

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

*Draft May 11, 2017*

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

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# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

For The Year Ended December 31, 2016

## MANAGEMENT REPORT

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

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

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

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

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

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

Mayor \_\_\_\_\_ Date \_\_\_\_\_

Director of Finance \_\_\_\_\_ Date \_\_\_\_\_

## **INDEPENDENT AUDITOR'S REPORT**

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

#### *Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Springwater and its local boards, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Springwater and its local boards as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 17, 2017

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2016

	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	15,661,203	22,762,881
Investments (note 4)	11,606,373	296,819
Accounts receivable (note 5)	1,723,711	1,269,260
Taxes receivable	2,478,283	2,722,500
<b>TOTAL FINANCIAL ASSETS</b>	<b>31,469,570</b>	<b>27,051,460</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	5,997,019	5,457,919
Deferred revenue - obligatory reserve funds (note 7)	8,210,790	5,499,001
Deferred revenue - other	194,278	-
Long term debt (note 8)	6,000,093	6,481,554
<b>TOTAL LIABILITIES</b>	<b>20,402,180</b>	<b>17,438,474</b>
<b>NET FINANCIAL ASSETS</b>	<b>11,067,390</b>	<b>9,612,986</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 9)	145,746,357	146,489,606
Prepaid expenses	153,580	94,950
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>145,899,937</b>	<b>146,584,556</b>
<b>ACCUMULATED SURPLUS (note 11)</b>	<b>156,967,327</b>	<b>156,197,542</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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>REVENUES</b>			
Property taxation	11,971,282	11,990,302	11,554,865
User charges	4,755,660	6,288,572	5,339,268
Government of Canada	5,000	7,141	7,078
Province of Ontario	865,500	930,773	855,687
Other municipalities	202,500	321,271	249,108
Penalties and interest on taxes	462,000	399,023	467,203
Investment income	140,000	249,809	210,390
Donations and fundraising	54,000	196,056	146,118
Other	21,060	47,358	52,395
Contributed tangible capital assets	-	292,199	-
Ontario Community Infrastructure Fund	179,679	181,087	180,317
Development charges earned	1,479,400	986,360	1,247,772
Federal gas tax earned	263,642	288,550	637,416
<b>TOTAL REVENUES</b>	<b>20,399,723</b>	<b>22,178,501</b>	<b>20,947,617</b>
<b>EXPENSES</b>			
General government	3,052,273	2,978,387	2,924,188
Protection services	5,084,507	4,996,779	4,417,352
Transportation services	7,046,066	7,147,251	6,846,127
Environmental services	3,185,057	2,828,111	2,760,900
Health services	33,700	41,158	42,991
Recreation and cultural services	2,533,882	2,547,792	2,547,071
Planning and development	879,028	869,238	621,904
<b>TOTAL EXPENSES</b>	<b>21,814,513</b>	<b>21,408,716</b>	<b>20,160,533</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(1,414,790)</u></b>	<b>769,785</b>	<b>787,084</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>156,197,542</b>	<b>155,410,458</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>156,967,327</b>	<b>156,197,542</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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(1,414,790)	769,785	787,084
Amortization of tangible capital assets	4,938,619	4,981,076	4,938,619
Purchase of tangible capital assets	(6,613,142)	(4,290,942)	(5,025,799)
Loss on disposal of tangible capital assets	-	313,321	82,813
Proceeds on disposal of tangible capital assets	-	31,993	21,978
Contributed tangible capital assets	-	(292,199)	-
Change in prepaid expenses	-	(58,630)	35,605
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(3,089,313)	1,454,404	840,300
<b>NET FINANCIAL ASSETS - beginning of year</b>	9,612,986	9,612,986	8,772,686
<b>NET FINANCIAL ASSETS - end of year</b>	6,523,673	11,067,390	9,612,986

*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, 2016

	2016	2015
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	769,785	787,084
Items not involving cash		
Amortization of tangible capital assets	4,981,076	4,938,619
Loss on disposal of tangible capital assets	313,321	82,813
Contributed tangible capital assets	(292,199)	-
Change in non-cash assets and liabilities		
Accounts receivable	(454,451)	160,134
Taxes receivable	244,217	293,714
Prepaid expenses	(58,630)	35,605
Accounts payable and accrued liabilities	539,100	695,265
Deferred revenue - obligatory reserve funds	2,711,789	1,224,277
Deferred revenue - other	194,278	-
<b>Net change in cash from operating activities</b>	<b>8,948,286</b>	<b>8,217,511</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(4,290,942)	(5,025,799)
Proceeds on disposal of tangible capital assets	31,993	21,978
<b>Net change in cash from capital activities</b>	<b>(4,258,949)</b>	<b>(5,003,821)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(11,601,222)	(83,147)
Redemption of investments	291,668	82,720
<b>Net change in cash from investing activities</b>	<b>(11,309,554)</b>	<b>(427)</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(481,461)	(467,986)
<b>NET CHANGE IN CASH</b>	<b>(7,101,678)</b>	<b>2,745,277</b>
<b>CASH - beginning of year</b>	<b>22,762,881</b>	<b>20,017,604</b>
<b>CASH - end of year</b>	<b>15,661,203</b>	<b>22,762,881</b>

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, 2016

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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.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (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.

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 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.

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

#### (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) 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.

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# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (g) 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.

#### (h) 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.

### 2. CASH

	2016	2015
	\$	\$
Unrestricted	8,605,362	6,592,608
Restricted	7,055,841	16,170,273
	15,661,203	22,762,881

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

### 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 2016-002. At December 31, 2016 there was no balance outstanding (2015 - \$Nil).

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 4. INVESTMENTS

Investments consist of the following:

	Annual Interest	Actual 2016 \$	Actual 2015 \$
GIC maturing March 7, 2017	1.14%	8,513,577	-
GIC maturing March 7, 2017	1.14%	3,004,792	-
GIC maturing September 19, 2017	1.15%	70,119	-
GIC maturing July 15, 2020	0.79%	10,648	10,565
GIC maturing July 10, 2018	2.62%	7,237	6,931
GIC maturing February 12, 2016	1.50%	-	21,957
GIC maturing January 5, 2016	3.15%	-	97,952
GIC maturing January 5, 2016	3.15%	-	53,616
GIC maturing January 20, 2016	3.30%	-	27,447
GIC maturing June 14, 2016	3.00%	-	10,164
GIC maturing February 12, 2016	1.50%	-	32,423
Cash held within the investments		-	35,764
		11,606,373	296,819

### 5. ACCOUNTS RECEIVABLE

	2016 \$	2015 \$
Government of Canada	210,540	174,032
Government of Ontario	269,700	272,112
User fees - water and sewer	229,817	156,498
Other	1,013,654	666,618
	1,723,711	1,269,260

### 6. TRUST FUNDS

Trust funds administered by the Township amounting to \$187,094 (2015 - \$183,414) 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.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 7. 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:

	2016	2015
	\$	\$
Development charges	7,226,892	4,804,991
Parkland fees	717,541	693,676
Federal gas tax	266,320	-
Ontario Community Infrastructure Fund	37	334
	8,210,790	5,499,001

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

	2016	2015
	\$	\$
Balance - beginning of year	5,499,001	4,274,724
Add amounts received:		
Development charges	3,354,435	2,514,963
Federal gas tax	554,037	527,655
Ontario Community Infrastructure Fund	179,679	179,679
Interest	65,635	66,085
Parkland fees	14,000	1,400
	4,167,786	3,289,782
Less transfer to operations:		
Development charges earned	986,360	1,247,772
Federal gas tax earned	288,550	637,416
Ontario Community Infrastructure Funds earned	181,087	180,317
	1,455,997	2,065,505
Balance - end of year	8,210,790	5,499,001

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 8. LONG TERM DEBT

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

	2016	2015
	\$	\$
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	1,656,328	1,741,337
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	1,481,178	1,571,978
Bank loan repayable in blended monthly installments of \$6,329 including principal and interest with interest of 2.79%, due December 2017	719,216	774,069
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	829,518	935,297
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	1,313,853	1,458,873
	<b>6,000,093</b>	<b>6,481,554</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, 2016 is \$151,239 (2015 - \$134,742).
- (d) Interest paid during the year on long term debt amounted to \$185,251 (2015 - \$203,422).

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 8. LONG TERM DEBT, continued

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

	Principal \$	Interest \$	Total \$
2017	1,158,043	175,705	1,333,748
2018	452,015	162,859	614,874
2019	465,298	130,245	595,543
2020	478,971	116,521	595,492
2021	493,153	102,389	595,542
2022 and subsequent years	2,952,613	383,685	3,336,298
	6,000,093	1,071,404	7,071,497

### 9. TANGIBLE CAPITAL ASSETS

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

	2016 \$	2015 \$
General		
Land and land improvements	29,892,342	29,477,083
Buildings	11,183,357	11,323,442
Vehicles machinery and equipment	4,265,883	3,525,308
Furniture and fixtures	26,748	38,714
Books	163,100	152,278
Infrastructure		
Roads	67,804,918	69,135,239
Water	22,998,243	23,373,853
Sewer	9,195,977	9,364,219
	145,530,568	146,390,136
Assets under construction	215,789	99,470
	145,746,357	146,489,606

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

During the year there were no write-downs of assets (2015 - \$Nil) and no interest capitalized (2015 - \$Nil).

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 9. TANGIBLE CAPITAL ASSETS, continued

	2016	2015
	\$	\$
General government	9,785,667	9,804,473
Protection services	2,994,596	2,497,831
Transportation services	91,592,278	93,134,780
Environmental services	34,034,165	33,596,275
Recreation and cultural services	7,339,651	7,456,247
	<b>145,746,357</b>	<b>146,489,606</b>

### 10. EXPENSES BY OBJECT

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

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
Salaries and benefits	6,568,623	6,230,696	6,024,090
Interest charges	349,947	185,251	227,785
Materials	4,161,923	3,803,014	3,691,772
Contracted services	4,955,034	5,133,972	4,503,015
Rents and financial	646,664	567,683	503,439
External transfers	193,703	193,703	189,000
Amortization	4,938,619	4,981,076	4,938,619
Loss on disposal of tangible capital assets	-	313,321	82,813
	<b>21,814,513</b>	<b>21,408,716</b>	<b>20,160,533</b>



# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 11. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2016	2015
	\$	\$
<b>Surplus/(Deficit)</b>		
Township	443,265	-
Community centres	86,821	70,782
Municipal drains	(71,116)	(63,116)
	458,970	7,666
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	145,746,357	146,489,606
Long term debt	(6,000,093)	(6,481,554)
Unfunded capital (note 12(b))	(2,559,357)	(2,675,821)
	137,186,907	137,332,231
<b>Surplus</b>	137,645,877	137,339,897
<b>Reserves</b>		
Working funds	1,749,275	1,847,848
Capital asset acquisitions	5,188,122	5,245,395
General operations	3,098,516	3,163,599
<b>Total Reserves</b>	10,035,913	10,256,842
<b>Reserve Funds</b>		
Capital assets acquisitions	9,249,107	8,564,742
Recreation programs and facilities	36,430	36,061
<b>Total Reserve Funds</b>	9,285,537	8,600,803
	156,967,327	156,197,542

(b) Unfunded capital consists of the following:

	2016	2015
	\$	\$
Roads capital projects	(2,559,357)	(2,675,821)

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 12. BUDGET FIGURES

The budget, approved by the Township, for 2016 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

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

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating	21,289,747	21,289,747
Capital	6,563,142	6,563,142
<b>Total Council approved budget</b>	<b>27,852,889</b>	<b>27,852,889</b>
Less: Tangible capital assets capitalized	-	(6,613,142)
Add: Amortization of tangible capital assets	-	4,938,619
Less: Long term debt proceeds	(790,000)	-
Less: Principal repayment of long term debt	-	(481,461)
Less: Reserve transfers	(5,731,207)	(2,950,433)
Add: Reclassifications for financial statement purposes	(931,959)	(931,959)
<b>Adjusted budget per Consolidated Statement of Operations</b>	<b>20,399,723</b>	<b>21,814,513</b>

### 13. 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 2016 Annual Report disclosed total actuarial liabilities of \$87,554 million in respect of benefits accrued for service with actuarial assets of \$81,834 million indicating an actuarial deficit of \$5,720 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 2016 were \$773,458 (2015 - \$798,632).

### 14. 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.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 15. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2016, 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	7,024,698	8,640,826
Taxation from other governments	18,837	95,246
<b>Amounts requisitioned and remitted</b>	<b>7,043,535</b>	<b>8,736,072</b>

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

### 16. COMPARATIVE FIGURES

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

### 17. SEGMENTED INFORMATION

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

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

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

#### General Government

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

#### 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.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

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### 17. SEGMENTED INFORMATION, continued

#### **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.

Draft May 11, 2017

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2016

	General					Infrastructure			Assets Under Construction	Totals
	Land and Land Improvements	Buildings	Vehicles Machinery and Equipment	Furniture and Fixtures	Books	Roads	Water	Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>										
Balance, beginning of year	31,111,278	16,113,913	8,722,110	147,439	297,434	115,824,772	31,175,845	13,207,078	99,470	216,699,339
Add: additions during the year	570,129	194,933	1,403,029	-	50,885	2,247,846	-	-	116,319	4,583,141
Less: disposals during the year	-	-	318,309	-	46,409	726,764	-	-	-	1,091,482
Balance, end of year	31,681,407	16,308,846	9,806,830	147,439	301,910	117,345,854	31,175,845	13,207,078	215,789	220,190,998
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	1,634,195	4,790,471	5,196,802	108,725	145,156	46,689,533	7,801,992	3,842,859	-	70,209,733
Add: additions during the year	154,870	335,018	662,454	11,966	40,063	3,232,853	375,610	168,242	-	4,981,076
Less: disposals during the year	-	-	318,309	-	46,409	381,450	-	-	-	746,168
Balance, end of year	1,789,065	5,125,489	5,540,947	120,691	138,810	49,540,936	8,177,602	4,011,101	-	74,444,641
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>29,892,342</b>	<b>11,183,357</b>	<b>4,265,883</b>	<b>26,748</b>	<b>163,100</b>	<b>67,804,918</b>	<b>22,998,243</b>	<b>9,195,977</b>	<b>215,789</b>	<b>145,746,357</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	3,376,413	1,823,755	4,647,129	-	-	1,680,444	462,561	11,990,302
User charges	34,819	1,403,225	65,939	3,723,726	15,618	778,508	266,737	6,288,572
Government transfers - operating	282,193	279,893	320,581	-	-	42,468	12,779	937,914
Other municipalities	-	245,350	-	-	-	25,921	50,000	321,271
Penalties and interest on taxes	112,364	60,692	154,651	-	-	55,923	15,393	399,023
Investment income	160,379	10,500	802	76,386	-	369	1,373	249,809
Donations and fundraising	116,678	2,075	-	-	-	77,303	-	196,056
Other	7,654	265	14,971	-	-	3,327	21,141	47,358
Contributed tangible capital assets	292,199	-	-	-	-	-	-	292,199
Ontario Community Infrastructure Fund earned	-	-	181,087	-	-	-	-	181,087
Development charges earned	5,757	17,274	753,170	103,269	-	106,547	343	986,360
Federal gas tax earned	-	-	288,550	-	-	-	-	288,550
<b>Total revenues</b>	<b>4,388,456</b>	<b>3,843,029</b>	<b>6,426,880</b>	<b>3,903,381</b>	<b>15,618</b>	<b>2,770,810</b>	<b>830,327</b>	<b>22,178,501</b>
<b>Expenses</b>								
Salaries and benefits	1,603,096	1,329,967	1,495,555	79,642	54	1,287,613	434,769	6,230,696
Interest charges	102,332	-	62,016	20,903	-	-	-	185,251
Materials	836,722	604,137	540,754	922,769	35,435	751,594	111,603	3,803,014
Contracted services	274,165	2,610,208	589,588	1,120,701	5,651	211,611	322,048	5,133,972
Rents and financial	39,916	650	505,831	-	-	21,286	-	567,683
External transfers	-	193,703	-	-	-	-	-	193,703
Amortization	303,632	197,590	3,660,446	550,550	-	268,858	-	4,981,076
Loss (gain) on disposal of tangible capital assets	-	(1,465)	317,839	-	-	(3,053)	-	313,321
Internal transfers	(181,476)	61,989	(24,778)	133,546	18	9,883	818	-
<b>Total expenses</b>	<b>2,978,387</b>	<b>4,996,779</b>	<b>7,147,251</b>	<b>2,828,111</b>	<b>41,158</b>	<b>2,547,792</b>	<b>869,238</b>	<b>21,408,716</b>
<b>Net surplus/(deficit)</b>	<b>1,410,069</b>	<b>(1,153,750)</b>	<b>(720,371)</b>	<b>1,075,270</b>	<b>(25,540)</b>	<b>223,018</b>	<b>(38,911)</b>	<b>769,785</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2015

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	3,262,859	1,815,488	4,426,992	-	-	1,680,775	368,751	11,554,865
User charges	30,854	1,042,758	121,871	3,245,029	40,489	710,300	147,967	5,339,268
Government transfers - operating	274,753	262,092	257,360	15,000	-	50,929	2,631	862,765
Other municipalities	-	175,337	-	-	-	21,271	52,500	249,108
Penalties and interest on taxes	131,928	73,406	178,999	-	-	67,960	14,910	467,203
Investment income	126,509	9,832	792	72,825	-	432	-	210,390
Donations and fundraising	85,703	2,915	-	-	-	57,500	-	146,118
Other	6,430	1,087	17,255	-	-	6,026	21,597	52,395
Ontario Community Infrastructure Fund earned	-	-	180,317	-	-	-	-	180,317
Development charges earned	34,503	40,256	644,495	289,372	-	239,146	-	1,247,772
Federal gas tax earned	-	-	637,416	-	-	-	-	637,416
<b>Total revenues</b>	<b>3,953,539</b>	<b>3,423,171</b>	<b>6,465,497</b>	<b>3,622,226</b>	<b>40,489</b>	<b>2,834,339</b>	<b>608,356</b>	<b>20,947,617</b>
<b>Expenses</b>								
Salaries and benefits	1,580,280	1,316,265	1,460,167	43,288	15	1,263,288	360,787	6,024,090
Interest charges	107,911	-	97,479	22,395	-	-	-	227,785
Materials	791,541	493,251	570,419	965,428	36,283	761,281	73,569	3,691,772
Contracted services	267,758	2,152,282	604,181	1,057,507	6,693	227,902	186,692	4,503,015
Rents and financial	35,979	-	446,451	-	-	21,009	-	503,439
External transfers	-	189,000	-	-	-	-	-	189,000
Amortization	327,488	198,063	3,612,480	542,493	-	258,095	-	4,938,619
Loss (gain) on disposal of tangible capital assets	-	2,778	81,966	-	-	(1,931)	-	82,813
Internal transfers	(186,769)	65,713	(27,016)	129,789	-	17,427	856	-
<b>Total expenses</b>	<b>2,924,188</b>	<b>4,417,352</b>	<b>6,846,127</b>	<b>2,760,900</b>	<b>42,991</b>	<b>2,547,071</b>	<b>621,904</b>	<b>20,160,533</b>
<b>Net surplus/(deficit)</b>	<b>1,029,351</b>	<b>(994,181)</b>	<b>(380,630)</b>	<b>861,326</b>	<b>(2,502)</b>	<b>287,268</b>	<b>(13,548)</b>	<b>787,084</b>

## **INDEPENDENT AUDITOR'S REPORT**

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

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Springwater, which comprise the statement of financial position as at December 31, 2016, the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Springwater as at December 31, 2016 and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 17, 2017



# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2016

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2016 Total \$	2015 Total \$
<b>FINANCIAL ASSETS</b>					
Cash	19,619	-	-	19,619	19,421
Investments (note 2)	-	12,244	155,231	167,475	161,303
Due from Township	-	-	-	-	2,690
	19,619	12,244	155,231	187,094	183,414
<b>FUND BALANCES</b>	19,619	12,244	155,231	187,094	183,414

Draft May 11, 2017

*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, 2016

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2016 Total \$	2015 Total \$
<b>BALANCES - beginning of year</b>	19,421	12,244	151,749	183,414	174,348
<b>RECEIPTS</b>					
Net investment income	198	41	2,817	3,056	4,412
Perpetual care receipts	-	-	2,415	2,415	7,140
	198	41	5,232	5,471	11,552
<b>EXPENSES</b>					
Transfer to Township	-	41	1,750	1,791	2,486
<b>BALANCES - end of year</b>	19,619	12,244	155,231	187,094	183,414

*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, 2016

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### 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, 2016. Interest rates range on the GIC's from 1.01% to 1.94% and maturity dates from 2017 to 2020.

### 3. CEMETERY CARE AND MAINTENANCE FUND

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

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**

**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

*Draft May 11, 2017*

## **INDEPENDENT AUDITOR'S REPORT**

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

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Springwater Township Public Library Board of the Corporation of the Township of Springwater, which comprise the statement of financial position as at December 31, 2016, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Basis for Qualified Opinion*

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

#### *Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Springwater Township Public Library Board as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario

May 17, 2017

Draft May 11, 2017

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2016

	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Township	36,430	36,061
<b>NET FINANCIAL ASSETS</b>	36,430	36,061
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	163,101	154,467
<b>ACCUMULATED SURPLUS (note 3)</b>	199,531	190,528

Draft May 11, 2017

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*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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>REVENUES</b>			
Contributions from Township	505,636	496,217	484,304
Contributions from Township - development charges	45,000	45,796	42,231
Fines and miscellaneous	14,900	15,848	17,364
Government of Canada	-	-	1,320
Province of Ontario	30,000	33,801	38,027
Other municipalities	13,500	13,421	13,771
Other grants	5,000	7,141	5,758
Interest	-	374	432
Donations	4,500	5,482	18,333
<b>TOTAL REVENUES</b>	<b>618,536</b>	<b>618,080</b>	<b>621,540</b>
<b>EXPENSES</b>			
Salaries and benefits	468,986	472,612	465,563
Materials and supplies	41,700	36,750	59,058
Utilities, services and rent	57,850	57,464	52,833
Amortization	44,650	42,251	44,650
<b>TOTAL EXPENSES</b>	<b>613,186</b>	<b>609,077</b>	<b>622,104</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>5,350</u></b>	<b>9,003</b>	<b>(564)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>190,528</b>	<b>191,092</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>199,531</b>	<b>190,528</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 For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	5,350	9,003	(564)
Amortization of tangible capital assets	44,650	42,251	44,650
Acquisition of tangible capital assets	(50,000)	(50,885)	(43,722)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	-	369	364
<b>NET FINANCIAL ASSETS - beginning of year</b>	36,061	36,061	35,697
<b>NET FINANCIAL ASSETS - end of year</b>	36,061	36,430	36,061

*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, 2016

	2016	2015
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	9,003	(564)
Items not involving cash		
Amortization of tangible capital assets	42,251	44,650
Change in non-cash assets and liabilities		
Decrease in due from Township	(369)	(364)
<b>Net change in cash from operating activities</b>	<b>50,885</b>	<b>43,722</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(50,885)	(43,722)
<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*

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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#### 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. 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 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.

(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.

(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.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 2. TANGIBLE CAPITAL ASSETS

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

	Equipment \$	Books \$	2016 Totals \$	2015 Totals \$
<b>COST</b>				
Balance, beginning of year	30,629	297,436	328,065	323,672
Add: additions during the year	-	50,885	50,885	43,722
Less: disposals during the year	-	46,409	46,409	39,329
Balance, end of year	30,629	301,912	332,541	328,065
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	28,442	145,156	173,598	168,277
Add: additions during the year	2,187	40,064	42,251	44,650
Less: disposals during the year	-	46,409	46,409	39,329
Balance, end of year	30,629	138,811	169,440	173,598
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	-	163,101	163,101	154,467

### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2016 \$	2015 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	163,101	154,467
<b>Surplus</b>	163,101	154,467
<b>Reserve Funds</b>		
Capital asset acquisitions	36,430	36,061
	199,531	190,528

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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#### 4. BUDGET FIGURES

The operating budget, approved by the Board, for 2016 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.

Draft May 11, 2017

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**

**ELMVALE BUSINESS IMPROVEMENT AREA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

*Draft May 11, 2017*

## **INDEPENDENT AUDITOR'S REPORT**

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

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Elmvale Business Improvement Area of the Corporation of the Township of Springwater, which comprise the statement of financial position as at December 31, 2016, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Elmvale Business Improvement Area as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 17, 2017

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## ELMVALE BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2016

	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Township	32,779	27,501
<b>NET FINANCIAL ASSETS</b>	32,779	27,501
<b>ACCUMULATED SURPLUS (note 2)</b>	32,779	27,501

Draft May 11, 2017

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*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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>REVENUES</b>			
Membership contributions	21,060	21,060	21,060
<b>EXPENSES</b>			
Networking and communication	10,000	11,857	10,217
Promotion	9,000	2,686	4,400
Administration	2,060	1,039	1,000
Beautification and signage	-	-	948
Tourism and events	-	200	2,924
<b>TOTAL EXPENSES</b>	21,060	15,782	19,489
<b>ANNUAL SURPLUS</b>	-	5,278	1,571
<b>ACCUMULATED SURPLUS - beginning of year</b>		27,501	25,930
<b>ACCUMULATED SURPLUS - end of year</b>		32,779	27,501

*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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>ANNUAL SURPLUS</b>	-	5,278	1,571
<b>NET FINANCIAL ASSETS - beginning of year</b>	27,501	27,501	25,930
<b>NET FINANCIAL ASSETS - end of year</b>	27,501	32,779	27,501

Draft May 11, 2017

*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, 2016

	2016	2015
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	5,278	1,571
Change in non-cash assets and liabilities		
(Increase)/decrease in due from Township	(5,278)	(1,571)
<b>NET CHANGE IN CASH</b>	-	-
<b>CASH - beginning of year</b>	-	-
<b>CASH - end of year</b>	-	-

Draft May 11, 2017

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*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, 2016**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Recognition of Revenue and Expenses

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

(b) Use of Estimates

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

(c) Tangible Capital Assets

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

(d) Reserves

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

**2. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2016	2015
	\$	\$
<b>Reserve</b>		
General operations	32,779	27,501

**3. BUDGET FIGURES**

The operating budget, approved by the Board, for 2016 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.