



**THE CORPORATION OF THE CITY
OF ST. CATHARINES**

Consolidated Financial Statements

December 31, 2015

THE CORPORATION OF THE CITY OF ST. CATHARINES

Consolidated Financial Statements

December 31, 2015

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THE CORPORATION OF THE CITY OF ST. CATHARINES

MANAGEMENT REPORT

December 31, 2015

The accompanying consolidated financial statements of the The Corporation of the City of St. Catharines (the "Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

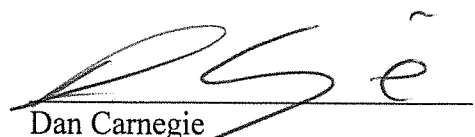
Municipality management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely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

The Municipality meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Crawford, Smith and Swallow Chartered Accountants LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Walter Sendzik
Mayor
June 8, 2016



Dan Carnegie
Chief Administrative Officer
June 8, 2016

Crawford, Smith and Swallow
Chartered Accountants LLP

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**crawford
smith &
swallow**

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of The Corporation of the City of St. Catharines

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

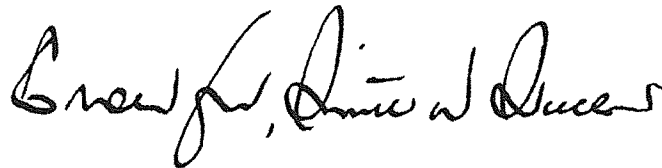
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of St. Catharines as at December 31, 2015, and the results of its operations, cash flows and changes in net financial liabilities for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read "Crawford, Smith & Swallow". The signature is fluid and cursive, with the first name "Crawford" being the most prominent.

St. Catharines, Ontario
June 8, 2016

CRAWFORD, SMITH AND SWALLOW
CHARTERED ACCOUNTANTS LLP

LICENSED PUBLIC ACCOUNTANTS

THE CORPORATION OF THE CITY OF ST. CATHARINES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION


December 31, 2015

(In thousands of dollars)

	2015	2014
	\$	\$
Financial Assets		
Cash and cash equivalents - note 3	41,841	42,491
Taxes receivable - note 4	16,674	15,768
Accounts receivable	23,692	24,819
Note receivable - St. Catharines Hydro Inc. - note 5	7,754	7,754
Investment in St. Catharines Hydro Inc. - note 5	71,751	68,001
	161,712	158,833
Contingent Liabilities - note 15		
Liabilities		
Construction loan advances		22,309
Accounts payable and accrued liabilities - note 7	28,964	27,473
Deferred revenue - obligatory reserve funds - note 8	17,364	17,572
Other current liabilities	4,804	3,178
Employee future benefits - note 9	14,938	14,936
Landfill post-closure liability - note 17	3,139	3,976
Net long-term liabilities - note 10	104,340	74,311
	173,549	163,755
Net Financial Liabilities	(11,837)	(4,922)
Non-Financial Assets		
Tangible capital assets	710,123	688,274
Inventories	1,673	1,392
Other current assets	1,308	1,006
	713,104	690,672
Accumulated Surplus - note 11	701,267	685,750

Signed on behalf of the Municipality:

 Mayor

 Chief Administrative Officer

See accompanying notes

THE CORPORATION OF THE CITY OF ST. CATHARINES

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

for the year ended December 31, 2015

(In thousands of dollars)

	Budget \$	2015 \$	2014 \$
Revenues			
Taxation - note 4	91,418	93,935	89,664
Taxation from other governments	2,568	2,294	2,266
User fees and charges	40,313	44,679	38,896
Government grants	1,341	1,927	1,815
Interest and penalties	2,480	2,784	2,639
Investment income	660	1,401	1,605
Donations	222	249	115
Other	6,762	6,227	6,540
St. Catharines Hydro Inc. net income - note 5	3,079	6,323	576
Loss on disposal of tangible capital assets		(594)	(301)
	148,843	159,225	143,815
Expenses			
General government	18,737	19,881	18,232
Protection to persons and property	26,969	28,057	26,967
Transportation services	23,509	48,941	47,601
Environmental services	11,671	16,271	15,486
Health services	1,685	4,082	3,999
Social and family services	301	377	344
Recreation and cultural services	28,946	36,695	31,358
Planning and development	5,603	6,278	6,644
	117,421	160,582	150,631
Annual Surplus (Deficit) Before Other Revenue Related to Capital	31,422	(1,357)	(6,816)
Other Revenue Related to Capital			
Government grants		14,223	24,763
Contributions from developers		57	5,487
Donations		2,594	820
		16,874	31,070
Annual Surplus	31,422	15,517	24,254
Accumulated Surplus, Beginning of Year	685,750	685,750	661,496
Accumulated Surplus, End of Year	717,172	701,267	685,750

See accompanying notes

THE CORPORATION OF THE CITY OF ST. CATHARINES

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended December 31, 2015

(In thousands of dollars)

	2015 \$	2014 \$
Operations		
Annual surplus	15,517	24,254
Sources (Uses)		
Change in taxes receivable	(906)	(616)
Change in accounts receivable	1,127	(2,877)
Change in inventories	(281)	(24)
Change in other current assets	(302)	(370)
Change in accounts payable and accrued liabilities	1,491	70
Change in deferred revenue - obligatory reserve funds	(208)	(1,829)
Change in other current liabilities	1,626	1,947
Change in employee future benefits	2	24
Change in landfill post-closure liability	(837)	406
	1,712	(3,269)
Non-cash charges to operations		
Amortization of tangible capital assets	28,166	26,460
Loss on disposal of tangible capital assets	594	301
	28,760	26,761
Net increase in cash from operations	45,989	47,746
Capital		
Acquisition of tangible capital assets	(50,816)	(79,373)
Proceeds on disposal of tangible capital assets	207	120
Net decrease in cash from capital activities	(50,609)	(79,253)
Investing		
Income from St. Catharines Hydro Inc.	(6,323)	(576)
Dividends received - St. Catharines Hydro Inc.	2,573	4,046
Net increase (decrease) in cash from investing	(3,750)	3,470
Financing		
Construction loan advances	(22,309)	22,309
Long-term debt issued	39,028	8,040
Long-term debt repaid	(8,999)	(8,803)
Net increase in cash from financing	7,720	21,546
Decrease in Cash Position	(650)	(6,491)
Cash Position, Beginning of Year	42,491	48,982
Cash Position, End of Year	41,841	42,491

See accompanying notes

THE CORPORATION OF THE CITY OF ST. CATHARINES
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL
LIABILITIES

for the year ended December 31, 2015
(In thousands of dollars)

	2015 \$	2014 \$
Annual Surplus	15,517	24,254
Acquisition of Tangible Capital Assets	(50,816)	(79,373)
Amortization of Tangible Capital Assets	28,166	26,460
Loss on Disposal of Tangible Capital Assets	594	301
Proceeds on Disposal of Tangible Capital Assets	207	120
Change in Inventories	(281)	(24)
Change in Other Current Assets	(302)	(370)
Increase in Net Financial Liabilities	(6,915)	(28,632)
Net Financial (Assets) Liabilities, Beginning of Year	(4,922)	23,710
Net Financial Liabilities, End of Year	(11,837)	(4,922)

See accompanying notes

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

1. Significant Accounting Policies

The consolidated financial statements of the The Corporation of the City of St. Catharines (the "Municipality") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada with the exception of providing budget figures (note 18).

(a) Basis of consolidation

- (i) These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the operating fund, reserves, reserve funds and changes in investment in tangible capital assets. It includes the activities of all committees of council and the following boards, municipal enterprises and utilities which are under the control of council:

- St. Catharines Public Library Board
 - St. Catharines Downtown Association
 - Port Dalhousie Business Improvement Area
 - St. Catharines Transit Commission
 - St. Catharines Hydro Inc.

St. Catharines Hydro Inc. (the "Company") is accounted for on a modified equity basis, consistent with the accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated. The Municipality recognizes its equity interest in the annual income or loss of the Company in its "Consolidated Statement of Operations and Accumulated Surplus" with a corresponding increase or decrease in its investment asset account. Any dividends that the Municipality receives from the Company are reflected as reductions in the investment asset account.

- (ii) Partial-consolidated entities

The following joint local board is proportionately consolidated. See note 16.

- Niagara District Airport Commission (Joint Board)

- (iii) Accounting for Region and School Board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the Region of Niagara are not reflected in the municipal fund balances of these consolidated financial statements.

THE CORPORATION OF THE CITY OF ST. CATHARINES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2015

1. Significant Accounting Policies - continued

(a) Basis of consolidation - continued

(iv) Trust funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the trust funds "Statement of Financial Position and Statement of Financial Activities and Changes in Fund Balances".

(b) Basis of accounting

(i) Revenues and expenses are reported on the accrual basis of accounting.

(ii) 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.

(iii) Cash and cash equivalents

Cash equivalents consist of provincial government bonds and schedule 1 banks bearer deposit notes. Cash equivalents are recorded at the lower of cost plus accrued interest and market value, and are redeemable on demand.

(iv) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provisions of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

(v) Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenditures in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location.

Amortization is recorded to reflect the cost, net of anticipated residual value, associated with the use of the asset in providing government services on a straight-line basis over the estimated useful life of the asset. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized. Gains and/or losses on the disposal of an asset are recorded on the Consolidated Statement of Operations and Accumulated Surplus as "gain/loss on disposal of tangible capital assets".

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

1. Significant Accounting Policies - continued

(b) Basis of accounting - continued

(v) Tangible capital assets - continued

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

The historical cost of works of art or historical treasures has not been assigned to these assets nor disclosed in the consolidated financial statements.

<u>Asset Class</u>	<u>Period</u>	<u>Basis</u>
General Assets		
Land	- NIL	
Land improvements	- 10-75 years	straight line and declining balance
Buildings and building improvements	- 10-75 years	straight line
Machinery and equipment	- 3-75 years	straight line
Furniture and fixtures	- 5-100 years	straight line
Information technology	- 3-12 years	straight line
Vehicles	- 5-20 years	straight line
Infrastructure		
Land	- NIL	
Land improvements	- 10-50 years	straight line and declining balance
Buildings and building improvements	- 15-75 years	straight line
Machinery and equipment	- 7-40 years	straight line
Information technology	- 3-12 years	straight line
Vehicles	- 7-10 years	straight line
Linear	- 10-100 years	straight line and declining balance

(vi) Inventories

Inventories are valued at average cost.

(vii) Deferred revenue

Funds received for specific purposes are accounted for as deferred revenue until the Municipality discharges the obligation which led to the receipt of the funds.

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

1. Significant Accounting Policies - continued

(b) Basis of accounting - continued

(viii) Employee future benefits

The Municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer contributory defined benefit program with contributions expensed as incurred. The costs of other retirement benefits are determined using the projected benefit method prorated on services and management's best estimate of retirement ages of employees and health benefit costs. The liabilities are discounted using current interest rates on long-term bonds.

(ix) Government grants and transfers

Government grants and transfers are recognized in the period in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. The transfer revenue is recognized in the "Consolidated Statement of Operations and Accumulated Surplus" as the stipulations giving rise to the liabilities are settled.

(x) Use of estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. These estimates and assumptions are based on management's best information and judgement and may differ significantly from actual results.

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

2. Adoption of New Accounting Standard

The Municipality has implemented Canadian Public Sector Accounting Board section PS3260 Liability for Contaminated Sites. PS3260 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 adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

3. Cash and Cash Equivalents

	(in thousands of dollars)	
	2015	2014
	\$	\$
Cash	20,548	18,762
Cash equivalents	21,293	23,729
	41,841	42,491

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

4. Taxes Receivable and Revenues

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC") and in accordance with the provisions of the Municipal Act, 2001. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings.

Assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeal are recorded when the result of the appeal process is known or based on management's best estimate.

The property tax receivables, tax revenue and accounts payable and accrued liabilities of the Municipality are subject to measurement uncertainty as a significant number of appeals submitted by ratepayers have yet to be heard. In addition to the allowance for doubtful accounts of \$ 966,786, the Municipality has provided for an additional amount of \$ 2,371,745, which is included in accounts payable and accrued liabilities, to fund outstanding tax appeals. The taxes receivable balance, including penalties and interest, is as follows:

	(in thousands of dollars)	
	2015	2014
	\$	\$
Current year	9,134	8,485
Arrears previous years	8,507	7,940
	17,641	16,425
Less allowance	(967)	(657)
	16,674	15,768

The Province of Ontario instituted a mandatory capping program through the provisions of Bill 79, which limited assessment related increases to 10% in 1998, and an additional 5% in each of 1999 and 2000. Multi-residential, commercial and industrial property owners experiencing decreases were also capped at appropriate levels to fund the phasing-in of increases. The Province has enacted Bill 140, which serves to extend the capping provisions of Bill 79 indefinitely. The new legislation limits assessment related increases in property tax bills to 5%.

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

5. Investment in St. Catharines Hydro Inc.

	(in thousands of dollars)	
	2015	2014
	\$	\$
Statement of Financial Position		
Current assets	8,595	11,674
Investments	51,211	48,352
Capital assets	13,579	8,918
Intangible assets	7,791	8,348
Other assets	134	134
Total Assets	81,310	77,426
Current liabilities	230	732
Long-term note payable	7,754	7,754
Future income tax liabilities	1,575	939
Total Liabilities	9,559	9,425
Net Assets - note 20	71,751	68,001
	(in thousands of dollars)	
	2015	2014
	\$	\$
Statement of Financial Activities		
Revenues	9,083	3,225
Operating expenses	2,760	2,649
Net Income	6,323	576

The \$ 7,754,000 long-term note payable is due to the Corporation of the City of St. Catharines bearing interest at 7.15% with no fixed term of repayment. To date, the company has not received any notice requiring the immediate redemption of the note.

6. Credit Facility

The Municipality has an authorized unsecured operating loan of \$ 20,000,000 of which NIL has been drawn upon as at December 31, 2015.

THE CORPORATION OF THE CITY OF ST. CATHARINES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2015

7. Accounts Payable and Accrued Liabilities

The accounts payable balance is as follows:

	(in thousands of dollars)	
	2015	2014
	\$	\$
Trade accounts payable	10,232	9,917
Payables to other governments	6,125	7,421
Payables to school boards	535	145
Other	12,072	9,990
	28,964	27,473

8. Deferred Revenue - Obligatory Reserve Funds

The following balances are reflected as deferred revenue - obligatory reserve funds as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

	(in thousands of dollars)	
	2015	2014
	\$	\$
Impost and development	3,481	3,445
Subdivider deposits	584	387
Revenue under the Planning Act	1,285	1,127
Future sidewalks	999	996
Gasoline tax - provincial	2,911	3,462
Gasoline tax - federal	8,104	8,155
	17,364	17,572

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

9. Employee Future Benefits

The Municipality provides certain employee benefits which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment.

The Municipality pays certain medical, dental and life insurance benefits on behalf of its retired employees. The Municipality recognizes these post-retirement costs in the period in which the employees renders the services. The accrued benefit obligation was determined by actuarial valuation using a discount rate of 4.25% (4.25% - 2014).

The Municipality has established a reserve for the accumulated sick leave liability. The balance as at December 31, 2015 is \$ 3,021,900 (\$ 3,038,161 - 2014).

Defined Benefit Plan Information

	(in thousands of dollars)	
	2015	2014
	\$	\$
Employee benefit plan assets		
Employee benefit plan liabilities	14,938	14,936
Employee benefit plan deficit	14,938	14,936
Accrued benefit obligation, beginning of year	14,936	14,912
Expense for the year	1,151	1,091
Amortization of actuarial losses (gains)	(238)	(238)
Benefits paid during the year	(911)	(829)
Accrued benefit obligation, end of year	14,938	14,936

As a result of an actuarial valuation conducted in 2014 for the year ending December 31, 2013, it was determined that an actuarial gain of \$ 3,814,948 existed. This amount is being amortized over the expected average remaining service lives of several employee groups. The unamortized value remaining is \$ 1,826,823. The actual obligation is \$ 13,111,504.

The next actuarial valuation required is for December 31, 2016.

The main actuarial assumptions employed for the valuation are as follows:

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

Salary Levels - Future salary and wage levels were assumed to increase at 3.1% per annum to reflect expected increases in CPI adjusted for productivity, merit and promotion.

Medical Costs - Medical costs were assumed to increase at a rate of 6.40% graded down to 6.10% in 2016, 5.80% in 2017, 5.50% in 2018, and 5.20% in 2019, 4.90% in 2020, and 4.60% each year thereafter.

Dental Costs - Dental costs were assumed to increase at a rate of 4.6% per annum.

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

10. Net Long-Term Liabilities

- (a) The balance of net long-term liabilities reported on the "Consolidated Statement of Financial Position" is made up as follows:

	(in thousands of dollars)	
	2015	2014
	\$	\$
The Municipality has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year the outstanding principal amount of this liability is	104,340	74,311
Net long-term liabilities, end of year	104,340	74,311

- (b) Of the net long-term liabilities reported in (a) of this note, principal payments are due as follows:

	\$
2016	10,293,181
2017	9,772,352
2018	8,972,939
2019	8,009,610
2020	7,367,665
Thereafter	59,924,588

- (c) Included in the net long-term liabilities reported in (a), \$ 8,340,827 relates to a sinking fund debenture. The principal portion of the sinking fund is \$ 9,333,334, the balance of sinking funds set aside in 2015 is \$ 180,799 including 2015 interest earned of \$ 31,309.
- (d) The long-term liabilities in (a) issued in the name of the Municipality approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (e) Interest expense on long-term debt amounted to \$ 3,452,795 (\$ 2,918,860 - 2014).

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

11. Accumulated Surplus

	(in thousands of dollars)	
	2015	2014
	\$	\$
Invested in tangible capital assets	688,630	660,895
Operating fund	4,794	6,178
Reserves and reserve funds	50,617	58,316
Equity in St. Catharines Hydro Inc.	79,505	75,755
	823,546	801,144
Amounts to be recovered		
Construction loan advances		(22,309)
Employee future benefits	(14,938)	(14,936)
Landfill post-closure liability	(3,139)	(3,976)
Net long-term liabilities	(104,202)	(74,173)
	(122,279)	(115,394)
	701,267	685,750

(a) Operating fund balance

	(in thousands of dollars)	
	2015	2014
	\$	\$
To be applied in the following year to operations of the:		
Operating fund	1,320	2,649
Transit	25	25
Library	90	75
Airport Commission	39	35
To be applied to water operations for the following year	3,320	3,394
	4,794	6,178

THE CORPORATION OF THE CITY OF ST. CATHARINES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2015

11. Accumulated Surplus - continued

(b) Reserves and reserve fund balances

	(in thousands of dollars)	
	2015	2014
	\$	\$
Reserves set aside by council for specific purposes:		
Working capital		28
Replacement of equipment	8,103	7,761
Cumulative sick leave	3,022	3,038
Library purposes	3,683	3,267
Transit purposes	79	154
Encumbrances	16,835	19,105
Building improvements	1,492	1,438
Cemetery	30	30
Community Improvement Plan Funds	3,903	
Brownfield	19	19
First Ontario Performing Arts Centre Capital Improvement	67	
	37,233	34,840
Reserve Funds set aside by council for specific purposes:		
Actifest	8	8
Business improvement purposes	105	108
Community development	11,616	21,754
Mausoleum	55	19
Paratransit capital purposes	146	135
Parking	1,454	1,452
	13,384	23,476
	50,617	58,316

THE CORPORATION OF THE CITY OF ST. CATHARINES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2015

11. Accumulated Surplus - continued

(c) St. Catharines Hydro Inc. net equity

	(in thousands of dollars)	
	2015	2014
	\$	\$
Balance, beginning of year, as previously stated	75,915	79,385
Correction of accounting error - note 20	(160)	(160)
Balance, beginning of year, as restated	75,755	79,225
Changes during the year		
Net income for the year	6,323	576
Dividends paid during the year	(2,573)	(4,046)
	3,750	(3,470)
Balance, end of year	79,505	75,755

12. Trust Funds

Trust funds administered by the Municipality amounting to \$ 9,982,000 (\$ 9,594,000 - 2014) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Financial Activities".

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

13. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of 914 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. The Administration Corporation Board of Directors, 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. OMERS provides pension services to approximately 450,000 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 Plan 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.

The amount contributed to OMERS for 2015 was \$ 5,815,567 (\$ 5,735,985 - 2014) for current service and is included as an expense in the "Consolidated Statement of Operations and Accumulated Surplus".

On January 1, 2015, the yearly maximum pension earnings increased to \$ 53,600 from \$ 52,500 in 2014. The contributions are calculated at a rate of 9% (9% - 2014) for amounts up to the yearly maximum pension earnings stated above and at a rate of 14.6% (14.6% - 2014) for amounts above the yearly maximum pension earnings.

14. Contractual Obligations and Commitments

Capital expenditures

The estimated future capital expenditures based on projects in progress at December 31, 2015 is approximately \$ 49,552,000 (\$ 59,374,000 - 2014) after deducting the expenditures incurred as at December 31, 2015. These projects will be financed by grants, subsidies and long-term liabilities in future years.

Niagara Health System St. Catharines Hospital

The Municipality is committed to funding \$ 31,200,000 (net present value) of the local share amount of \$ 60,000,000 to construct the Niagara Health System ("NHS") hospital complex located in St. Catharines. The Municipality approved a plan which results in an additional annual tax levy in the amount of \$ 2,209,605 for next year and for 10 years thereafter. The schedule of payments to the NHS consists of a lump sum payment of \$ 8,271,760 that was paid in 2011, and annual installments of \$ 2,208,959 from 2012 to 2026.

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

15. Contingent Liabilities

Legal

From time to time, the Municipality is subject to claims and other lawsuits that arise in the ordinary course of operations, some of which may seek damages in substantial amounts, including punitive or extraordinary damages. These claims may be covered by the Municipality's insurance up to a maximum of \$ 20,000,000 per occurrence. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable.

Carlisle Street Parking Garage

The City must notify the Government of Canada and the Province of Ontario in writing, if at any time during a period of five years from the date of completion of the Carlisle Street Parking Garage, that being February 6, 2012, the City proposes to sell, lease, encumber or otherwise dispose of, directly or indirectly, any part of the Carlisle Street Parking Garage. The City is contingently liable for a proportionate amount of funds in the amount of \$ 18,666,667 contributed equally by the Government of Canada and the Province of Ontario. The requirement for repayment is 100% within two years of project completion, 55% after two years and before five years, and nil thereafter.

First Ontario Performing Arts Centre

The City must notify the Government of Canada and the Province of Ontario in writing, if at any time during a period of twenty five years from the date of completion of the First Ontario Performing Arts Centre, that being December 31, 2015, the City proposes to sell, lease, encumber, use in a manner other than as described in agreement, or otherwise dispose of, directly or indirectly, any part of the facility constructed, rehabilitated or improved. The City is contingently liable for a proportionate amount of \$ 36,000,000 contributed equally by the Government of Canada and the Province of Ontario. The requirement for repayment relating to the Federal portion is reduced 4% per annum up to twenty five years after the date of completion. The requirement for repayment relating to the Provincial portion is 100% within two years of project completion, 90% after two years and before five years, 75% after five years and before ten years, 45% after ten years and before fifteen years, 15% after fifteen years and before twenty years, 5% after twenty years and before twenty five years, and nil thereafter.

THE CORPORATION OF THE CITY OF ST. CATHARINES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2015

16. Contributions to Joint Board

Further to note 1 (a)(ii) the following contributions were made by the Municipality to:

	(in thousands of dollars)	
	2015	2014
	\$	\$
Niagara District Airport Commission	174	297

The Municipality's share of the net assets of the Niagara District Airport Commission is approximately 55%.

17. Landfill Post Closure Liability

The Municipality currently monitors several landfill sites which were closed in prior years. The liability for post-closure care has been recognized based on monitoring costs included in the 2016 budget and inflation adjusted at 1.9% per annum. These costs were then discounted to December 31, 2015 using a discount rate of 4.25%.

The liability for post-closure care as at December 31, 2015 is \$ 3,139,385 (\$ 3,976,573 - 2014). Estimated annual expenditures for post-closure care are \$ 157,500 (\$ 187,000 - 2014) and are expected to be incurred for the next 27 years.

18. Budget Figures

The approved operating budget for 2015 is reflected on the "Consolidated Statement of Operations and Accumulated Surplus". These numbers have not been audited but are presented for information purposes only. The budgets established for capital funds, reserves and reserve funds are on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and have not been reflected. Budget figures have been reclassified to comply with PSAB reporting requirements.

19. Comparative Figures

Certain figures have been reclassified to conform with the current year's presentation. This includes certain tangible capital assets that have been reclassified to different asset classes.

THE CORPORATION OF THE CITY OF ST. CATHARINES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2015

20. Correction of Accounting Error

St. Catharines Hydro Inc.

St. Catharines Hydro Inc. retroactively restated the prior year figures noted below. Deferred payments in lieu of corporate income taxes were restated due to an error in the calculation of a timing difference on work in progress on the Shickluna Hydro Generation Plant. As a result, the following prior year figures have been restated:

	(in thousands of dollars)	
	As Previously Reported	As Restated
	2014	2014
	\$	\$
Consolidated Statement of Financial Position		
Investment in St. Catharines Hydro Inc.	68,161	68,001
Consolidated Statement of Operations and Accumulated Surplus		
Accumulated surplus, beginning of year	661,656	661,496
Consolidated Statement of Net Financial Liabilities		
Net financial assets (liabilities), beginning of year	23,870	23,710

21. Segmented Reporting

The City of St. Catharines is a lower tier municipality that provides a wide range of services to its citizens. Segments include General Government, Protection, Transportation, Environmental and Recreation and Culture. Major services and activities provided by each segment are as follows:

General Government

Reported in the General Government functional area are the combined functions of general government, health services, social and family services and planning and development.

General government includes services relating to governance, corporate management and program support. These are the combined services of the CAO's office, Financial Management, Legal and Corporate Support Services departments.

Health Services includes the administration, operation and maintenance of City cemeteries. Also included here is the City's commitment to the new Niagara Health System hospital.

Social and family services includes the administration, operation and maintenance of seniors programs and facilities. Also included here are Para Transit Services provided by the St. Catharines Transit Commission.

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

21. Segmented Reporting - continued

General Government - continued

Planning and development services includes services relating to the Official Plan, zoning, community improvement, the attraction and retention of new and existing businesses and tourism. Also included here are the services provided by the Downtown Association and Port Dalhousie Business Improvement Area.

Protection to Persons and Property

Reported in the Protection to Persons and Property functional area are services relating to fire suppression, prevention, training and communication, the issuance of permits, building inspections and property standards, enforcement of applicable municipal bylaws and technical analysis and recommendations for proposed and existing developments.

Transportation Services

Reported in the Transportation Services functional area are services relating to the construction, rehabilitation and maintenance of City's road and sidewalk network, winter control, parking and parking enforcement and street lighting. Also included are Urban Transit Services provided by the St. Catharines Transit Commission and the City's portion of the Niagara District Airport.

Environmental Services

Reported in the Environmental Services functional area are services relating to the construction, rehabilitation and maintenance of the City's storm sewer, sanitary sewer and waterline network, pollution control, environmental monitoring and the implementation of environmental programs.

Recreation/Culture Services

Reported in the Recreation/Cultural Services functional area are services relating to the administration, operations and maintenance of the City's parks, recreation facilities and programs, museum, heritage facilities and cultural programs. Also included are library services provided by the St. Catharines Public Library Board.

THE CORPORATION OF THE CITY OF ST. CATHARINES

SCHEDULE OF SEGMENTED REPORTING

for the year ended December 31, 2015

(In thousands of dollars)

	General Government 2015 Actual	General Government 2014 Actual	Protection 2015 Actual	Protection 2014 Actual	Transportation 2015 Actual	Transportation 2014 Actual	Environment 2015 Actual	Environment 2014 Actual	Recreation/ Culture 2015 Actual	Recreation/ Culture 2014 Actual	SCH 2015 Actual	SCH 2014 Actual	Total 2015 Actual	Total 2014 Actual
Revenues														
Taxation	22,920	20,802	23,390	20,264	20,384	25,913	2,067	1,793	23,174	20,892	-	-	93,935	89,664
Taxation from other governments	560	526	571	512	498	655	50	45	615	528	-	-	2,294	2,266
User fees and charges	2,796	2,441	1,157	1,185	14,041	13,098	19,777	19,082	6,908	3,090	-	-	44,679	38,896
Government grants	322	282	24	23	-	-	967	1,209	614	301	-	-	1,927	1,815
Interest and penalties	679	612	693	596	604	763	61	53	747	615	-	-	2,784	2,639
Investment income	924	970	145	176	128	226	13	15	191	218	-	-	1,401	1,605
Donations	103	43	-	-	11	10	-	-	135	62	-	-	249	115
Other	824	835	1,737	1,493	995	958	72	23	2,599	3,231	-	-	6,227	6,540
St Catharines Hydro Inc. net income	-	-	-	-	-	-	-	-	-	-	6,323	576	6,323	576
Gain (loss) on disposal of tangible capital assets	(3)	(2)	27	8	10	(14)	(631)	(295)	3	2	-	-	(594)	(301)
	29,125	26,509	27,744	24,257	36,671	41,609	22,376	21,925	36,986	28,939	6,323	576	159,225	143,815
Expenditures														
Salaries and wages	18,754	18,305	24,393	23,463	20,387	19,171	5,501	5,295	15,810	15,562	-	-	84,845	81,796
Operating materials and supplies	5,354	4,016	1,432	1,514	10,227	7,486	(646)	435	8,531	6,976	-	-	24,898	20,427
Contracted services	3,327	3,280	724	641	4,170	6,395	2,234	1,066	3,539	2,261	-	-	13,994	13,643
Rents and financial expenses	289	337	74	8	325	396	1,500	1,120	313	241	-	-	2,501	2,102
Interfunctional transfer	(1,788)	(1,823)	277	284	(462)	(407)	1,913	2,026	60	(80)	-	-	-	-
External transfer	2,513	3,099	-	-	10	10	-	5	202	170	-	-	2,725	3,284
Amortization	1,851	1,726	1,060	966	13,356	13,613	5,220	4,928	6,679	5,227	-	-	28,166	26,460
Debt service	318	279	97	91	928	937	549	611	1,561	1,001	-	-	3,453	2,919
	30,618	29,219	28,057	26,967	48,941	47,601	16,271	15,486	36,695	31,358	-	-	160,582	150,631
Annual Surplus (Deficit) Before Revenue Related to Capital	(1,493)	(2,710)	(313)	(2,710)	(12,270)	(5,992)	6,105	6,439	291	(2,419)	6,323	576	(1,357)	(6,816)
Other Revenue Related to Capital														
Capital	-	-	-	-	4,378	2,967	2,640	5,214	7,205	16,582	-	-	14,223	24,763
Government grants	-	-	-	-	7	-	-	3,659	50	1,828	-	-	57	5,487
Contributions from developers	-	-	-	-	-	-	-	-	2,594	820	-	-	2,594	820
Donations	-	-	-	-	4,385	2,967	2,640	8,873	9,849	19,230	-	-	16,874	31,070
	(1,493)	(2,710)	(313)	(2,710)	(7,885)	(3,025)	8,745	15,312	10,140	16,811	6,323	576	15,517	24,254

See accompanying notes

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THE CORPORATION OF THE CITY OF ST. CATHARINES

SCHEDULES OF TANGIBLE CAPITAL ASSETS

for the year ended December 31, 2015

(In thousands of dollars)

	Cost			Accumulated Amortization			Net Book Value
	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year	Amortization	Disposals	
	\$	\$	\$	\$	\$	\$	\$
General							
Land	39,205	977		40,182			40,182
Land improvements	66,629	3,250	18	69,861	2,112	18	42,683
Buildings, improvements and components	187,351	50,549	54	237,846	39,792	18	192,879
Machinery and equipment	23,298	1,528	1,220	23,606	11,101	1,153	11,901
Furniture and fixtures	9,064	1,546		10,610	1,669		8,364
Information technology	7,814	982	48	8,748	3,874	38	3,924
Vehicles	45,853	2,844	453	48,244	27,277	453	18,023
	379,214	61,676	1,793	439,097	108,797	1,680	317,956
Infrastructure							
Land	2,240	44		2,284			2,284
Land improvements	8,121	421	40	8,502	3,293	40	5,065
Buildings, improvements and components	31,211			31,211	7,397		22,973
Machinery and equipment	16,692	3,516	1,067	19,141	8,483	719	10,431
Information technology	95			95	79		1
Vehicles	9,054	618	833	8,839	5,739		3,266
Linear	615,282	7,834	1,005	622,111	280,395	665	330,892
	682,695	12,433	2,945	692,183	305,386	2,257	374,912
Work in Progress	40,548		23,293	17,255			17,255
December 31, 2015	1,102,457	74,109	28,031	1,148,535	414,183	3,937	710,123

See accompanying notes

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THE CORPORATION OF THE CITY OF ST. CATHARINES

SCHEDULES OF TANGIBLE CAPITAL ASSETS

for the year ended December 31, 2015

(In thousands of dollars)

	Cost			Accumulated Amortization			Net Book Value
	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year	Amortization	Disposals	
	\$	\$	\$	\$	\$	\$	\$
General							
Land	37,727	1,484	6	39,205			39,205
Land improvements	59,093	7,637	101	66,629	1,895	74	41,545
Buildings, improvements and components	140,772	46,695	116	187,351	4,070	104	147,559
Machinery and equipment	21,962	2,262	926	23,298	1,697	923	12,197
Furniture and fixtures	3,476	5,588		9,064	338		7,395
Information technology	7,186	1,010	382	7,814	891	348	3,940
Vehicles	42,888	3,354	389	45,853	3,328	389	18,576
	313,104	68,030	1,920	379,214	12,219	1,838	270,417
Infrastructure							
Land	2,240			2,240			2,240
Land improvements	8,121			8,121	182		4,828
Buildings, improvements and components	31,211			31,211	841		23,814
Machinery and equipment	14,486	2,777	571	16,692	828	388	8,209
Information technology	95			95	18		16
Vehicles	9,272	182	400	9,054	648	397	3,315
Linear	593,594	23,079	1,391	615,282	11,724	1,238	334,887
	659,019	26,038	2,362	682,695	14,241	2,023	377,309
Work in Progress	55,243		14,695	40,548			40,548
December 31, 2014	1,027,366	94,068	18,977	1,102,457	26,460	3,861	688,274

See accompanying notes

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Crawford, Smith and Swallow
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Port Colborne

**crawford
smith &
swallow**

INDEPENDENT AUDITORS' REPORT - TRUST FUNDS

To the Members of Council, Inhabitants and Ratepayers
of The Corporation of the City of St. Catharines

We have audited accompanying financial statements of the trust funds of The Corporation of the City of St. Catharines, which comprise the statement of financial position as at December 31, 2015 and the statement of financial activities and changes in fund balances 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

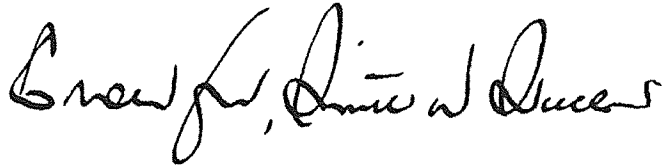
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the City of St. Catharines as at December 31, 2015 and the continuity of trust funds for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read "Crawford, Smith and Swallow", is positioned above the firm's name.

St. Catharines, Ontario
June 8, 2016

CRAWFORD, SMITH AND SWALLOW
CHARTERED ACCOUNTANTS LLP

LICENSED PUBLIC ACCOUNTANTS

THE CORPORATION OF THE CITY OF ST. CATHARINES

STATEMENT OF FINANCIAL POSITION - TRUST FUNDS

December 31, 2015

(In thousands of dollars)

	Total		Cemetery Perpetual Care Fund		Marker Care & Maintenance Fund		Memorial Forest	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Assets								
Cash	421	204	99	99	72	71		
Investments (market value 2015 - \$9,766; 2014 - \$9,481)	9,766	9,481	8,264	8,033	599	575		
Prepaid interest	91		91					
Due from operating fund	18	14					18	14
	10,296	9,699	8,454	8,132	671	646	18	14
Liabilities and Fund Balances								
Due to operating fund	314	105	170	25	87	80		
Fund balances	9,982	9,594	8,284	8,107	584	566	18	14
	10,296	9,699	8,454	8,132	671	646	18	14

See accompanying notes

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THE CORPORATION OF THE CITY OF ST. CATHARINES

STATEMENT OF FINANCIAL POSITION - TRUST FUNDS

December 31, 2015

(In thousands of dollars)

	Library Endowment & Trust Fund	
	2015 \$	2014 \$
Assets		
Cash	250	34
Investments (market value 2015 - \$9,766; 2014 - \$9,481)	903	873
Prepaid interest		
Due from operating fund		
	1,153	907
Liabilities and Fund Balances		
Due to operating fund	57	
Fund balances	1,096	907
	1,153	907

See accompanying notes

THE CORPORATION OF THE CITY OF ST. CATHARINES

STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN FUND BALANCES - TRUST FUNDS

for the year ended December 31, 2015

(In thousands of dollars)

	Total		Cemetery Perpetual Care Fund		Marker Care & Maintenance Fund		Memorial Forest	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Balance, Beginning of Year	9,594	9,328	8,107	7,896	566	551	14	16
Receipts								
Sale of plots, crypts and markers	195	226	177	211	18	15		
Ticket sales	10	10						
Book revenue	247	249	213	233	15	2		
Interest								
Gain (loss) on sale of investments	230	28					6	5
Donations	682	513	390	444	33	17	6	5
Expenditures								
Contribution to operating fund	286	242	213	233	15	2	2	7
Administration	4	5						
Transfer to reserves	4							
	294	247	213	233	15	2	2	7
Balance, End of Year	9,982	9,594	8,284	8,107	584	566	18	14

See accompanying notes

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THE CORPORATION OF THE CITY OF ST. CATHARINES

STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN FUND BALANCES - TRUST FUNDS

for the year ended December 31, 2015

(In thousands of dollars)

	Library Endowment & Trust Fund	
	2015 \$	2014 \$
Balance, Beginning of Year	907	865
Receipts		
Sale of plots, crypts and markers		
Ticket sales		
Book revenue	10	10
Interest	19	14
Gain (loss) on sale of investments		
Donations	224	23
	253	47
Expenditures		
Contribution to operating fund	56	
Administration	4	5
Transfer to reserves	4	
	64	5
Balance, End of Year	1,096	907

See accompanying notes

THE CORPORATION OF THE CITY OF ST. CATHARINES

NOTES TO FINANCIAL STATEMENTS - TRUST FUNDS

for the year ended December 31, 2015

1. Significant Accounting Policies

The financial statements of the Municipality's trust funds are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board ("PSAB") of the Canadian Professional Accountants of Canada.

(a) Basis of accounting

- (i) Revenues and expenditures are reported on the accrual basis of accounting.
- (ii) 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 the receipt of goods or services and the creation of a legal obligation to pay.
- (iii) Investments are recorded at cost.