471,235</u>	<u>\$ 3,403,788</u>	<u>\$ 1,551,205</u>
Consumption of prepaid expenses and inventory of supplies	\$ -	\$ (3,138)	\$ 6,002
Net change in net financial assets (debt)	1,471,235	3,400,650	1,557,207
Net financial assets (debt), beginning of year	2,102,917	2,102,917	545,710
Net financial assets (debt), end of year	<u>\$ 3,574,152</u>	<u>\$ 5,503,567</u>	<u>\$ 2,102,917</u>

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

The Corporation of the Town of Ingersoll
Consolidated Statement of Cash Flows

For the year ended December 31	2015	2014
		Note 2 (b)
Operating Transactions		
Annual surplus	\$ 4,807,423	\$ 2,699,020
Items not involving cash		
Change in net equity - ERTH Corporation	(99,150)	432,518
Amortization	2,667,559	2,626,750
(Gain) loss on disposal of tangible capital assets	206,500	36,566
Changes in non-cash operating balances		
Taxes receivable	2,494	196,745
Accounts receivable	(320,034)	62,993
Prepaid expenses and inventories of supplies	(3,138)	6,002
Accounts payable and accrued liabilities	1,312,106	201,262
Employee benefits liability	(1,481,532)	418,148
Deferred Revenue	413,444	(100,209)
	<u>7,505,672</u>	<u>6,579,795</u>
Capital Transactions		
Acquisition of tangible capital assets	(4,277,694)	(4,093,810)
Proceeds on sale of tangible capital assets	-	282,679
	<u>(4,277,694)</u>	<u>(3,811,131)</u>
Financing transactions		
Proceeds from issuance of long-term debt	-	1,706,000
Repayment of long-term debt	(704,377)	(607,172)
	<u>(704,377)</u>	<u>1,098,828</u>
Net change in cash and cash equivalents	2,523,601	3,867,492
Cash and cash equivalents, beginning of year	6,272,177	2,404,685
Cash and cash equivalents, end of year	\$ 8,795,778	\$ 6,272,177

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

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2015

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

The consolidated financial statements of the Corporation of the Town of Ingersoll are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada. The Corporation of the Town of Ingersoll is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. The Corporation of the Town of Ingersoll provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and boards which are owned or controlled by the Corporation of the Town of Ingersoll.

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 expenses are reflected in the financial statements using the proportionate consolidation method. All inter-entity transactions and balances have been eliminated. The following entity has been proportionately consolidated:

Ingersoll Rural Cemetery Board	87.5%
--------------------------------	-------

The investment in a government business enterprise is 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. The following government business enterprise is reflected in the consolidated financial statements:

ERTH Corporation

**Cash and Cash
Equivalents**

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

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2015

**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 the year subsequent when the asset is available for productive use as follows:

Land Improvements	20 to 25 years
Facilities	25 to 100 years
Infrastructure	11 to 80 years
Vehicles, machinery and equipment	5 to 20 years

**County and School
Board**

The Corporation of the Town of Ingersoll collects taxation revenue on behalf of the school boards and the County of Oxford. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these entities are not reflected in these financial statements.

Trust Funds

Trust funds held in trust by the Corporation of the Town of Ingersoll, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

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 consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specific 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.

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2015

**Retirement Benefits and
Other Employee
Benefit Plans**

The Corporation of the Town of Ingersoll's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other retirement benefits that accumulate over the period of service provided by employees are determined using the projected benefit method prorated on services based on management's best estimate.

Revenue Recognition

Taxes are recognized as revenue in the year they are levied. Taxation revenue recognized each year is adjusted for estimates for expected supplementary taxes, appeals and non-collectible taxes.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of services and other revenue are recognized on an accrual basis.

Use of Estimates

The preparation of financial statements in accordance with PSAB 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.

Contaminated Sites

Public Sector Accounting Board (PSAB) Section 3260 Liability for Contaminated Sites requires governments to record a liability in their financial statements if they have a contaminated site that meets the requirements set out in the standard. The standard defines contamination as the introduction into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The standard generally applies to sites that are not in productive use. Sites that are in productive use are only considered contaminated if there was an unexpected event that resulted in contamination.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

1. Land for Resale

The Land for resale is zoned for commercial purposes. The land is recorded at net realizable value which is less than cost.

2. Investment in Government Business Enterprise

(a) ERTH Corporation is a corporation incorporated under the laws of the Province of Ontario. The Corporation of the Town of Ingersoll owns 38.91% (2014 - 38.91%) of the outstanding shares. The investment in ERTH Corporation is comprised of the following:

	2015	2014
		Note 2 (b)
Promissory note receivable	\$ 4,543,500	\$ 4,543,500
Class A shares	1	1
Class B shares	4,543,499	4,543,499
Share of equity earnings	192,944	93,794
	\$ 9,279,944	\$ 9,180,794
	2015	2014
		Note 2 (b)
Share of equity earnings, beginning of year	\$ 93,794	\$ (137,923)
Share in net income	99,150	172,609
Share in reclassified redeemable class 'B' shares	-	107,557
Change in ownership	-	19,643
Less: Dividends	-	68,092
Increase (decrease) from government business enterprise	99,150	231,717
Share of equity earnings, end of year	\$ 192,944	\$ 93,794

The promissory note receivable from ERTH Corporation is unsecured and bears interest at 7.25% (2014 - 7.25%). The term of the note is undefined but no principal repayments are expected within the next twelve months. Interest received in the year and included in other income is \$329,404 (2014 - \$329,404). During the year, ERTH Corporation declared and paid dividends totaling \$Nil (2014 - \$175,000). The proportionate share of these dividends received by the Corporation of the Town of Ingersoll and included in the municipality's share of retained earnings was \$Nil (2014 - \$68,092).

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

2. Investment in Government Business Enterprise (continued)

(b) Beginning 2015, ERTH Corporation is required to prepare their financial statement in accordance with International Financial Reporting Standards ("IFRS"). In prior years, these financial statements were prepared in accordance with Canadian general accepted principles (CGAAP). The company has restated the comparative information in its consolidated financial statements for the year ended December 31, 2014, and its opening consolidated statement of financial position as at January 1, 2014 by retroactively applying IFRS in accordance with IFRS standards for first time adoption. The retroactive adjustments made to the financial statements of ERTH Corporation related primarily to changes in standards for reporting capital and intangible assets and related amortization as well as standards for recognizing post-employment benefit actuarial gains and losses.

The following table summarizes the adjustments made to the 2014 comparative amounts reported in the Corporation of the Town of Ingersoll Statement of Financial Position, Statement of Operations and Cash Flow Statement as a result of the reporting changes of the Government Business Enterprise:

Corporation of the Town of Ingersoll

December 31, 2014	Previously Reported	Adjustments	Adjusted
Statement of Financial Position			
Investment in Government Business Enterprise	\$ 10,144,869	\$ (964,075)	\$ 9,180,794
Accumulated surplus, ending for the year	65,580,903	(964,075)	64,616,828
Statement of Operations			
Increase /(decrease) from Government Business Enterprise	\$ 531,557	\$ (964,075)	\$ (432,518)
Annual surplus	3,663,095	(964,075)	2,699,020

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

2. Investment in Government Business Enterprise (continued)

(c) The following summarizes the financial position and operations of ERTH Corporation which have been reported in these financial statements using the modified equity method:

	2015	2014
		Restated
Financial position		
Current	\$ 18,045,167	\$ 17,299,351
Capital	38,938,090	35,414,497
Regulatory and other assets	17,834,320	15,796,669
Total Assets	\$ 74,817,577	\$ 68,510,517
Liabilities		
Current	\$ 20,969,790	\$ 21,111,655
Long-term debt	34,005,880	29,046,727
Regulatory and other liabilities	6,917,532	5,682,580
Total Liabilities	\$ 61,893,202	\$ 55,840,962
Equity		
Share capital	\$ 12,428,501	\$ 12,428,501
Retained earnings	655,841	399,796
Accumulated other comprehensive income (loss)	(159,967)	(158,742)
	\$ 12,924,375	\$ 12,669,555
Results of Operations		
Revenue	\$ 83,471,032	\$ 76,527,370
Expenses	83,214,987	75,925,018
Net income before other comprehensive income	256,045	602,352
Other comprehensive income (loss)	(1,225)	(158,742)
Total comprehensive income (loss) for the year	\$ 254,820	\$ 443,610
Corporation of the Town of Ingersoll's Share 38.91% (2014 - 38.91%)	\$ 99,150	\$ 172,609
	2015	2014
Retained earnings, beginning of year	\$ 241,054	\$ (303,981)
Net income before other comprehensive income	\$ 256,045	602,352
Reclassified redeemable class 'B' shares	\$ -	276,425
Other comprehensive loss	\$ (1,225)	\$ (158,742)
Less: Dividends		175,000
Retained earnings, end of year	\$ 495,874	\$ 241,054
Corporation of the Town of Ingersoll's Share 38.91% (2014 - 38.91%)	\$ 192,944	\$ 93,794

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

3. Employee Benefits Liability

	Sick Leave Benefits	Post Employment Benefits	Total 2015	Total 2014
Employee Benefit Liability	\$ 68,955	\$ 5,273,905	\$ 5,342,860	\$ 6,824,392

Post-Employment Benefits

The Corporation of the Town of Ingersoll continues to provide life insurance, dental and health care benefits to certain employee groups. These benefits vary, with some groups receiving benefits after retirement until the members reach 65 years of age, where other groups receive the benefits for life. The Town of Ingersoll made a change to the retiree benefit provision in 2015. The life time benefits for current and future employees have been rescinded with exception of employees that were hired prior to November 14, 2011 and retire on or before June 15, 2017. The 2015 plan amendment does not affect existing retirees. The plan amendment was measured at December 31, 2015 and the impact was a one time reduction in the post-employment benefits liability of \$1,936,775, which is immediately recognized at December 31, 2015. The values are based on actuarial valuation and management estimates as at December 31, 2015. The following table summarizes the valuation results and significant assumptions used in the actuarial valuation:

	2015	2014
Discount Rate	4.75%	4.50%
Rate of compensation increase	3.00%	3.00%
Healthcare cost increase	5.33%	6.00%
The benefit obligation continuity is as follows:		
Accrued benefit obligation, January 1	\$ 6,764,037	\$ 6,341,227
Current period benefit cost	274,089	257,143
(Decrease) / Increase due to plan amendment	(1,936,775)	
Retirement interest expenditure	307,512	288,380
Benefits paid	(134,958)	(122,713)
Liability for post-retirement benefits	\$ 5,273,905	\$ 6,764,037
Post - retirement benefits expense is as follows:		
Current period benefit cost	\$ 274,089	\$ 257,143
Plan amendment cost	\$ (1,936,775)	
Retirement interest expense	307,512	288,380
Post-retirement benefits expense	\$ (1,355,174)	\$ 545,523

No reserves or reserve funds have been established to provide for this past service liability.

Sick Leave Benefits

The Corporation of the Town of Ingersoll provides paid sick leave that can be carried forward up to a maximum defined by the employee group and may become entitled to cash payment when they leave the Town's employment. The Town has established a reserve to provide for past service liability in the amount of \$68,955 (2014 - \$60,355).

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

3. Employee Benefits Liability (continued)

Pension Agreements

The Corporation of the Town of Ingersoll makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of all permanent, full-time 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 their length of service and rates of pay. The Corporation of the Town of Ingersoll paid \$394,977 (2014 - \$352,212) for employer contributions. The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

4. Deferred Revenue

	Opening Balance	Contributions Received	Externally Restricted Investment Income	Revenue Recognized	Ending Balance
Federal Gas Tax	\$ 341,868	\$ 351,692	\$ 4,918	\$ (125,162)	\$ 573,316
Development Charges	483,902	206,689	6,057	(24,818)	671,830
Recreational Land	43,956	1,212	502	(40,000)	5,670
Provincial Gas Tax	566,717	64,160	6,908	-	637,785
Other	202,389	-	-	(38,714)	163,675
	<u>\$ 1,638,832</u>	<u>\$ 623,753</u>	<u>\$ 18,385</u>	<u>\$ (228,694)</u>	<u>\$ 2,052,276</u>

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

5. Net Long Term Debt

	<u>2015</u>	<u>2014</u>
Long term liabilities issued by the County of Oxford for which the Town of Ingersoll has assumed responsibility for repayment.	<u>\$ 6,283,776</u>	<u>\$ 6,988,153</u>

Principal repayments relating to net long term debt of \$6,283,776 outstanding are due as follows:

	Principal Repayments
2016	716,744
2017	729,590
2018	742,935
2019	659,373
2020	593,875
Thereafter	<u>2,841,259</u>
	<u>\$ 6,283,776</u>

The above long-term liabilities have maturity dates and interest rates ranging from 2016 to 2034 and 3.16% to 4.75% respectively.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

6. Tangible Capital Assets

2015

	Land		Facilities	Machinery and		Total
	Land	Improvements		Equipment	Infrastructure	
Cost, beginning of year	\$ 3,521,798	\$ 3,954,622	\$ 15,800,146	\$ 5,859,583	\$ 68,464,795	\$ 97,600,944
Additions	-	270,566	76,545	288,858	3,641,725	4,277,694
Disposals	-	(9,289)	0	(147,414)	(741,674)	(898,377)
Cost, end of year	\$ 3,521,798	\$ 4,215,899	\$ 15,876,691	\$ 6,001,027	\$ 71,364,846	\$ 100,980,261
Accumulated Amortization, beginning of year	\$ -	\$ 2,464,432	\$ 6,010,257	\$ 2,723,277	\$ 24,062,686	\$ 35,260,652
Amortization	-	117,721	391,877	411,819	1,746,142	2,667,559
Disposals	-	(9,288)	-	(142,932)	(539,657)	(691,877)
Accumulated Amortization, end of year	\$ -	\$ 2,572,865	\$ 6,402,134	\$ 2,992,164	\$ 25,269,171	\$ 37,236,334
Net carrying amount, end of year	\$ 3,521,798	\$ 1,643,034	\$ 9,474,557	\$ 3,008,863	\$ 46,095,675	\$ 63,743,927

The net book value of tangible capital assets not being amortized because they are under construction or development or have been removed from service is \$145,007 (2014 - \$125,697). During the year, contributed capital assets of \$1,090,073 (2014 - \$2,140,429) were recognized in the financial statements. The Corporation of the Town of Ingersoll holds various historical treasures pertaining to the cheese factory museum. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

2014

	Land		Facilities	Machinery and		Total
	Land	Improvements		Equipment	Infrastructure	
Cost, beginning of year	\$ 3,683,812	\$ 3,991,259	\$ 15,699,058	\$ 6,228,253	\$ 65,453,364	\$ 95,055,746
Additions	-	163,208	101,088	339,809	3,489,705	4,093,810
Disposals	(162,014)	(199,845)	-	(708,479)	(478,274)	(1,548,612)
Cost, end of year	\$ 3,521,798	\$ 3,954,622	\$ 15,800,146	\$ 5,859,583	\$ 68,464,795	\$ 97,600,944
Accumulated Amortization, beginning of year	\$ -	\$ 2,546,851	\$ 5,623,155	\$ 3,000,274	\$ 22,692,989	\$ 33,863,269
Amortization	-	114,743	387,102	431,482	1,693,423	2,626,750
Disposals	-	(197,162)	-	(708,479)	(323,726)	(1,229,367)
Accumulated Amortization, end of year	\$ -	\$ 2,464,432	\$ 6,010,257	\$ 2,723,277	\$ 24,062,686	\$ 35,260,652
Net carrying amount, end of year	\$ 3,521,798	\$ 1,490,190	\$ 9,789,889	\$ 3,136,306	\$ 44,402,109	\$ 62,340,292

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

7. Accumulated Surplus

The Corporation of the Town of Ingersoll segregates its accumulated surplus in the following categories:

	2015	2014
		Note 2 (b)
Investment in tangible capital assets	\$ 63,743,927	\$ 62,340,292
Current Funds	(3,742,875)	(3,812,523)
Reserves and Reserve Funds		
Working Funds	192,278	192,278
Capital and current purposes	4,954,358	3,297,449
Industrial development	339,479	242,930
Investment in Government Business	9,279,944	9,180,794
Unfunded employee benefits liability	(5,342,860)	(6,824,392)
	\$ 69,424,251	\$ 64,616,828

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

8. Government Transfers

	Budget			
	2015	2015	2014	
Federal				
Operating				
Conditional	\$ 21,104	\$ 20,766	\$ 51,192	
Capital				
Conditional	5,000	10,886		
Federal Gas Tax Revenue	178,000	125,162	600,300	
	\$ 204,104	\$ 156,814	\$ 651,492	
Provincial				
Operating				
Ontario Municipal Partnership Fund	\$ 538,000	\$ 538,000	\$ 672,500	
Conditional	211,095	157,365	463,394	
Capital				
Conditional	1,065,001	817,379		
	\$ 1,814,096	\$ 1,512,744	\$ 1,135,894	

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

9. Other Income

	Budget 2015	2015	2014
Penalties and interest on taxation	\$ 200,000	\$ 186,433	\$ 201,682
Other fines and penalties	8,200	3,953	5,909
Investment Income	46,462	89,140	49,242
Licences, permits and rents	329,393	450,421	381,993
Donations	144,871	198,006	156,820
Donated assets	970,585	1,090,073	2,140,429
Sales of publications and other	67,985	58,560	58,932
Gain (loss) on disposal of tangible capital assets	(199,000)	(206,500)	(36,566)
Interest - GBE (Note 2)	329,400	329,404	329,404
Dividends	0	0	68,092
Development Charges	24,848	24,818	36,224
Recreational Land	40,000	40,000	0
Other	5,800	9,184	20,325
	<u>\$ 1,968,544</u>	<u>\$ 2,273,492</u>	<u>\$ 3,412,486</u>

10. Expenses by Object

	Budget 2015	2015	2014
Salaries, Wages and Employee Benefits	\$ 6,503,979	\$ 4,862,012	\$ 6,743,497
Materials	3,145,538	2,730,553	2,861,953
Contracted Services	3,352,722	3,260,950	3,566,379
Rent & Financial Expenses	34,873	27,369	29,238
Interest on Long-term Debt	242,011	237,565	257,910
Contributions to Others	58,513	59,377	57,647
Amortization	2,601,800	2,667,559	2,626,750
	<u>\$15,939,436</u>	<u>\$ 13,845,385</u>	<u>\$ 16,143,374</u>

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

11. Budget Figures

The budget data presented in these consolidated financial statements are based upon the 2015 operating budget approved by Council. The budget approved by Council was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. As a result, the budget figures presented in these consolidated financial statements represent the budget adopted by Council with adjustments as follows:

	2015
Town Council approved budget surplus	\$ -
Local Boards approved Consolidated budgets	(6,675)
Add:	
Net transfers (from) to reserves	2,350,285
Principal repayment of debt	704,375
Capital project revenues	1,258,001
Contributed Assets	970,585
Deferred revenue earned	40,000
Less:	
Loss on disposal of tangible capital assets	200,000
Amortization	2,601,800
Capital project cost resulting in operating expenses	34,336
Budget Surplus (Full accrual)	<u>\$ 2,480,435</u>

12. Contingent Liabilities

A significant ratepayer of the Municipality has appealed to the Assessment Review Board (ARB) with respect to the taxation years between 2009 to 2015. These appeals could potentially result in a reduction of taxes which would be distributed between the town, county and school boards. As there is considerable uncertainty surrounding both the hearing process and the potential settlement of reduction in taxation revenue, an estimated amount of \$698,000 (2014 - \$398,000) has been recognized at this time.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

13. Funds Held in Trust

The trust funds administered by the municipality amounting to \$259,523 (2014 - \$253,878) have not been included in the consolidated financial statements. Certain assets have been conveyed or assigned to the Corporation of the Town of Ingersoll to be administered as directed by agreement or statute. The Corporation of the Town of Ingersoll holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries. The following trust funds and assets are excluded from the Corporation of the Town of Ingersoll's financial statements:

	<u>2015</u>	<u>2014</u>
Carroll	\$ 5,000	\$ 5,000
Cemetery Care and Maintenance	250,923	245,278
W.J. Bickerton	3,600	3,600
	<u>\$ 259,523</u>	<u>\$ 253,878</u>

14. Contaminated Sites

The Corporation of the Town of Ingersoll has implemented Public Sector Accounting Board (PSAB) Section 3260 Liability for Contaminated Sites. This change has been applied retroactively without the restatement of prior periods. The adoption of this standard did not have an impact on the Corporation's financial statements as no contaminated sites were found.

15. Segmented Information

The Corporation of the Town of Ingersoll is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This category relates to the revenues and expenses of the operations of the Municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection and protective inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. Protective inspection provides services related to the enforcement of building and construction codes.

Transportation

Transportation is responsible for the maintenance and upkeep of the Municipality's roads, winter control, street lighting and sidewalks.

Environmental

Environmental services provide waste disposal services for the Municipality's citizens.

Health

Health services relate to maintaining the Municipality's cemetery.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Municipality's citizens through recreational programs, youth centres and museum services.

Planning and Development

This service area is responsible for the economic development of the Municipality and its merchants.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transaction with other segments, inter-segment transfers have been measured on the basis of the actual cost of services provided.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2015

15. Segmented Information

For the year ended December 31, 2015	General government	Protection to and property to persons	Transportation	Environmental	Health services	Recreation and cultural services	Planning and development	2015 Total
Revenue								
Taxation	\$ 13,137,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,137,288
Grants	648,711	98,931	1,122,946	107,604	-	103,314	12,035	2,093,541
User fees and service charges	59,058	18,867	87,025	-	22,103	860,855	1,430	1,049,338
Other	718,947	338,241	890,710	6,335	10,960	306,663	1,636	2,273,492
	14,564,004	456,039	2,100,681	113,939	33,063	1,270,832	15,101	18,553,658
Expenses								
Salaries and wages	546,295	811,331	1,002,160	201,890	80,875	2,028,827	190,634	4,862,012
Goods and services	688,435	3,035,904	971,320	150,391	26,714	1,117,694	87,791	6,078,249
Interest	24,936	-	204,504	-	-	8,125	-	237,565
Amortization	164,476	127,115	1,628,591	294,895	1,826	450,656	-	2,667,559
	1,424,142	3,974,350	3,806,575	647,176	109,415	3,605,302	278,425	13,845,385
Income from government business enterprise	99,150	-	-	-	-	-	-	99,150
Net surplus (deficit)	\$ 13,239,012	\$ (3,518,312)	\$ (1,705,894)	\$ (533,237)	\$ (76,352)	\$ (2,334,470)	\$ (263,324)	\$ 4,807,423

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2014

15. Segmented Information		Protection to						Total
For the year ended	General	to persons	Transportation	Environmental	Health	Recreation and	Planning and	2014
December 31, 2014	government	and property	and property	services	services	cultural services	development	Total
Revenue	\$	\$	\$	\$	\$	\$	\$	Note 2 (b)
Taxation	\$ 12,601,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,601,374
User fees and service charges	60,023	20,159	76,379	-	23,392	879,426	22,867	1,082,246
Other	896,440	283,155	1,798,597	6,792	16,135	327,755	15,520	3,344,394
	<u>14,430,449</u>	<u>423,709</u>	<u>2,675,586</u>	<u>121,413</u>	<u>39,527</u>	<u>1,391,360</u>	<u>124,776</u>	<u>19,206,820</u>
Expenses								
Salaries and wages	1,511,475	833,413	1,480,697	110,956	90,632	2,529,911	186,413	6,743,497
Goods and services	799,980	3,195,276	1,080,193	86,939	24,817	1,120,990	207,022	6,515,217
Interest	35,857	-	210,889	-	-	11,164	-	257,910
Amortization	172,687	118,088	1,903,618	0	1,803	430,554	-	2,626,750
	<u>2,519,999</u>	<u>4,146,777</u>	<u>4,675,397</u>	<u>197,895</u>	<u>117,252</u>	<u>4,092,619</u>	<u>393,435</u>	<u>16,143,374</u>
Income from government								
business enterprise	(364,426)	-	-	-	-	-	-	(364,426)
Net surplus (deficit)	\$ 11,546,024	\$ (3,723,068)	\$ (1,999,811)	\$ (76,482)	\$ (77,725)	\$ (2,701,259)	\$ (268,659)	\$ 2,699,020