



**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**TABLE OF CONTENTS**

	Page Number
<b>MANAGEMENT REPORT</b>	
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 16
Schedule of Tangible Capital Assets	17
Schedules of Segment Disclosure	18 - 19
<b>TRUST FUNDS</b>	
Independent Auditor's Report	20
Statement of Financial Position	22
Statement of Continuity	23
Notes to the Financial Statements	24
<b>LOCAL BOARDS</b>	
Springwater Township Public Library Board	25 - 35
Elmvale Business Improvement Area	36 - 45

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

For The Year Ended December 31, 2018

**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.

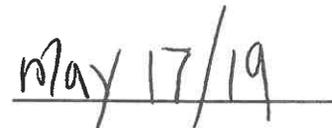
Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Springwater. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial 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 Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.

Mayor

  
\_\_\_\_\_

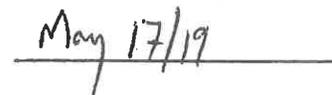
Date

  
\_\_\_\_\_

Director of Finance

  
\_\_\_\_\_

Date

  
\_\_\_\_\_

**INDEPENDENT AUDITOR'S REPORT****To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater***Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Springwater and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2018, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Matter*

The financial statements of the Township as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawarthas LLP, which became Baker Tilly KDN LLP effective January 10, 2019.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

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

In preparing the consolidated financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.

**ASSURANCE • TAX • ADVISORY**

*Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 17, 2019

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At December 31, 2018**

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	6,197,124	14,023,352
Investments (note 4)	21,267,587	15,137,665
Accounts receivable (note 5)	1,831,985	2,189,593
Taxes receivable	2,774,167	2,516,540
<b>TOTAL FINANCIAL ASSETS</b>	<b>32,070,863</b>	<b>33,867,150</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	8,067,274	7,968,377
Deferred revenue - obligatory reserve funds (note 6)	7,421,237	7,906,841
Deferred revenue - other	66,160	60,548
Long term debt (note 7)	4,389,694	4,841,709
<b>TOTAL LIABILITIES</b>	<b>19,944,365</b>	<b>20,777,475</b>
<b>NET FINANCIAL ASSETS</b>	<b>12,126,498</b>	<b>13,089,675</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 10)	150,038,366	146,537,700
Prepaid expenses	154,800	163,794
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>150,193,166</b>	<b>146,701,494</b>
<b>ACCUMULATED SURPLUS (note 11)</b>	<b>162,319,664</b>	<b>159,791,169</b>

*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, 2018**

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
<b>REVENUES</b>			
Property taxation	13,413,580	13,861,148	12,923,423
User charges	5,658,388	6,548,493	6,098,555
Government of Canada	151,570	166,715	46,033
Province of Ontario	1,835,423	1,136,180	880,013
Other municipalities	223,500	229,411	265,301
Penalties and interest on taxes	405,000	377,518	368,879
Investment income	160,000	451,466	272,812
Donations and fundraising	94,219	149,420	92,675
Ontario Community Infrastructure Fund	342,641	482,012	342,641
Development charges earned	5,378,500	2,102,026	3,021,720
Parkland fees earned	87,500	35,861	61,900
Federal gas tax earned	254,607	255,707	254,608
Other	21,160	99,289	288,407
<b>TOTAL REVENUES</b>	<b>28,026,088</b>	<b>25,895,246</b>	<b>24,916,967</b>
<b>EXPENSES</b>			
General government	3,687,196	3,533,834	3,180,847
Protection services	5,502,127	5,473,346	5,154,194
Transportation services	7,426,950	7,302,212	7,240,575
Environmental services	3,495,152	3,301,614	3,011,002
Health services	30,785	30,437	26,181
Recreation and cultural services	2,892,636	3,050,658	2,755,717
Planning and development	1,040,023	674,650	724,609
<b>TOTAL EXPENSES</b>	<b>24,074,869</b>	<b>23,366,751</b>	<b>22,093,125</b>
<b>ANNUAL SURPLUS</b>	<b><u>3,951,219</u></b>	<b>2,528,495</b>	<b>2,823,842</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>159,791,169</b>	<b>156,967,327</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>162,319,664</b>	<b>159,791,169</b>

*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, 2018**

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
<b>ANNUAL SURPLUS</b>	3,951,219	2,528,495	2,823,842
Amortization of tangible capital assets	4,933,754	5,081,609	4,933,754
Purchase of tangible capital assets	(15,200,000)	(8,582,275)	(5,895,642)
Loss/(gain) on disposal of tangible capital assets	-	(25,114)	142,595
Proceeds on disposal of tangible capital assets	-	25,114	27,950
Change in prepaid expenses	-	8,994	(10,214)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(6,315,027)</b>	<b>(963,177)</b>	<b>2,022,285</b>
<b>NET FINANCIAL ASSETS - beginning of year</b>	<b>13,089,675</b>	<b>13,089,675</b>	<b>11,067,390</b>
<b>NET FINANCIAL ASSETS - end of year</b>	<b>6,774,648</b>	<b>12,126,498</b>	<b>13,089,675</b>

*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, 2018**

	2018	2017
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	2,528,495	2,823,842
Items not involving cash		
Amortization of tangible capital assets	5,081,609	4,933,754
Loss/(gain) on disposal of tangible capital assets	(25,114)	142,595
Change in non-cash assets and liabilities		
Accounts receivable	357,608	(465,882)
Taxes receivable	(257,627)	(38,257)
Prepaid expenses	8,994	(10,214)
Accounts payable and accrued liabilities	98,897	1,971,358
Deferred revenue - obligatory reserve funds	(485,604)	(303,949)
Deferred revenue - other	5,612	(133,730)
<b>Net change in cash from operating activities</b>	<b>7,312,870</b>	<b>8,919,517</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(8,582,275)	(5,895,642)
Proceeds on disposal of tangible capital assets	25,114	27,950
<b>Net change in cash from capital activities</b>	<b>(8,557,161)</b>	<b>(5,867,692)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(21,267,587)	(15,142,396)
Redemption of investments	15,137,665	11,611,104
<b>Net change in cash from investing activities</b>	<b>(6,129,922)</b>	<b>(3,531,292)</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(452,015)	(1,158,384)
<b>NET CHANGE IN CASH</b>	<b>(7,826,228)</b>	<b>(1,637,851)</b>
<b>CASH - beginning of year</b>	<b>14,023,352</b>	<b>15,661,203</b>
<b>CASH - end of year</b>	<b>6,197,124</b>	<b>14,023,352</b>

*The accompanying notes are an integral part of these financial statements*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

---

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 consolidated 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.

**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 consolidated 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 consolidated financial statements or 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, 2018

---

### 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, Gas Tax, and Parkland fees are recognized in the period in which the related expenditures are recorded.

User charges 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

	2018	2017
	\$	\$
Unrestricted	3,551,692	10,280,860
Restricted	2,645,432	3,742,492
	6,197,124	14,023,352

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, 2018**

**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 2018-009. At December 31, 2018 there was no balance outstanding (2017 - \$Nil).

**4. INVESTMENTS**

Investments consist of the following:

	2018 Annual Interest	2018 \$	2017 \$
GIC maturing Jan 3, 2019	2.05%	2,525,274	-
GIC maturing July 15, 2020	0.79%	10,817	10,732
GIC maturing July 10, 2018	2.62%	-	7,426
GIC maturing June 17, 2019	2.42%	72,354	-
GIC maturing Jan 29, 2019	2.16%	3,026,985	-
GIC maturing Jan 3, 2019	2.05%	1,515,164	-
GIC maturing March 11, 2019	2.37%	2,006,883	-
GIC maturing May 8, 2019	2.45%	3,010,673	-
GIC maturing Jan 7, 2019	2.03%	6,088,764	-
GIC maturing May 8, 2019	2.45%	3,010,673	-
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
		21,267,587	15,137,665

**5. ACCOUNTS RECEIVABLE**

	2018 \$	2017 \$
Government of Canada	238,662	434,869
Government of Ontario	288,814	502,019
User fees - water and sewer	237,449	254,264
Other	1,067,060	998,441
	1,831,985	2,189,593

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**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:

	2018	2017
	\$	\$
Development charges	5,819,686	6,636,159
Parkland fees	674,604	687,921
Federal gas tax	925,605	582,724
Ontario Community Infrastructure Fund	1,342	37
	<b>7,421,237</b>	<b>7,906,841</b>

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

	2018	2017
	\$	\$
Balance - beginning of year	7,906,841	8,210,790
Add amounts received:		
Development charges	1,137,212	2,328,105
Federal gas tax	580,420	563,846
Ontario Community Infrastructure Fund	482,012	339,713
Interest	180,857	121,356
Parkland fees	9,501	23,900
	<b>2,390,002</b>	<b>3,376,920</b>
Less transfer to operations:		
Development charges earned	2,102,026	3,021,720
Federal gas tax earned	255,707	254,608
Parkland fees earned	35,861	61,900
Ontario Community Infrastructure Funds earned	482,012	342,641
	<b>2,875,606</b>	<b>3,680,869</b>
Balance - end of year	<b>7,421,237</b>	<b>7,906,841</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**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:

	2018 \$	2017 \$
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	1,475,172	1,567,659
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	1,293,960	1,388,483
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	608,862	720,734
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	1,011,700	1,164,833
	<b>4,389,694</b>	<b>4,841,709</b>

- (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, 2018 is \$97,198 (2017 - \$113,704).
- (d) Interest paid during the year on long term debt amounted to \$138,152 (2017 - \$171,380).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2019	465,298	130,245	595,543
2020	478,971	116,571	595,542
2021	493,153	102,389	595,542
2022	507,703	87,840	595,543
2023	522,737	72,805	595,542
2024 and subsequent years	1,921,832	223,040	2,144,872
	<b>4,389,694</b>	<b>732,890</b>	<b>5,122,584</b>

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**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 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
Salaries and benefits	7,718,560	7,392,310	6,765,846
Interest charges	263,528	138,152	171,380
Materials	4,946,348	4,842,986	4,075,511
Contracted services	5,343,003	5,042,749	5,122,390
Rents and financial	654,650	679,033	643,608
External transfers	215,026	215,026	238,043
Amortization	4,933,754	5,081,609	4,933,754
Loss/(Gain) on disposal of tangible capital assets	-	(25,114)	142,593
	24,074,869	23,366,751	22,093,125

**9. CHANGES IN ACCOUNTING POLICIES**

The Township has implemented the following PSA sections which are now effective under the PSA Handbook: 3320 Contingent Assets, 3380 Contractual Rights, 2200 Related Party Disclosures and 3420 Inter-Entity Transactions.

Under Section 3320, a contingent asset is a potential asset that exists at the financial statement date but requires confirmation or disproof at a future date that is not in the control of the public-sector entity. If the contingent asset is deemed to be likely to exist, then this should be disclosed in the notes to the financial statements. Disclosure should include the nature, extent (except in those cases where extent cannot be measured or disclosure would have an adverse effect on the outcome), the reason for any non-disclosure of extent, and when an estimate of the amount has been made, the basis for that estimate. This section has been applied prospectively. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

Under Section 3380, a contractual right arises out of a contract or agreement where it will result in the municipality having both an asset and future revenue. The contract or agreement must be between two or more parties and be enforceable under contract law. Contractual rights are assets and revenues that will occur in the future due to an enforceable agreement in effect at the financial statement date. If a contractual right exists, it should be disclosed in the notes or schedules to the statements and include descriptions about nature, extent and timing. This section has been applied prospectively. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

Section 3240 establishes the standards and requirements on how to account for and Section 2200 establishes the standards and requirements on how to report transactions between public sector entities that comprise the government's reporting entity. These sections have been applied retroactively with restatement of prior periods. The adoption of these standards did not have an impact on the Township's consolidated financial statements.

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**10. TANGIBLE CAPITAL ASSETS**

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

	2018	2017
	\$	\$
<b>General</b>		
Land and land improvements	30,293,768	29,781,516
Buildings	12,136,505	10,938,883
Vehicles machinery and equipment	5,707,193	5,607,804
Furniture and fixtures	10,670	16,048
Books	193,029	178,437
<b>Infrastructure</b>		
Roads	66,327,541	67,597,680
Water	22,840,069	22,622,633
Sewer	9,671,330	9,027,738
	147,180,105	145,770,739
<b>Assets under construction</b>	2,858,261	766,961
	150,038,366	146,537,700

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

During the year there were no write-downs of assets (2017 - \$Nil) and no interest capitalized (2017 - \$Nil).

	2018	2017
	\$	\$
General government	10,221,835	9,555,895
Protection services	3,477,533	3,475,223
Transportation services	91,744,213	91,640,852
Environmental services	35,713,208	34,242,494
Health services	8,049	1,481
Recreation and cultural services	8,873,528	7,621,755
	150,038,366	146,537,700

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**11. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2018	2017
	\$	\$
<b>Surplus/(Deficit)</b>		
Municipal drains	(57,840)	(53,787)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	150,038,366	146,537,700
Long term debt	(4,389,694)	(4,841,709)
Unfunded roads capital projects	(3,366,258)	(3,266,609)
	142,282,414	138,429,382
<b>Surplus</b>	142,224,574	138,375,595
<b>Reserves</b>		
Working funds	1,431,533	1,441,154
Capital asset acquisitions	6,157,464	6,845,070
General operations	3,196,971	3,462,995
<b>Total Reserves</b>	10,785,968	11,749,219
<b>Reserve Funds</b>		
Capital assets acquisitions	9,234,944	9,635,636
Recreation programs and facilities	74,178	30,719
<b>Total Reserve Funds</b>	9,309,122	9,666,355
	162,319,664	159,791,169

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**12. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE**

During 2018, 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	7,385,321	9,847,976
Taxation from other governments	24,000	103,929
<b>Amounts requisitioned and remitted</b>	<b>7,409,321</b>	<b>9,951,905</b>

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

**13. BUDGET FIGURES**

The budget, approved by the Township, for 2018 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	22,700,000	22,700,000
Capital	15,200,000	15,200,000
<b>Total Council approved budget</b>	<b>37,900,000</b>	<b>37,900,000</b>
Less: Tangible capital assets capitalized	-	(15,200,000)
Add: Amortization of tangible capital assets	-	4,933,754
Less: Long term debt proceeds	(1,891,913)	-
Less: Principal repayment of long term debt	-	(666,015)
Less: Reserve and reserve fund transfers	(7,627,563)	(2,538,434)
Less: Reclassifications for financial statement purposes	(354,436)	(354,436)
<b>Adjusted budget per Consolidated Statement of Operations</b>	<b>28,026,088</b>	<b>24,074,869</b>

**14. TRUST FUNDS**

Trust funds administered by the Township amounting to \$187,638 (2017 - \$189,190) 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.

**15. 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 2018 Annual Report disclosed total actuarial liabilities of \$100,081 million in respect of benefits accrued for service with actuarial assets of \$95,890 million indicating an actuarial deficit of \$4,191 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 2018 were \$469,572 (2017 - \$424,319).

**16. 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.

**17. 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.

**18. 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.

---

**18. 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, 2018

	General				Infrastructure				Totals	
	Land and Land Improvements	Buildings	Vehicles Machinery and Equipment	Furniture and Fixtures	Books	Roads	Water	Sewer		Assets Under Construction
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>COST</b>										
Balance, beginning of year	31,724,102	16,402,877	11,646,780	147,439	316,311	120,236,537	31,175,845	13,207,080	766,961	225,623,932
Add: additions during the year	691,238	1,555,697	803,856	-	49,604	1,962,091	607,062	821,427	2,091,300	8,582,275
Less: disposals during the year	-	-	234,756	-	41,986	-	-	-	-	276,742
Balance, end of year	32,415,340	17,958,574	12,215,880	147,439	323,929	122,198,628	31,782,907	14,028,507	2,858,261	233,929,465
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	1,942,586	5,463,994	6,038,976	131,391	137,874	52,638,857	8,553,212	4,179,342	-	79,086,232
Add: additions during the year	178,986	358,075	704,467	5,378	35,012	3,232,230	389,626	177,835	-	5,081,609
Less: disposals during the year	-	-	234,756	-	41,986	-	-	-	-	276,742
Balance, end of year	2,121,572	5,822,069	6,508,687	136,769	130,900	55,871,087	8,942,838	4,357,177	-	83,891,099
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>30,293,768</b>	<b>12,136,505</b>	<b>5,707,193</b>	<b>10,670</b>	<b>193,029</b>	<b>66,327,541</b>	<b>22,840,069</b>	<b>9,671,330</b>	<b>2,858,261</b>	<b>150,038,366</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2018

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>								
Property taxation	3,771,353	2,204,048	5,231,187	-	-	2,082,887	571,673	13,861,148
User charges	853,475	165,890	694,244	4,005,452	15,897	638,098	175,437	6,548,493
Government transfers - operating	1,018,527	41,253	-	32,421	-	71,956	56,258	1,220,415
Government transfers - capital	-	-	1,680	80,800	-	-	-	82,480
Other municipalities	-	193,040	-	-	-	21,371	15,000	229,411
Penalties and interest on taxes	377,518	-	-	-	-	-	-	377,518
Investment income	451,466	-	-	-	-	-	-	451,466
Donations and fundraising	149,420	-	-	-	-	-	-	149,420
Ontario Community Infrastructure	-	-	-	-	-	-	-	-
Fund earned	482,012	-	-	-	-	-	-	482,012
Development charges earned	3,959	358,100	468,176	139,172	-	1,132,417	202	2,102,026
Parkland fees earned	-	-	-	-	-	35,861	-	35,861
Federal gas tax earned	-	-	255,707	-	-	-	-	255,707
Other	86,309	(5,055)	(3,447)	-	-	422	21,060	99,289
<b>Total revenues</b>	<b>7,194,039</b>	<b>2,957,276</b>	<b>6,647,547</b>	<b>4,257,845</b>	<b>15,897</b>	<b>3,983,012</b>	<b>839,630</b>	<b>25,895,246</b>
<b>Expenses</b>								
Salaries and benefits	2,050,499	1,593,956	1,672,879	112,081	-	1,483,229	479,666	7,392,310
Interest charges	91,513	-	46,639	-	-	-	-	138,152
Materials	1,070,915	756,508	619,225	1,164,073	25,371	1,070,179	136,715	4,842,986
Contracted services	274,091	2,606,442	724,634	1,203,849	5,066	171,170	57,497	5,042,749
Rents and financial	43,877	940	623,650	272	-	10,294	-	679,033
External transfers	-	215,026	-	-	-	-	-	215,026
Amortization	273,196	229,603	3,680,582	602,918	-	295,310	-	5,081,609
Loss (gain) on disposal of tangible capital assets	-	(1,200)	(23,914)	-	-	-	-	(25,114)
Internal transfers	(270,257)	72,071	(41,483)	218,421	-	20,476	772	-
<b>Total expenses</b>	<b>3,533,834</b>	<b>5,473,346</b>	<b>7,302,212</b>	<b>3,301,614</b>	<b>30,437</b>	<b>3,050,658</b>	<b>674,650</b>	<b>23,366,751</b>
<b>Net surplus/(deficit)</b>	<b>3,660,205</b>	<b>(2,516,070)</b>	<b>(654,665)</b>	<b>956,231</b>	<b>(14,540)</b>	<b>932,354</b>	<b>164,980</b>	<b>2,528,495</b>

# 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 \$
<b>Revenues</b>								
Property taxation	3,639,176	1,965,685	5,008,782	-	-	1,811,222	498,558	12,923,423
User charges	1,292,000	161,017	106,800	3,605,372	15,851	676,555	240,960	6,098,555
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	368,879	-	-	-	-	-	-	368,879
Investment income	272,812	-	-	-	-	-	-	272,812
Donations and fundraising	92,675	-	-	-	-	-	-	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	88,602	52,035	17,201	-	-	54,635	75,934	288,407
<b>Total revenues</b>	<b>6,381,584</b>	<b>3,541,051</b>	<b>6,581,980</b>	<b>4,564,592</b>	<b>15,851</b>	<b>2,946,365</b>	<b>885,544</b>	<b>24,916,967</b>
<b>Expenses</b>								
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	941,847	564,368	588,164	947,136	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	(201,072)	66,089	(31,227)	152,428	-	13,398	384	-
<b>Total expenses</b>	<b>3,180,847</b>	<b>5,154,194</b>	<b>7,240,575</b>	<b>3,011,002</b>	<b>26,181</b>	<b>2,755,717</b>	<b>724,609</b>	<b>22,093,125</b>
<b>Net surplus/(deficit)</b>	<b>3,200,737</b>	<b>(1,613,143)</b>	<b>(658,595)</b>	<b>1,553,590</b>	<b>(10,330)</b>	<b>190,648</b>	<b>160,935</b>	<b>2,823,842</b>

**Baker Tilly KDN LLP**  
272 Charlotte Street  
Peterborough, ON  
Canada K9J 2V4

## **INDEPENDENT AUDITOR'S REPORT**

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

D: 705.742.3418  
F: 705.742.9775

[www.bakertilly.ca](http://www.bakertilly.ca)

### *Opinion*

We have audited the financial statements of the Trust Fund of the Corporation of the Township of Springwater (the Trust Fund), which comprise the statement of financial position as at December 31, 2018, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2018, and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements of the Trust Fund as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawartha LLP, which became Baker Tilly KDN LLP effective January 10, 2019.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund's financial reporting process.

## **ASSURANCE • TAX • ADVISORY**

*Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 17, 2019

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2018**

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2018 Total \$	2017 Total \$
<b>FINANCIAL ASSETS</b>					
Cash	20,219	-	-	20,219	19,849
Investments (note 2)	-	12,244	155,175	167,419	169,341
	20,219	12,244	155,175	187,638	189,190
<b>FUND BALANCES</b>	20,219	12,244	155,175	187,638	189,190

*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, 2018**

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2018 Total \$	2017 Total \$
<b>BALANCES - beginning of year</b>	19,849	12,244	157,097	189,190	187,094
<b>RECEIPTS</b>					
Investment income	370	434	-	804	2,759
Perpetual care receipts	-	-	1,982	1,982	1,815
	370	434	1,982	2,786	4,574
<b>EXPENSES</b>					
Transfer to Township	-	434	3,013	3,447	2,478
Investment fees	-	-	891	891	-
	-	434	3,904	4,338	2,478
<b>BALANCES - end of year</b>	20,219	12,244	155,175	187,638	189,190

*The accompanying notes are an integral part of these financial statements*

**TRUST FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

---

**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, 2018. Interest rates range on the GIC's from 1.01% to 1.94% and maturity dates from 2019 to 2020.

**3. CEMETERY CARE AND MAINTENANCE FUND**

The Cemetery Care and Maintenance Fund administered by the Cemetery 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, 2018**

**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****D: 705.742.3418**  
**F: 705.742.9775****[www.bakertilly.ca](http://www.bakertilly.ca)***Qualified Opinion*

We have audited the financial statements of the Springwater Township Public Library Board of the Corporation of the Township of Springwater (the Board), which comprise the statement of financial position as at December 31, 2018, the statements of operations and accumulated surplus, change in net financial assets (liabilities) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2018, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Qualified Opinion*

In common with many Public Library Boards, the Board derives revenue from donations, fines, and user fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fines, and user fees revenue, annual surplus/(deficit), assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

*Other Matter*

The financial statements of the Board as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawarthas LLP, which became Baker Tilly KDN LLP effective January 10, 2019.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

**ASSURANCE • TAX • ADVISORY**

*Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 17, 2019

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2018**

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Township	74,178	30,719
<b>NET FINANCIAL ASSETS</b>	74,178	30,719
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	193,030	178,437
<b>ACCUMULATED SURPLUS (note 4)</b>	267,208	209,156

---

*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, 2018**

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
<b>REVENUES</b>			
Contributions from Township	602,000	645,555	519,767
Contributions from Township - development charges	45,000	44,644	45,267
Fines and user fees	16,600	31,425	26,198
Province of Ontario	30,000	29,779	37,229
Other municipalities	13,500	13,871	10,979
Other grants	5,000	5,492	3,363
Interest	-	676	394
Donations	5,500	12,008	5,676
<b>TOTAL REVENUES</b>	<b>717,600</b>	<b>783,450</b>	<b>648,873</b>
<b>EXPENSES</b>			
Salaries and benefits	597,627	589,850	481,726
Materials and supplies	49,925	45,352	56,727
Utilities, services and rent	63,603	55,184	65,834
Amortization	34,961	35,012	34,961
<b>TOTAL EXPENSES</b>	<b>746,116</b>	<b>725,398</b>	<b>639,248</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(28,516)</u></b>	<b>58,052</b>	<b>9,625</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>209,156</b>	<b>199,531</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>267,208</b>	<b>209,156</b>

*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 (LIABILITIES)  
For the Year Ended December 31, 2018**

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(28,516)	58,052	9,625
Amortization of tangible capital assets	34,961	35,012	34,961
Acquisition of tangible capital assets	(50,000)	(49,605)	(50,297)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS (LIABILITIES)</b>	(43,555)	43,459	(5,711)
<b>NET FINANCIAL ASSETS - beginning of year</b>	30,719	30,719	36,430
<b>NET FINANCIAL ASSETS (LIABILITIES) - end of year</b>	(12,836)	74,178	30,719

*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, 2018**

	2018	2017
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	58,052	9,625
Items not involving cash		
Amortization of tangible capital assets	35,012	34,961
Change in non-cash assets and liabilities		
Change in due from Township	(43,459)	5,711
<b>Net change in cash from operating activities</b>	<b>49,605</b>	<b>50,297</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(49,605)	(50,297)
<b>NET CHANGE IN CASH</b>	<b>-</b>	<b>-</b>
<b>CASH - beginning of year</b>	<b>-</b>	<b>-</b>
<b>CASH - end of year</b>	<b>-</b>	<b>-</b>

---

*The accompanying notes are an integral part of these financial statements*

**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.

**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.

(g) Inter-Entity Transactions

The Springwater Township Public Library Board is a Board of the Township of Springwater and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

**2. CHANGES IN ACCOUNTING POLICIES**

The Board has implemented the following PSA sections which are now effective under the PSA Handbook: 3320 Contingent Assets, 3380 Contractual Rights, 2200 Related Party Disclosures and 3420 Inter-Entity Transactions.

Under Section 3320, a contingent asset is a potential asset that exists at the financial statement date but requires confirmation or disproof at a future date that is not in the control of the public-sector entity. If the contingent asset is deemed to be likely to exist, then this should be disclosed in the notes to the financial statements. Disclosure should include the nature, extent (except in those cases where extent cannot be measured or disclosure would have an adverse effect on the outcome), the reason for any non-disclosure of extent, and when an estimate of the amount has been made, the basis for that estimate. This section has been applied prospectively. The adoption of this standard did not have an impact on the Board's financial statements.

Under Section 3380, a contractual right arises out of a contract or agreement where it will result in the public sector entity having both an asset and future revenue. The contract or agreement must be between two or more parties and be enforceable under contract law. Contractual rights are assets and revenues that will occur in the future due to an enforceable agreement in effect at the financial statement date. If a contractual right exists, it should be disclosed in the notes or schedules to the statements and include descriptions about nature, extent and timing. This section has been applied prospectively. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3240 establishes the standards and requirements on how to account for and Section 2200 establishes the standards and requirements on how to report transactions between public sector entities that comprise the government's reporting entity. These sections have been applied retroactively with restatement of prior periods. The adoption of these standards resulted in additional disclosure in note 6.

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**3. TANGIBLE CAPITAL ASSETS**

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

	Equipment \$	Books \$	2018 Totals \$	2017 Totals \$
<b>COST</b>				
Balance, beginning of year	30,629	316,312	346,941	332,541
Add: additions during the year	-	49,605	49,605	50,297
Less: disposals during the year	-	41,986	41,986	35,897
<b>Balance, end of year</b>	<b>30,629</b>	<b>323,931</b>	<b>354,560</b>	<b>346,941</b>
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	30,629	137,875	168,504	169,440
Add: additions during the year	-	35,012	35,012	34,961
Less: disposals during the year	-	41,986	41,986	35,897
<b>Balance, end of year</b>	<b>30,629</b>	<b>130,901</b>	<b>161,530</b>	<b>168,504</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>193,030</b>	<b>193,030</b>	<b>178,437</b>

**4. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2018 \$	2017 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	193,030	178,437
<b>Surplus</b>	<b>193,030</b>	<b>178,437</b>
<b>Reserve Fund</b>		
Capital asset acquisitions	74,178	30,719
	<b>267,208</b>	<b>209,156</b>

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

---

**5. BUDGET FIGURES**

The operating budget, approved by the Board, for 2018 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets (Liabilities). 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.

**6. INTER-ENTITY TRANSACTIONS**

During the year, the Board entered into transactions with the Township of Springwater.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus. In addition, the Township collects and remits development charges to the Board for library capital expenditures. These revenues are reported on the Statement of Operations and Accumulated Surplus.

Details of the Inter-Entity expense transactions are as follows:

	2018	2017
	\$	\$
Allocated costs:		
Insurance	7,601	7,179
Audit fees	1,500	1,500
Facility rent	6,200	6,200
	<hr/>	<hr/>
	15,301	14,879

In addition, the following services are provided to the Board by the Township at no cost.

- Accounting and administrative services
- Professional services

All balances with the Township of Springwater have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.



**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**

**ELMVALE BUSINESS IMPROVEMENT AREA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**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****D: 705.742.3418**  
**F: 705.742.9775****[www.bakertilly.ca](http://www.bakertilly.ca)***Opinion*

We have audited the financial statements of the Elmvale Business Improvement Area of the Corporation of the Township of Springwater (the Board), which comprise the statement of financial position as at December 31, 2018, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2018, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Matter*

The financial statements of the Board as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawarthas LLP, which became Baker Tilly KDN LLP effective January 10, 2019.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

**ASSURANCE • TAX • ADVISORY**

*Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 17, 2019

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**



**ELMVALE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2018**

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Township	54,946	45,444
<b>NET FINANCIAL ASSETS</b>	54,946	45,444
<b>ACCUMULATED SURPLUS (note 3)</b>	54,946	45,444

---

*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, 2018**

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
<b>REVENUES</b>			
Members' tax levy	21,060	21,060	21,060
<b>EXPENSES</b>			
Networking and communication	10,000	4,660	5,766
Promotion	7,000	1,215	-
Administration	1,000	1,000	1,000
Tourism and events	3,060	4,683	1,629
<b>TOTAL EXPENSES</b>	21,060	11,558	8,395
<b>ANNUAL SURPLUS</b>	-	9,502	12,665
<b>ACCUMULATED SURPLUS - beginning of year</b>		45,444	32,779
<b>ACCUMULATED SURPLUS - end of year</b>		54,946	45,444

*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, 2018**

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
<b>ANNUAL SURPLUS</b>	-	9,502	12,665
<b>NET FINANCIAL ASSETS - beginning of year</b>	45,444	45,444	32,779
<b>NET FINANCIAL ASSETS - end of year</b>	45,444	54,946	45,444

---

*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, 2018**

	2018	2017
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	9,502	12,665
Change in non-cash assets and liabilities		
Due from Township	(9,502)	(12,665)
<b>NET CHANGE IN CASH</b>	-	-
<b>CASH - beginning of year</b>	-	-
<b>CASH - end of year</b>	-	-

---

*The accompanying notes are an integral part of these financial statements*

**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.

(e) Inter-Entity Transactions

The Elmvale Business Improvement Area is a Board of the Township of Springwater and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

**ELMVALE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

---

**2. CHANGES IN ACCOUNTING POLICIES**

The Board has implemented the following PSA sections which are now effective under the PSA Handbook: 3320 Contingent Assets, 3380 Contractual Rights, 2200 Related Party Disclosures and 3420 Inter-Entity Transactions.

Under Section 3320, a contingent asset is a potential asset that exists at the financial statement date but requires confirmation or disproval at a future date that is not in the control of the public-sector entity. If the contingent asset is deemed to be likely to exist, then this should be disclosed in the notes to the financial statements. Disclosure should include the nature, extent (except in those cases where extent cannot be measured or disclosure would have an adverse effect on the outcome), the reason for any non-disclosure of extent, and when an estimate of the amount has been made, the basis for that estimate. This section has been applied prospectively. The adoption of this standard did not have an impact on the Board's financial statements.

Under Section 3380, a contractual right arises out of a contract or agreement where it will result in the public sector entity having both an asset and future revenue. The contract or agreement must be between two or more parties and be enforceable under contract law. Contractual rights are assets and revenues that will occur in the future due to an enforceable agreement in effect at the financial statement date. If a contractual right exists, it should be disclosed in the notes or schedules to the statements and include descriptions about nature, extent and timing. This section has been applied prospectively. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3240 establishes the standards and requirements on how to account for and Section 2200 establishes the standards and requirements on how to report transactions between public sector entities that comprise the government's reporting entity. These sections have been applied retroactively with restatement of prior periods. The adoption of these standards resulted in additions to the Board's revenues and expenses as disclosed in note 5.

**3. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2018	2017
	\$	\$
<b>Reserve</b>		
General operations	54,946	45,444
	<b>54,946</b>	<b>45,444</b>

**ELMVALE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

---

**4. BUDGET FIGURES**

The operating budget, approved by the Board, for 2018 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.

**5. INTER-ENTITY TRANSACTIONS**

During the year, the Board entered into transactions with the Township of Springwater.

As part of the budgeting process, the Township approves a contribution to the organization which is identified on the Statement of Operations and Accumulated Surplus. The contribution is based on an additional tax levy on the businesses within the geographical boundaries of the Elmvale Business Improvement Area. The Township bills the tax levy and contributes this tax levy adjusted for any applicable supplementary tax billing or tax write-off annually to the organization.

Details of the related party expense transactions are as follows:

	2018	2017
	\$	\$
Allocated costs:		
Audit fees	1,000	1,000
	1,000	1,000

In addition, the following services are provided to the Board by the Township at no cost:

- Accounting and administrative services
- Professional services

All balances with the Township of Springwater have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.