

CORPORATION OF THE TOWNSHIP OF SPRINGWATER
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

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CORPORATION OF THE TOWNSHIP OF SPRINGWATER

For The Year Ended December 31, 2017

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Springwater are the responsibility of management and have been approved by Council.

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

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

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

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Springwater. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Collins Barrow Kawarthas LLP has full and free access to Council.

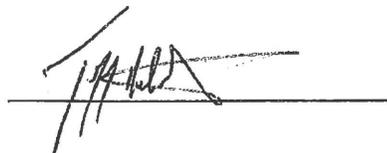
Mayor



Date

May 16, 2018

Director of Finance



Date

May 16, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Springwater and its local boards, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Springwater and its local boards as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 18, 2018

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash (note 2)	14,023,352	15,661,203
Investments (note 4)	15,137,665	11,606,373
Accounts receivable (note 5)	2,189,593	1,723,711
Taxes receivable	2,516,540	2,478,283
TOTAL FINANCIAL ASSETS	33,867,150	31,469,570
LIABILITIES		
Accounts payable and accrued liabilities	7,968,377	5,997,019
Deferred revenue - obligatory reserve funds (note 6)	7,906,841	8,210,790
Deferred revenue - other	60,548	194,278
Long term debt (note 7)	4,841,709	6,000,093
TOTAL LIABILITIES	20,777,475	20,402,180
NET FINANCIAL ASSETS	13,089,675	11,067,390
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	146,537,700	145,746,357
Prepaid expenses	163,794	153,580
TOTAL NON-FINANCIAL ASSETS	146,701,494	145,899,937
ACCUMULATED SURPLUS (note 10)	159,791,169	156,967,327

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
REVENUES			
Property taxation	12,419,715	12,923,423	11,990,302
User charges	5,356,564	6,100,043	6,288,572
Government of Canada	5,000	46,033	7,141
Province of Ontario	833,300	880,013	930,773
Other municipalities	221,000	265,301	321,271
Penalties and interest on taxes	450,000	368,879	399,023
Investment income	140,000	272,812	249,809
Donations and fundraising	150,350	92,675	196,056
Ontario Community Infrastructure Fund earned	339,713	342,641	181,087
Development charges earned	3,663,250	3,021,720	986,360
Parkland fees earned	75,000	61,900	-
Federal gas tax earned	413,000	254,608	288,550
Contributed tangible capital assets	-	-	292,199
Other	21,160	286,919	47,358
TOTAL REVENUES	24,088,052	24,916,967	22,178,501
EXPENSES			
General government	3,258,870	3,180,847	2,978,387
Protection services	5,155,631	5,154,194	4,996,779
Transportation services	7,126,044	7,240,575	7,147,251
Environmental services	3,285,848	3,011,002	2,828,111
Health services	39,325	26,181	41,158
Recreation and cultural services	2,723,659	2,755,717	2,547,792
Planning and development	837,645	724,609	869,238
TOTAL EXPENSES	22,427,022	22,093,125	21,408,716
ANNUAL SURPLUS	<u>1,661,030</u>	2,823,842	769,785
ACCUMULATED SURPLUS - beginning of year		156,967,327	156,197,542
ACCUMULATED SURPLUS - end of year		159,791,169	156,967,327

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
ANNUAL SURPLUS	1,661,030	2,823,842	769,785
Amortization of tangible capital assets	4,981,076	4,933,754	4,981,076
Purchase of tangible capital assets	(10,250,600)	(5,895,642)	(4,290,942)
Loss on disposal of tangible capital assets	-	142,595	313,321
Proceeds on disposal of tangible capital assets	-	27,950	31,993
Contributed tangible capital assets	-	-	(292,199)
Change in prepaid expenses	-	(10,214)	(58,630)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(3,608,494)	2,022,285	1,454,404
NET FINANCIAL ASSETS - beginning of year	11,067,390	11,067,390	9,612,986
NET FINANCIAL ASSETS - end of year	7,458,896	13,089,675	11,067,390

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2017

	2017	2016
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,823,842	769,785
Items not involving cash		
Amortization of tangible capital assets	4,933,754	4,981,076
Loss on disposal of tangible capital assets	142,595	313,321
Contributed tangible capital assets	-	(292,199)
Change in non-cash assets and liabilities		
Accounts receivable	(465,882)	(454,451)
Taxes receivable	(38,257)	244,217
Prepaid expenses	(10,214)	(58,630)
Accounts payable and accrued liabilities	1,971,358	539,100
Deferred revenue - obligatory reserve funds	(303,949)	2,711,789
Deferred revenue - other	(133,730)	194,278
Net change in cash from operating activities	8,919,517	8,948,286
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(5,895,642)	(4,290,942)
Proceeds on disposal of tangible capital assets	27,950	31,993
Net change in cash from capital activities	(5,867,692)	(4,258,949)
INVESTING ACTIVITIES		
Purchase of investments	(15,142,396)	(11,601,222)
Redemption of investments	11,611,104	291,668
Net change in cash from investing activities	(3,531,292)	(11,309,554)
FINANCING ACTIVITIES		
Debt principal repayments	(1,158,384)	(481,461)
NET CHANGE IN CASH	(1,637,851)	(7,101,678)
CASH - beginning of year	15,661,203	22,762,881
CASH - end of year	14,023,352	15,661,203

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

The Township of Springwater is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These financial statements include:

- Springwater Township Public Library Board
- Elmvale Business Improvement Area
- Anten Mills Community Recreation Association
- Midhurst Community Recreation Association
- Phelpston Community Recreation Association
- Grenfel Community Recreation Association
- Minesing Community Recreation Association
- Hillsdale Community Recreation Association
- Elmvale Community Recreation Association
- Springwater Sports Heritage Committee
- Springwater Community Policing Committee
- Midhurst Union Cemetery

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(d) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Tangible Capital Assets

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

Land improvements	15 years
Buildings	50 years
Vehicles, machinery and equipment	5 to 20 years
Furniture and fixtures	10 years
Roads	30 to 50 years
Water and waste water systems	25 to 100 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Property taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

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

Government funding

Government funding is recognized in the financial statements as revenues 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 amounts can be made.

Other revenue

Development charges are recognized in the period in which the related expenditures are recorded.

User fees are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

2. CASH

	2017	2016
	\$	\$
Unrestricted	10,280,860	8,605,362
Restricted	3,742,492	7,055,841
	<u>14,023,352</u>	<u>15,661,203</u>

Restricted funds are comprised of development charges, cash in lieu of parkland fees, and gas tax funding.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

3. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$2,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.75% per annum. Council authorized the temporary borrowing limit by By-law 2017-003. At December 31, 2017 there was no balance outstanding (2016 - \$Nil).

4. INVESTMENTS

Investments consist of the following:

	2017 Annual Interest	2017 \$	2016 \$
GIC maturing March 7, 2017	1.14%	-	8,513,577
GIC maturing March 7, 2017	1.14%	-	3,004,792
GIC maturing September 19, 2017	1.15%	-	70,119
GIC maturing July 15, 2020	0.79%	10,732	10,648
GIC maturing July 10, 2018	2.62%	7,426	7,237
GIC maturing June 18, 2018	1.68%	71,020	-
GIC maturing Jan 3, 2018	1.36%	3,020,121	-
GIC maturing April 10, 2018	1.61%	5,004,632	-
GIC maturing Jan 3, 2018	1.36%	3,020,121	-
GIC maturing March 12, 2018	1.57%	4,003,613	-
		15,137,665	11,606,373

5. ACCOUNTS RECEIVABLE

	2017 \$	2016 \$
Government of Canada	434,869	210,540
Government of Ontario	502,019	269,700
User fees - water and sewer	254,264	229,817
Other	998,441	1,013,654
	2,189,593	1,723,711

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2017	2016
	\$	\$
Development charges	6,636,159	7,226,892
Parkland fees	687,921	717,541
Federal gas tax	582,724	266,320
Ontario Community Infrastructure Fund	37	37
	7,906,841	8,210,790

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2017	2016
	\$	\$
Balance - beginning of year	8,210,790	5,499,001
Add amounts received:		
Development charges	2,328,105	3,354,435
Federal gas tax	563,846	554,037
Ontario Community Infrastructure Fund	339,713	179,679
Interest	121,356	65,635
Parkland fees	23,900	14,000
	3,376,920	4,167,786
Less transfer to operations:		
Development charges earned	3,021,720	986,360
Federal gas tax earned	254,608	288,550
Parkland fees earned	61,900	-
Ontario Community Infrastructure Funds earned	342,641	181,087
	3,680,869	1,455,997
Balance - end of year	7,906,841	8,210,790

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

7. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2017	2016
	\$	\$
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual installments of \$79,147 including principal and interest with interest of 4.26%, due October 2030	1,567,659	1,656,328
Green Municipal Fund debenture repayable in blended semi-annual installments of \$60,914 including principal and interest with interest of 2.00%, due July 2030	1,388,483	1,481,178
Bank loan repayable in blended monthly installments of \$6,329 including principal and interest with interest of 2.79%, due December 2017	-	719,216
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual installments of \$65,707 including principal and interest with interest of 2.82%, due July 2023	720,734	829,518
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$92,003 including principal and interest with interest of 2.74%, due September 2024	1,164,833	1,313,853
	<u>4,841,709</u>	<u>6,000,093</u>

- (b) The long term debt in (a) issued in the name of the Township 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.
- (c) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2017 is \$113,704 (2016 - \$151,239).
- (d) Interest paid during the year on long term debt amounted to \$171,380 (2016 - \$185,251).

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

7. LONG TERM DEBT, continued

(e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2018	452,015	162,859	614,874
2019	465,298	130,245	595,543
2020	478,971	116,521	595,492
2021	493,153	102,389	595,542
2022	507,703	87,840	595,543
2023 and subsequent years	2,444,569	295,846	2,740,415
	4,841,709	895,700	5,737,409

8. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
Salaries and benefits	6,911,303	6,765,846	6,230,696
Interest charges	175,668	171,380	185,251
Materials	4,348,675	4,075,511	3,803,014
Contracted services	5,124,132	5,122,390	5,133,972
Rents and financial	685,788	643,608	567,683
External transfers	200,380	238,043	193,703
Amortization	4,981,076	4,933,754	4,981,076
Loss on disposal of tangible capital assets	-	142,593	313,321
	22,427,022	22,093,125	21,408,716

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

9. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2017	2016
	\$	\$
General		
Land and land improvements	29,781,518	29,825,211
Buildings	10,938,881	11,183,357
Vehicles machinery and equipment	5,607,804	4,265,883
Furniture and fixtures	16,049	26,748
Books	178,436	163,100
Infrastructure		
Roads	67,597,683	67,904,387
Water	22,622,633	22,998,243
Sewer	9,027,735	9,195,977
	145,770,739	145,562,906
Assets under construction	766,961	183,451
	146,537,700	145,746,357

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2016 - \$Nil) and no interest capitalized (2016 - \$Nil).

	2017	2016
	\$	\$
General government	9,555,895	9,785,667
Protection services	3,475,223	2,994,596
Transportation services	91,640,852	91,592,278
Environmental services	34,242,494	34,034,165
Health services	1,481	-
Recreation and cultural services	7,621,755	7,339,651
	146,537,700	145,746,357

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

10. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2017 \$	2016 \$
Surplus/(Deficit)		
Township	-	443,265
Community centres	-	86,821
Municipal drains	(53,787)	(71,116)
	(53,787)	458,970
Invested In Capital Assets		
Tangible capital assets - net book value	146,537,700	145,746,357
Long term debt	(4,841,709)	(6,000,093)
Unfunded roads capital projects	(3,266,609)	(2,559,357)
	138,429,382	137,186,907
Surplus	138,375,595	137,645,877
Reserves		
Working funds	1,441,154	1,749,275
Capital asset acquisitions	6,845,070	5,188,122
General operations	3,462,995	3,098,516
Total Reserves	11,749,219	10,035,913
Reserve Funds		
Capital assets acquisitions	9,635,636	9,249,107
Recreation programs and facilities	30,719	36,430
Total Reserve Funds	9,666,355	9,285,537
	159,791,169	156,967,327

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

11. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2017, requisitions were made by the County of Simcoe and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxation	7,187,080	9,351,639
Taxation from other governments	18,511	96,640
Amounts requisitioned and remitted	7,205,591	9,448,279

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

12. BUDGET FIGURES

The budget, approved by the Township, for 2017 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating	21,462,929	21,462,929
Capital	10,200,600	10,200,600
Total Council approved budget	31,663,529	31,663,529
Less: Tangible capital assets capitalized	-	(10,250,600)
Add: Amortization of tangible capital assets	-	4,981,076
Less: Long term debt proceeds	(1,831,000)	-
Less: Principal repayment of long term debt	-	(655,741)
Less: Reserve transfers	(5,630,687)	(3,197,452)
Less: Reclassifications for financial statement purposes	(113,790)	(113,790)
Adjusted budget per Consolidated Statement of Operations	24,088,052	22,427,022

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

13. TRUST FUNDS

Trust funds administered by the Township amounting to \$189,190 (2016 - \$187,094) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

14. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2017 Annual Report disclosed total actuarial liabilities of \$94,431 million in respect of benefits accrued for service with actuarial assets of \$89,028 million indicating an actuarial deficit of \$5,403 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2017 were \$424,319 (2016 - \$386,729).

15. CONTINGENT LIABILITIES

The Township, in the course of its operations, has been named in several lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

16. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. There was no impact on the prior year's annual surplus.

17. SEGMENTED INFORMATION

The Township of Springwater is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

17. SEGMENTED INFORMATION, continued

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

Environmental Services

The environmental function is responsible for providing water and sewer services to ratepayers.

Health Services

The health services function consists of the cemetery operations.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Township.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2017

	General					Infrastructure			Assets Under Construction	Totals
	Land and Land Improvements	Buildings	Vehicles Machinery and Equipment	Furniture and Fixtures	Books	Roads	Water	Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	31,614,276	16,308,846	9,806,830	147,439	301,910	117,445,323	31,175,845	13,207,078	183,451	220,190,998
Add: additions during the year	109,828	94,031	1,984,723	-	50,297	3,073,253	-	-	583,510	5,895,642
Less: disposals during the year	-	-	144,774	-	35,897	282,037	-	-	-	462,708
Balance, end of year	31,724,104	16,402,877	11,646,779	147,439	316,310	120,236,539	31,175,845	13,207,078	766,961	225,623,932
ACCUMULATED AMORTIZATION										
Balance, beginning of year	1,789,065	5,125,489	5,540,947	120,691	138,810	49,540,936	8,177,602	4,011,101	-	74,444,641
Add: additions during the year	153,521	338,507	642,802	10,699	34,961	3,209,412	375,610	168,242	-	4,933,754
Less: disposals during the year	-	-	144,774	-	35,897	111,492	-	-	-	292,163
Balance, end of year	1,942,586	5,463,996	6,038,975	131,390	137,874	52,638,856	8,553,212	4,179,343	-	79,086,232
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	29,781,518	10,938,881	5,607,804	16,049	178,436	67,597,683	22,622,633	9,027,735	766,961	146,537,700

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2017

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	3,639,176	1,965,685	5,008,782	-	-	1,811,222	498,558	12,923,423
User charges	33,306	1,277,625	106,800	3,605,372	15,851	820,129	240,960	6,100,043
Government transfers - operating	284,799	275,754	264,050	-	-	86,241	15,202	926,046
Other municipalities	-	195,972	-	-	-	18,479	50,850	265,301
Penalties and interest on taxes	103,930	56,096	142,938	-	-	51,688	14,227	368,879
Investment income	156,777	10,267	1,967	103,407	-	394	-	272,812
Donations and fundraising	6,061	1,252	-	-	-	85,362	-	92,675
Ontario Community Infrastructure Fund earned	-	-	342,641	-	-	-	-	342,641
Development charges earned	-	890,588	930,539	959,220	-	237,333	4,040	3,021,720
Parkland fees earned	-	-	-	-	-	61,900	-	61,900
Federal gas tax earned	-	-	254,608	-	-	-	-	254,608
Other	87,114	52,035	17,201	-	-	54,635	75,934	286,919
Total revenues	4,311,163	4,725,274	7,069,526	4,667,999	15,851	3,227,383	899,771	24,916,967
Expenses								
Salaries and benefits	1,806,407	1,466,204	1,583,702	91,530	-	1,337,824	480,179	6,765,846
Interest charges	97,265	-	55,482	18,633	-	-	-	171,380
Materials	941,846	564,368	588,164	947,137	21,537	873,835	138,624	4,075,511
Contracted services	232,646	2,650,218	676,250	1,195,334	4,644	257,876	105,422	5,122,390
Rents and financial	36,713	806	596,232	-	-	9,857	-	643,608
External transfers	-	200,380	-	37,663	-	-	-	238,043
Amortization	267,041	207,808	3,626,867	568,278	-	263,760	-	4,933,754
Loss (gain) on disposal of tangible capital assets	-	(1,679)	145,105	-	-	(833)	-	142,593
Internal transfers	(201,071)	66,089	(31,227)	152,427	-	13,398	384	-
Total expenses	3,180,847	5,154,194	7,240,575	3,011,002	26,181	2,755,717	724,609	22,093,125
Net surplus/(deficit)	1,130,316	(428,920)	(171,049)	1,656,997	(10,330)	471,666	175,162	2,823,842

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2016

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	3,376,413	1,823,755	4,647,129	-	-	1,680,444	462,561	11,990,302
User charges	92,391	1,403,225	65,939	3,719,616	15,618	725,046	266,737	6,288,572
Government transfers - operating	283,719	279,893	320,581	-	-	40,942	12,779	937,914
Other municipalities	-	245,350	-	-	-	25,921	50,000	321,271
Penalties and interest on taxes	112,364	60,692	154,651	-	-	55,923	15,393	399,023
Investment income	160,379	10,500	802	76,386	-	369	1,373	249,809
Donations and fundraising	116,678	2,075	-	-	-	77,303	-	196,056
Ontario Community Infrastructure Fund earned	-	-	181,087	-	-	-	-	181,087
Development charges earned	5,757	17,274	753,170	103,269	-	106,547	343	986,360
Federal gas tax earned	-	-	288,550	-	-	-	-	288,550
Contributed tangible capital assets	292,199	-	-	-	-	-	-	292,199
Other	7,654	265	14,971	-	-	3,327	21,141	47,358
Total revenues	4,447,554	3,843,029	6,426,880	3,899,271	15,618	2,715,822	830,327	22,178,501
Expenses								
Salaries and benefits	1,603,096	1,329,967	1,495,555	79,642	54	1,287,613	434,769	6,230,696
Interest charges	102,332	-	62,016	20,903	-	-	-	185,251
Materials	836,722	604,137	540,754	922,769	35,435	751,594	111,603	3,803,014
Contracted services	274,165	2,610,208	589,588	1,120,701	5,651	211,611	322,048	5,133,972
Rents and financial	39,916	650	505,831	-	-	21,286	-	567,683
External transfers	-	193,703	-	-	-	-	-	193,703
Amortization	303,632	197,590	3,660,446	550,550	-	268,858	-	4,981,076
Loss (gain) on disposal of tangible capital assets	-	(1,465)	317,839	-	-	(3,053)	-	313,321
Internal transfers	(181,476)	61,989	(24,778)	133,546	18	9,883	818	-
Total expenses	2,978,387	4,996,779	7,147,251	2,828,111	41,158	2,547,792	869,238	21,408,716
Net surplus/(deficit)	1,469,167	(1,153,750)	(720,371)	1,071,160	(25,540)	168,030	(38,911)	769,785

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater

Report on the Financial Statements

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Springwater, which comprise the statement of financial position as at December 31, 2017, the statement of continuity 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Springwater as at December 31, 2017 and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 18, 2018

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2017

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2017 Total \$	2016 Total \$
FINANCIAL ASSETS					
Cash	19,849	-	-	19,849	19,619
Investments (note 2)	-	12,244	157,097	169,341	167,475
	19,849	12,244	157,097	189,190	187,094
FUND BALANCES	19,849	12,244	157,097	189,190	187,094

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2017

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2017 Total \$	2016 Total \$
BALANCES - beginning of year	19,619	12,244	155,231	187,094	183,414
RECEIPTS					
Net investment income	230	200	2,329	2,759	3,056
Perpetual care receipts	-	-	1,815	1,815	2,415
	230	200	4,144	4,574	5,471
EXPENSES					
Transfer to Township	-	200	2,278	2,478	1,791
BALANCES - end of year	19,849	12,244	157,097	189,190	187,094

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENTS

Investments are comprised of Guaranteed Investment Certificates and funds held by Scotiabank, TD Canada Trust and RBC Dominion Securities and are recorded at cost plus the accrued interest earned at December 31, 2017. Interest rates range on the GIC's from 1.01% to 1.94% and maturity dates from 2018 to 2020.

3. CEMETERY CARE AND MAINTENANCE FUND

The Cemetery Care and Maintenance Fund administered by the Board is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Board's cemeteries. The operations and investments of the Fund are undertaken by the Board in accordance with the regulations of the Cemeteries Act. The figures reported for the cemetery perpetual care and maintenance represent the trust fund activities for the Midhurst Union cemetery.

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER
SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2017**

INDEPENDENT AUDITOR'S REPORT

To the Members of the Springwater Township Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater

Report on the Financial Statements

We have audited the accompanying financial statements of the Springwater Township Public Library Board of the Corporation of the Township of Springwater, which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 qualified audit opinion.

Basis for Qualified Opinion

The Board derives revenue from donations, fines and user fees, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to donations, fines and user fee revenues, assets and accumulated surplus.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Springwater Township Public Library Board as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 18, 2018

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
<u>Due from Township</u>	30,719	36,430
NET FINANCIAL ASSETS	30,719	36,430
NON-FINANCIAL ASSETS		
<u>Tangible capital assets (note 2)</u>	178,437	163,101
ACCUMULATED SURPLUS (note 3)	209,156	199,531

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
REVENUES			
Contributions from Township	507,962	519,767	496,217
Contributions from Township - development charges	45,000	45,267	45,796
Fines and user fees	14,300	26,198	15,848
Province of Ontario	30,000	37,229	33,801
Other municipalities	13,500	10,979	13,421
Other grants	5,000	3,363	7,141
Interest	-	394	374
Donations	5,000	5,676	5,482
TOTAL REVENUES	620,762	648,873	618,080
EXPENSES			
Salaries and benefits	462,272	481,726	472,612
Materials and supplies	48,000	56,727	36,750
Utilities, services and rent	60,490	65,834	57,464
Amortization	42,251	34,961	42,251
TOTAL EXPENSES	613,013	639,248	609,077
ANNUAL SURPLUS	<u>7,749</u>	9,625	9,003
ACCUMULATED SURPLUS - beginning of year		199,531	190,528
ACCUMULATED SURPLUS - end of year		209,156	199,531

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2017**

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
ANNUAL SURPLUS	7,749	9,625	9,003
Amortization of tangible capital assets	42,251	34,961	42,251
Acquisition of tangible capital assets	(50,000)	(50,297)	(50,885)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	-	(5,711)	369
NET FINANCIAL ASSETS - beginning of year	36,430	36,430	36,061
NET FINANCIAL ASSETS - end of year	36,430	30,719	36,430

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2017

	2017	2016
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	9,625	9,003
Items not involving cash		
Amortization of tangible capital assets	34,961	42,251
Change in non-cash assets and liabilities		
Change in due from Township	5,711	(369)
Net change in cash from operating activities	50,297	50,885
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(50,297)	(50,885)
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

User fees are recognized as revenue in the year the goods and services are provided.

Fines and donations are recognized when the amounts are received.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

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

Books	7 years
Equipment	5 to 20 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(e) Government Funding

Government funding is recognized in the financial statements as revenues 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 amounts can be made.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserve funds for future operating and capital purposes. Transfers to and/or from reserve funds are an adjustment to the respective fund when approved.

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Equipment \$	Books \$	2017 Totals \$	2016 Totals \$
COST				
Balance, beginning of year	30,629	301,912	332,541	328,065
Add: additions during the year	-	50,297	50,297	50,885
Less: disposals during the year	-	35,897	35,897	46,409
Balance, end of year	30,629	316,312	346,941	332,541
ACCUMULATED AMORTIZATION				
Balance, beginning of year	30,629	138,811	169,440	173,598
Add: additions during the year	-	34,961	34,961	42,251
Less: disposals during the year	-	35,897	35,897	46,409
Balance, end of year	30,629	137,875	168,504	169,440
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	178,437	178,437	163,101

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2017 \$	2016 \$
Invested In Capital Assets		
Tangible capital assets - net book value	178,437	163,101
Surplus	178,437	163,101
Reserve Fund		
Capital asset acquisitions	30,719	36,430
	209,156	199,531

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2017 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER
ELMVALE BUSINESS IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of the Elmvale Business Improvement Area, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater

Report on the Financial Statements

We have audited the accompanying financial statements of the Elmvale Business Improvement Area of the Corporation of the Township of Springwater, which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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, these financial statements present fairly, in all material respects, the financial position of the Elmvale Business Improvement Area as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 18, 2018

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Due from Township	45,444	32,779
NET FINANCIAL ASSETS	45,444	32,779
ACCUMULATED SURPLUS (note 2)	45,444	32,779

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
REVENUES			
Members' tax levy	21,060	21,060	21,060
EXPENSES			
Networking and communication	10,000	5,766	11,857
Promotion	5,000	-	2,686
Administration	1,000	1,000	1,039
Beautification and signage	1,000	-	-
Tourism and events	3,000	1,629	200
TOTAL EXPENSES	20,000	8,395	15,782
ANNUAL SURPLUS	<u>1,060</u>	12,665	5,278
ACCUMULATED SURPLUS - beginning of year		32,779	27,501
ACCUMULATED SURPLUS - end of year		45,444	32,779

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

**ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2017**

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
ANNUAL SURPLUS	1,060	12,665	5,278
NET FINANCIAL ASSETS - beginning of year	32,779	32,779	27,501
NET FINANCIAL ASSETS - end of year	33,839	45,444	32,779

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

**ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017**

	2017	2016
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	12,665	5,278
Change in non-cash assets and liabilities (Increase)/decrease in due from Township	(12,665)	(5,278)
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER
ELMVALE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Board's best information and judgment. Actual results could differ from these estimates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Board has no significant capital assets.

(d) Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

2. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2017	2016
	\$	\$
Reserve		
General operations	45,444	32,779
	45,444	32,779

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2017 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.