

**CORPORATION OF THE
TOWNSHIP OF SPRINGWATER**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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TOWNSHIP OF SPRINGWATER**

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CORPORATION OF THE TOWNSHIP OF SPRINGWATER**For The Year Ended December 31, 2014****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 auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditors' 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



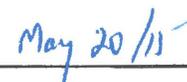
Date



Treasurer



Date



INDEPENDENT AUDITORS' 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, 2014, 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.

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 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 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 Township of Springwater and its local boards as at December 31, 2014 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
Peterborough, Ontario
May 19, 2015

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION At December 31, 2014

	2014	2013
	\$	\$
FINANCIAL ASSETS		
Cash (note 4)	20,017,604	19,799,918
Investments (note 6)	296,392	294,877
Accounts receivable (note 7)	1,429,394	1,629,620
Taxes receivable	3,016,214	3,131,542
TOTAL FINANCIAL ASSETS	24,759,604	24,855,957
LIABILITIES		
Accounts payable and accrued liabilities	4,762,654	5,189,902
Obligatory reserve funds (note 8)	4,274,724	5,756,081
Long term debt (note 9)	6,949,540	5,666,972
TOTAL LIABILITIES	15,986,918	16,612,955
NET FINANCIAL ASSETS	8,772,686	8,243,002
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	146,507,217	145,976,345
Prepaid expenses	130,555	323,758
TOTAL NON-FINANCIAL ASSETS	146,637,772	146,300,103
ACCUMULATED SURPLUS (note 12)	155,410,458	154,543,105

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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
REVENUES			
Property taxation	10,897,439	10,933,170	10,636,721
User charges	4,359,764	4,625,816	4,684,247
Government of Canada	2,500	4,323	4,169
Province of Ontario	925,000	972,862	1,176,778
Other municipalities	246,700	232,571	238,888
Penalties and interest on taxes	460,000	460,642	467,544
Investment income	125,000	232,104	227,106
Donations and fundraising	42,890	108,316	95,153
Gain on disposal of tangible capital assets	-	-	81,106
Other	58,296	411,219	277,919
Development charges earned	2,910,429	2,115,617	810,365
Federal gas tax earned	750,000	826,023	546,593
TOTAL REVENUES	20,778,018	20,922,663	19,246,589
EXPENSES			
General government	2,734,854	2,932,435	2,528,786
Protection services	4,494,067	4,068,948	4,117,302
Transportation services	6,633,083	7,257,090	6,680,578
Environmental services	2,541,582	2,667,983	2,404,273
Health services	30,950	39,912	43,184
Recreation and cultural services	2,454,343	2,546,685	2,412,031
Planning and development	740,606	542,257	573,687
TOTAL EXPENSES	19,629,485	20,055,310	18,759,841
ANNUAL SURPLUS	1,148,533	867,353	486,748
ACCUMULATED SURPLUS - beginning of year	154,543,105	154,543,105	154,056,357
ACCUMULATED SURPLUS - end of year	155,691,638	155,410,458	154,543,105

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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
ANNUAL SURPLUS	1,148,533	867,353	486,748
Amortization of tangible capital assets	4,687,982	4,863,643	4,687,981
Acquisition of tangible capital assets	(9,246,900)	(5,919,331)	(5,247,776)
Loss/(gain) on disposal of tangible capital assets	-	524,816	(81,106)
Proceeds on disposal of tangible capital assets	-	-	474,000
(Increase)/decrease in prepaid expenses	-	193,203	(178,483)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(3,410,385)	529,684	141,364
NET FINANCIAL ASSETS - beginning of year	8,243,002	8,243,002	8,101,638
NET FINANCIAL ASSETS - end of year	4,832,617	8,772,686	8,243,002

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, 2014

	2014	2013
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	867,353	486,748
(Increase)/decrease in accounts receivable	200,226	(231,775)
(Increase)/decrease in taxes receivable	115,328	(303,598)
(Increase)/decrease in prepaid expenses	193,203	(178,483)
Decrease in accounts payable and accrued liabilities	(427,248)	(467,921)
Increase/(decrease) in obligatory reserve funds	(1,481,357)	241,513
Decrease in deferred revenue - other	-	(33,031)
Non-cash charges to operations		
Amortization of tangible capital assets	4,863,643	4,687,981
Loss/(gain) on disposal of tangible capital assets	524,816	(81,106)
Net increase in cash from operating transactions	4,855,964	4,120,328
CAPITAL		
Acquisition of tangible capital assets	(5,919,331)	(5,247,776)
Proceeds on disposal of tangible capital assets	-	474,000
Net decrease in cash from capital transactions	(5,919,331)	(4,773,776)
INVESTING		
Purchase of investments	(1,515)	(1,460)
FINANCING		
Long term debt issued	1,600,000	1,138,173
Debt principal repayments	(317,432)	(211,013)
Net increase in cash from financing transactions	1,282,568	927,160
INCREASE IN CASH	217,686	272,252
CASH - beginning of year	19,799,918	19,527,666
CASH - end of year	20,017,604	19,799,918

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, 2014

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 Recreation Service Board
- Midhurst Recreation Service Board
- Phelpston Recreation Service Board
- Grenfel Recreation Service Board
- Minesing Recreation Service Board
- Hillsdale Recreation Service Board
- Elmvale Recreation Service Board
- 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) 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.

(d) 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.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

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) 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.

(g) 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.

(h) 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.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) 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.

(j) 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.

(k) Financial Instruments

The Township's financial instruments consist of cash, investments, accounts receivable, taxes receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Township does not have any significant concentration of interest, currency or credit risk.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2014, 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	6,751,235	7,954,566
Taxation from other governments	18,893	92,950
Amounts requisitioned and remitted	6,770,128	8,047,516

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

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

3. TRUST FUNDS

Trust funds administered by the Township amounting to \$174,348 (2013 - \$163,986) 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.

4. CASH

	2014	2013
	\$	\$
Unrestricted	5,439,512	6,577,588
Restricted	14,578,092	13,222,330
	20,017,604	19,799,918

5. 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 2014-023. At December 31, 2014 there was a balance outstanding of \$Nil 2013 - (\$NIL).

6. INVESTMENTS

Investments consist of a money market fund that has been reported at cost which approximates fair market value and various GIC's with interest rates ranging from 2.0% to 3.3% and maturity dates ranging from 2015 to 2018 that have been reported at cost plus accrued interest earned to December 31, 2014. The Township is exposed to interest rate risk as the value of the GIC's will generally rise if interest rates fall and conversely fall if interest rates rise.

7. ACCOUNTS RECEIVABLE

	2014	2013
	\$	\$
Government of Canada	559,790	712,384
Government of Ontario	132,058	88,443
User fees - water and sewer	144,549	107,112
Other	592,997	721,681
	1,429,394	1,629,620

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

8. 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:

	2014	2013
	\$	\$
Development charges	3,482,770	4,695,262
Parkland fees	684,535	673,805
Federal gas tax	107,419	387,014
	4,274,724	5,756,081

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

	2014	2013
	\$	\$
Balance - beginning of year	5,756,081	5,514,568
Add amounts received:		
Development charges	837,649	987,298
Federal gas tax	541,960	535,463
Interest	80,674	75,710
	1,460,283	1,598,471
Less transfer to operations:		
Development charges earned	2,115,617	810,365
Federal gas tax earned	826,023	546,593
	2,941,640	1,356,958
Balance - end of year	4,274,724	5,756,081

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

9. LONG TERM DEBT

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

	2014	2013
	\$	\$
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	1,822,838	1,900,974
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	1,661,023	1,748,314
Bank loan repayable in blended monthly installments of \$6,329 including principal and interest with interest of 2.79%, due December 2017	827,524	879,511
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	1,038,155	1,138,173
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 3, 2024	1,600,000	-
	<u>6,949,540</u>	<u>5,666,972</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, 2014 is \$81,852 (2013 - \$99,244). These loans and the related repayments are not reported on the Consolidated Statements of Financial Position, Operations and Accumulated Surplus, Change in Net Financial Assets and Cash Flows.
- (d) Interest paid during the year on long term debt amounted to \$168,329 (2013 - \$144,182).

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

9. LONG TERM DEBT, continued

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

	Principal \$	Interest \$	Total \$
2015	468,091	203,411	671,502
2016	481,614	189,879	671,493
2017	1,158,043	175,705	1,333,748
2018	452,015	162,859	614,874
2019	465,298	130,245	595,543
2020 and subsequent years	3,924,479	628,051	4,552,530
	<u>6,949,540</u>	<u>1,490,150</u>	<u>8,439,690</u>

10. BUDGET FIGURES

The budget, approved by the Township, for 2014 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated 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 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.

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating	17,488,787	16,764,044
Capital	8,300,200	9,201,900
Total Council approved budget	25,788,987	25,965,944
Less: Tangible capital assets capitalized	-	(9,246,900)
Add: Amortization of tangible capital assets	-	4,687,982
Less: Long term debt proceeds	(1,897,739)	-
Less: Principal repayment of long term debt	-	(448,000)
Less: Reserve transfers	(3,228,812)	(1,553,839)
Less: Internal capital financing	(45,000)	-
Add: Internal allocations for financial statement purposes	232,786	232,786
Less: Opening surplus included as revenue in budget	(72,204)	(8,488)
<u>Adjusted budget per Consolidated Statement of Operations</u>	<u>20,778,018</u>	<u>19,629,485</u>

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

11. TANGIBLE CAPITAL ASSETS

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

	2014	2013
	\$	\$
General		
Land and land improvements	29,396,897	29,400,208
Buildings	11,592,016	11,896,340
Vehicles machinery and equipment	3,674,218	4,209,119
Furniture and fixtures	51,945	65,178
Books	148,830	151,949
Infrastructure		
Roads	68,549,216	66,743,694
Water	23,736,139	24,112,415
Sewer	9,231,919	9,397,442
	146,381,180	145,976,345
Assets under construction	126,037	-
	146,507,217	145,976,345

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

During the year there were no write-downs of assets (2013 - \$Nil) and no interest capitalized (2013 - \$Nil).

	2014	2013
	\$	\$
General government	10,149,487	10,327,244
Protection services	2,529,508	2,768,588
Transportation services	92,498,775	91,103,190
Environmental services	33,849,396	34,347,937
Recreation and cultural services	7,480,051	7,429,386
	146,507,217	145,976,345

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

12. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2014	2013
	\$	\$
Surplus/(Deficit)		
Community centres	77,037	63,716
Municipal drains	(38,930)	(70,693)
	38,107	(6,977)
Invested In Capital Assets		
Tangible capital assets - net book value	146,507,217	145,976,345
Long term debt	(6,949,540)	(5,666,972)
Unfunded capital (note 12(b))	(1,404,107)	(2,381,918)
	138,153,570	137,927,455
Surplus	138,191,677	137,920,478
Reserves		
Working funds	1,657,289	1,648,675
Capital asset acquisitions	4,316,826	4,112,198
General operations	3,322,916	3,287,073
Total Reserves	9,297,031	9,047,946
Reserve Funds		
Capital assets acquisitions	7,886,053	7,539,384
Recreation programs and facilities	35,697	35,297
Total Reserve Funds	7,921,750	7,574,681
	155,410,458	154,543,105

(b) Unfunded capital consists of the following:

	2014	2013
	\$	\$
Grenfel Pavilion	(1,898)	(16,304)
Minesing Pavilion	-	(609)
Nursery Park ball diamonds	(135,819)	(221,983)
Roads capital projects	(1,266,390)	(2,143,022)
	(1,404,107)	(2,381,918)

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

13. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions required on account of current service in 2014 were \$379,866 (2013 - \$361,884).

14. CONTINGENT LIABILITIES

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

15. EXPENSES BY OBJECT

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

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
Salaries and benefits	6,219,562	6,030,143	5,931,924
Interest charges	248,000	168,329	144,182
Materials	3,515,466	3,738,280	3,331,229
Contracted services	4,269,027	3,987,524	3,920,249
Rents and financial	506,200	559,326	571,302
External transfers	183,248	183,248	172,974
Amortization	4,687,982	4,863,643	4,687,981
Loss on disposal of tangible capital assets	-	524,817	-
	19,629,485	20,055,310	18,759,841

16. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

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.

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, 2014

	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	30,755,013	16,023,006	8,454,596	147,439	293,133	107,379,274	31,162,520	12,907,895	-	207,122,876
Add: additions during the year	179,006	27,069	167,531	-	37,573	5,382,115	-	-	126,037	5,919,331
Less: disposals during the year	48,633	-	30,449	-	37,665	625,270	-	-	-	742,017
Balance, end of year	30,885,386	16,050,075	8,591,678	147,439	293,041	112,136,119	31,162,520	12,907,895	126,037	212,300,190
ACCUMULATED AMORTIZATION										
Balance, beginning of year	1,354,805	4,126,666	4,245,477	82,261	141,184	40,635,580	7,050,105	3,510,453	-	61,146,531
Add: additions during the year	133,684	331,393	702,432	13,233	40,693	3,100,409	376,276	165,523	-	4,863,643
Less: disposals during the year	-	-	30,449	-	37,666	149,086	-	-	-	217,201
Balance, end of year	1,488,489	4,458,059	4,917,460	95,494	144,211	43,586,903	7,426,381	3,675,976	-	65,792,973
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	29,396,897	11,592,016	3,674,218	51,945	148,830	68,549,216	23,736,139	9,231,919	126,037	146,507,217

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2014

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	2,386,551	3,004,420	3,771,483	-	-	1,385,518	385,198	10,933,170
User charges	601,543	61,323	62,964	2,926,793	41,221	664,841	267,131	4,625,816
Government transfers - operating	300,000	310,725	282,620	27,740	-	46,930	9,170	977,185
Other municipalities	-	215,368	-	-	-	17,203	-	232,571
Penalties and interest on taxes	100,583	126,573	158,888	-	-	58,370	16,228	460,642
Investment income	231,621	-	-	-	-	483	-	232,104
Donations and fundraising	-	3,245	-	-	-	104,221	850	108,316
Other	128,943	10,569	238,508	-	-	6,088	27,111	411,219
Development charges earned	87,387	223,193	1,620,678	29,933	-	149,448	4,978	2,115,617
Federal gas tax earned	-	-	826,023	-	-	-	-	826,023
Total revenues	3,836,628	3,955,416	6,961,164	2,984,466	41,221	2,433,102	710,666	20,922,663
Expenses								
Salaries and benefits	1,572,814	1,214,396	1,500,895	89,789	-	1,259,901	392,348	6,030,143
Interest charges	113,130	-	31,396	23,803	-	-	-	168,329
Materials	879,185	480,969	586,556	837,208	31,054	781,149	142,159	3,738,280
Contracted services	190,397	1,921,911	585,809	1,048,058	8,858	225,844	6,647	3,987,524
Rents and financial	36,474	(335)	503,923	-	-	19,264	-	559,326
External transfers	-	183,248	-	-	-	-	-	183,248
Amortization	323,212	203,314	3,541,821	541,799	-	253,497	-	4,863,643
Loss on disposal of tangible capital assets	-	-	524,817	-	-	-	-	524,817
Internal transfers	(182,777)	65,445	(18,127)	127,326	-	7,030	1,103	-
Total expenses	2,932,435	4,068,948	7,257,090	2,667,983	39,912	2,546,685	542,257	20,055,310
Net surplus/(deficit)	904,193	(113,532)	(295,926)	316,483	1,309	(113,583)	168,409	867,353

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2013

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	2,320,984	2,848,545	3,698,081	-	-	1,352,916	416,195	10,636,721
User charges	561,604	73,138	188,332	2,860,073	33,130	621,659	346,311	4,684,247
Government transfers - operating	391,084	397,554	282,240	-	-	105,241	4,828	1,180,947
Other municipalities	-	220,950	-	-	-	17,938	-	238,888
Penalties and interest on taxes	467,544	-	-	-	-	-	-	467,544
Investment income	227,106	-	-	-	-	-	-	227,106
Donations and fundraising	95,153	-	-	-	-	-	-	95,153
Gain on disposal of tangible capital assets	81,106	-	-	-	-	-	-	81,106
Other	277,919	-	-	-	-	-	-	277,919
Development charges earned	810,365	-	-	-	-	-	-	810,365
Federal gas tax earned	546,593	-	-	-	-	-	-	546,593
Total revenues	5,779,458	3,540,187	4,168,653	2,860,073	33,130	2,097,754	767,334	19,246,589
Expenses								
Salaries and benefits	1,467,705	1,226,418	1,523,424	81,058	-	1,258,756	374,563	5,931,924
Interest charges	118,800	-	-	25,382	-	-	-	144,182
Materials	681,996	541,486	612,352	628,653	38,363	712,098	116,281	3,331,229
Contracted services	160,591	1,899,941	656,460	999,610	4,821	175,228	23,598	3,920,249
Rents and financial	36,562	(192)	515,613	-	-	19,319	-	571,302
External transfers	-	172,974	-	-	-	-	-	172,974
Amortization	303,724	211,075	3,395,450	542,464	-	235,268	-	4,687,981
Internal transfers	(240,592)	65,600	(22,721)	127,106	-	11,362	59,245	-
Total expenses	2,528,786	4,117,302	6,680,578	2,404,273	43,184	2,412,031	573,687	18,759,841
Net surplus/(deficit)	3,250,672	(577,115)	(2,511,925)	455,800	(10,054)	(314,277)	193,647	486,748

INDEPENDENT AUDITORS' 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, 2014, 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.

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 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 Township as at December 31, 2014 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
Peterborough, Ontario
May 19, 2015

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2014

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2014 Total \$	2013 Total \$
FINANCIAL ASSETS					
Cash	19,204	-	-	19,204	18,960
Investments (note 2)	-	12,244	135,971	148,215	141,843
Due from Township	-	-	6,929	6,929	3,183
	19,204	12,244	142,900	174,348	163,986
FUND BALANCE	19,204	12,244	142,900	174,348	163,986

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, 2014

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2014 Total \$	2013 Total \$
BALANCE - beginning of year	18,960	12,704	132,322	163,986	157,649
RECEIPTS					
Net investment income	244	541	5,935	6,720	3,598
Perpetual care receipts	-	-	6,929	6,929	5,279
	244	541	12,864	13,649	8,877
EXPENSES					
Transfer to Township	-	1,001	2,286	3,287	2,540
BALANCE - end of year	19,204	12,244	142,900	174,348	163,986

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, 2014

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) Financial Instruments

The Trust Funds financial instruments consist of cash, investments and due from Township. It is management's opinion that the fair value of the financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Funds do not have any significant concentration of credit, currency or interest rate risk.

(c) 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. The amounts reported in these financial statements approximates their market values.

3. CEMETERY PERPETUAL CARE

The Perpetual Care 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, 2014

INDEPENDENT AUDITORS' 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, 2014, 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.

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 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 Springwater Township Public Library Board as at December 31, 2014 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
Peterborough, Ontario
May 19, 2015

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2014

	2014 \$	2013 \$
FINANCIAL ASSETS		
Due from Township	35,697	35,297
NET FINANCIAL ASSETS	35,697	35,297
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	155,395	162,889
ACCUMULATED SURPLUS (note 3)	191,092	198,186

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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
REVENUES			
Contributions from Township	547,850	484,438	478,700
Contributions from Township - development charges	40,000	61,785	22,849
Fines and miscellaneous	12,700	14,266	10,263
Province of Ontario	28,500	29,754	29,711
Other municipalities	15,000	9,703	12,938
Other grants	2,500	4,323	6,000
Interest	-	883	598
Donations	1,500	4,313	3,490
TOTAL REVENUES	648,050	609,465	564,549
EXPENSES			
Salaries and benefits	440,050	449,898	438,245
Materials and supplies	63,500	66,278	34,780
Utilities, services and rent	54,500	55,315	54,361
Amortization	45,044	45,068	45,044
TOTAL EXPENSES	603,094	616,559	572,430
ANNUAL SURPLUS/(DEFICIT)	44,956	(7,094)	(7,881)
ACCUMULATED SURPLUS - beginning of year	198,186	198,186	206,067
ACCUMULATED SURPLUS - end of year	243,142	191,092	198,186

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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
ANNUAL SURPLUS/(DEFICIT)	44,956	(7,094)	(7,881)
Amortization of tangible capital assets	45,044	45,068	45,044
Acquisition of tangible capital assets	(45,000)	(37,574)	(47,121)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	45,000	400	(9,958)
NET FINANCIAL ASSETS - beginning of year	35,297	35,297	45,255
NET FINANCIAL ASSETS - end of year	80,297	35,697	35,297

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, 2014

	2014	2013
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	(7,094)	(7,881)
Decrease in due from Township	(400)	9,958
Non-cash charges to operations		
Amortization of tangible capital assets	45,068	45,044
Net increase in cash from operating transactions	37,574	47,121
CAPITAL		
Acquisition of tangible capital assets	(37,574)	(47,121)
INCREASE 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, 2014

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

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. Such amounts are not expected to change materially in the near term. 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 estimate is:

- 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) Financial Instruments

The Board's financial instrument is due from Township. It is management's opinion that the fair value of the financial instrument is not materially different from its carrying value unless otherwise noted. The Board does not have any significant concentration of credit, currency or interest rate risk.

(d) 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 and periodicals	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.

(e) 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.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Reserves and Reserve Funds

Certain amounts, as approved by the Board, 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) 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.

2. TANGIBLE CAPITAL ASSETS

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

	Equipment	Books	2014	2013
	\$	\$	Totals	Totals
			\$	\$
COST				
Balance, beginning of year	30,629	293,135	323,764	312,741
Add: additions during the year	-	37,574	37,574	47,121
Less: disposals during the year	-	37,666	37,666	36,098
Balance, end of year	30,629	293,043	323,672	323,764
ACCUMULATED AMORTIZATION				
Balance, beginning of year	19,691	141,184	160,875	151,929
Add: additions during the year	4,376	40,692	45,068	45,044
Less: disposals during the year	-	37,666	37,666	36,098
Balance, end of year	24,067	144,210	168,277	160,875
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	6,562	148,833	155,395	162,889

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2014

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014	2013
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	155,395	162,889
Surplus	155,395	162,889
Reserve Funds		
Capital asset acquisitions	35,697	35,297
	191,092	198,186

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2014 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, 2014

INDEPENDENT AUDITORS' 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, 2014, 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.

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 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, 2014 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
Peterborough, Ontario
May 19, 2015

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2014

	2014	2013
	\$	\$
FINANCIAL ASSETS		
Due from Township	25,930	26,167
NET FINANCIAL ASSETS	25,930	26,167
ACCUMULATED SURPLUS (note 2)	25,930	26,167

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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
REVENUES			
Membership contributions	21,000	21,060	21,330
Donations	-	850	-
TOTAL REVENUES	21,000	21,910	21,330
EXPENSES			
Promotion	7,000	4,961	3,233
Administration	4,000	-	-
Networking and communication	3,000	16,630	8,618
Beautification and signage	4,000	100	500
Tourism and events	3,000	456	163
TOTAL EXPENSES	21,000	22,147	12,514
ANNUAL SURPLUS/(DEFICIT)	-	(237)	8,816
ACCUMULATED SURPLUS - beginning of year	26,167	26,167	17,351
ACCUMULATED SURPLUS - end of year	26,167	25,930	26,167

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, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
ANNUAL SURPLUS/(DEFICIT)	-	(237)	8,816
NET FINANCIAL ASSETS - beginning of year	26,167	26,167	17,351
NET FINANCIAL ASSETS - end of year	26,167	25,930	26,167

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, 2014

	2014	2013
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	(237)	8,816
(Increase)/decrease in due from Township	237	(8,816)
<u>Net increase in cash from operating transactions</u>	-	-
INCREASE 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, 2014

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) Financial Instruments

The Board's financial instrument is due from Township. It is management's opinion that the fair value of the financial instrument is not materially different from its carrying value unless otherwise noted. The Board does not have any significant concentration of credit, currency or interest rate risk.

(d) 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.

(e) Reserves and Reserve Funds

Certain amounts, as approved by the Board, 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.

2. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014	2013
	\$	\$
Reserve		
General operations	25,930	26,167

CORPORATION OF THE TOWNSHIP OF SPRINGWATER
ELMVALE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2014 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.