

TOWNSHIP OF AMARANTH
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

TOWNSHIP OF AMARANTH
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

	Page
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 13
Consolidated Schedule of Segmented Disclosure	14
Consolidated Schedule of Tangible Capital Assets	15
Consolidated Schedule of Deferred Revenue - Obligatory Reserve Funds	16
Consolidated Schedule of Accumulated Surplus	17
TRUST FUNDS	
INDEPENDENT AUDITOR'S REPORT	18
FINANCIAL STATEMENTS	
Statement of Financial Position	19
Statement of Continuity	20
Notes to the Financial Statements	21



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Township of Amaranth

We have audited the accompanying consolidated financial statements of the Township of Amaranth, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, 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 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.

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 consolidated 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit 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 consolidated financial position of the Township of Amaranth as at December 31, 2016 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.

Guelph, Ontario
October 18, 2017

Chartered Professional Accountants
Licensed Public Accountants

TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash	\$ 857,637	\$ 839,425
Taxes receivable	873,748	974,457
Accounts receivable	564,795	281,524
Notes receivable (note 3)	41,508	69,714
Tile drainage loans receivable (note 4)	<u>237,846</u>	<u>161,321</u>
	<u>2,575,534</u>	<u>2,326,441</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,020,011	1,014,829
Tile drainage loan payable (note 4)	237,846	161,321
Deferred taxation revenue	69,310	66,687
Deferred revenue - Obligatory reserve funds (schedule 3)	601,946	483,036
Long term debt (note 5)	78,221	98,221
Landfill site closure and post-closure liability (note 6)	<u>120,816</u>	<u>120,816</u>
	<u>2,128,150</u>	<u>1,944,910</u>
NET FINANCIAL ASSETS	<u>447,384</u>	<u>381,531</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2) (note 11)	16,193,737	16,370,943
Inventory	805,099	866,060
Prepaid expenses	<u>630</u>	<u>0</u>
	<u>16,999,466</u>	<u>17,237,003</u>
ACCUMULATED SURPLUS (schedule 4) (note 11)	<u>\$ 17,446,850</u>	<u>\$ 17,618,534</u>

TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 Budget (note 2)	2016 Actual	2015 Actual
REVENUE			
Taxation revenue	\$ 2,951,097	\$ 2,952,394	\$ 2,836,792
Fees and user charges	221,000	304,425	311,925
Ontario grants	283,105	287,774	277,890
Other income (note 7)	234,000	395,324	237,449
Obligatory reserve fund revenue recognized (schedule 3)	<u>275,800</u>	<u>218,000</u>	<u>204,631</u>
	<u>3,965,002</u>	<u>4,157,917</u>	<u>3,868,687</u>
EXPENSES (schedule 1)			
General government	740,671	852,709	755,641
Protection services	871,068	885,715	834,912
Transportation services	2,286,398	1,998,950	2,002,985
Environmental services	217,649	213,690	225,358
Health services	7,600	7,475	11,694
Recreation and cultural services	255,796	227,544	220,194
Planning and development	<u>183,358</u>	<u>143,518</u>	<u>147,591</u>
	<u>4,562,540</u>	<u>4,329,601</u>	<u>4,198,375</u>
ANNUAL DEFICIT (note 11)	\$ <u>(597,538)</u>	\$ <u>(171,684)</u>	\$ <u>(329,688)</u>
ACCUMULATED SURPLUS, beginning of year (note 11)		\$ 17,618,534	\$ 17,948,222
Annual deficit (note 11)		<u>(171,684)</u>	<u>(329,688)</u>
ACCUMULATED SURPLUS, end of year (note 11)		\$ <u>17,446,850</u>	\$ <u>17,618,534</u>

TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 Budget (note 2)	2016 Actual	2015 Actual
Annual deficit	\$ (597,538)	\$ (171,684)	\$ (329,688)
Acquisition of tangible capital assets	(415,750)	(656,821)	(665,850)
Amortization of tangible capital assets	1,008,089	804,009	885,965
Gain on disposal of tangible capital assets	0	(51,514)	(36,134)
Proceeds on sale of tangible capital assets	0	81,532	105,842
Consumption of gravel inventory	54,000	60,961	67,293
Acquisition of prepaid expense	<u>0</u>	<u>(630)</u>	<u>0</u>
	<u>646,339</u>	<u>237,537</u>	<u>357,116</u>
INCREASE IN NET FINANCIAL ASSETS	<u>\$ 48,801</u>	65,853	27,428
NET FINANCIAL ASSETS, beginning of year		<u>381,531</u>	<u>354,103</u>
NET FINANCIAL ASSETS, end of year		<u>\$ 447,384</u>	<u>\$ 381,531</u>

TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual deficit	\$ (171,684)	\$ (329,688)
Items not requiring an outlay of cash		
Amortization of tangible capital assets	804,009	885,965
Gain on disposal of tangible capital assets	(51,514)	(36,134)
Consumption of gravel inventory	<u>60,961</u>	<u>67,293</u>
	<u>641,772</u>	<u>587,436</u>
Net changes in non-cash working capital		
Taxes receivable	100,709	(88,570)
Accounts receivable	(283,271)	23,561
Prepaid expenses	(630)	0
Accounts payable and accrued liabilities	5,182	66,405
Deferred taxation revenue	2,623	16,329
Deferred revenue - Obligatory reserve funds	<u>118,910</u>	<u>33,770</u>
	<u>(56,477)</u>	<u>51,495</u>
	<u>585,295</u>	<u>638,931</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(656,821)	(665,850)
Proceeds on disposal of tangible capital assets	<u>81,532</u>	<u>105,842</u>
	<u>(575,289)</u>	<u>(560,008)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Long term debt	(20,000)	(20,000)
Tile drainage payable	<u>76,525</u>	<u>(27,847)</u>
	<u>56,525</u>	<u>(47,847)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Change in long term receivables	(76,525)	27,847
Change in notes receivable	<u>28,206</u>	<u>26,613</u>
	<u>(48,319)</u>	<u>54,460</u>
NET INCREASE IN CASH	18,212	85,536
CASH, beginning of year	<u>839,425</u>	<u>753,889</u>
CASH, end of year	<u>\$ 857,637</u>	<u>\$ 839,425</u>

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Amaranth are the representation of management, prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The management of the Township of Amaranth acknowledges its responsibility for the creation and compilation of the following significant accounting policy decisions and the related policy notes.

(b) **BASIS OF CONSOLIDATION**

(i) These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures for the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the boards and municipal enterprises which are under the control of Council. The following boards and municipal enterprises owned or controlled by Council have been consolidated:

- (a) The Shelburne District Fire Board
Proportionate consolidation: 12.87% in 2016; 13.05% in 2015
- (b) The Grand Valley and District Fire Board
Proportionate consolidation: operating - 25.00% in 2016; 25.00% in 2015
capital - 28.00% in 2016; 28.00% in 2015

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of the interest income and expenditures on loans or advances between reserve funds and any other fund of the municipality.

(ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Dufferin are not reflected in the municipal fund balances of these financial statements.

(iii) Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds' Statement of Continuity and Statement of Financial Position.

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) BASIS OF ACCOUNTING

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Consolidated Schedule of Accumulated Surplus.

(d) DEFERRED REVENUE

The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

(e) AMOUNTS TO BE RECOVERED

Amounts to be recovered are reported in the municipal position on the Consolidated Schedule of Accumulated Surplus. The balance represents the outstanding principal portion of unmatured long term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.

(f) REVENUE RECOGNITION

Revenues are recognized in the period in which the transactions or events occur that give rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with reasonable certainty or when their estimation is not practical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer requirements give rise to an obligation that meets the definition of a liability, in which case the transfer would be recorded as deferred revenue, and would be recognized as revenue when the related expenditure occurs or the conditions of recognition as revenue are met.

Taxation revenue is recognized when it is authorized and in the period for which the tax is levied. Fees and user charges are recognized when the municipal service is provided. Obligatory reserve fund revenue is recognized when the related expenditure occurs.

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) **NON-FINANCIAL ASSETS**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in Net Financial Assets for the year.

(i) Tangible capital assets

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

Land improvements	15 to 20 years
Buildings	25 to 50 years
Vehicles	6 to 20 years
Furniture and equipment	2 to 20 years
Road bases	60 years
Road surfaces	2 to 15 years
Bridges and infrastructure	25 to 100 years

Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

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

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

2. BUDGET AMOUNTS

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of operations and change in net financial assets for comparative purposes. The 2016 budget amounts for the Corporation of the Township of Amaranth approved by Council have been restated to conform to the basis of preparation of these statements.

3. NOTES RECEIVABLE

	2016	2015
Water loan receivable for the capital costs of upgrades to provide water service to users of the system as set out in By-Law Number 50-2006	\$ <u>41,508</u>	\$ <u>69,714</u>

Loans receivable in the amount of \$0 (2015 - \$25,495) were due from 68 ratepayers, bore interest at 6% per annum and were recoverable in annual instalments of \$398, which commenced in April 2006 and which matured in April 2016. Loans receivable in the amount of \$41,508 (2015 - \$44,219) are due from 21 ratepayers, bear interest at 7.5% per annum and are recoverable in annual instalments of \$287, which commenced in April 2006 and will mature in April 2026.

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

4. TILE DRAINAGE LOANS

	2016	2015
The township is contingently liable for long term liabilities with respect to tile drainage loans. The total amount of loans outstanding at the end of the year is	\$ 237,846	\$ 161,321
The responsibility of the tile drainage loans for payment of principal and interest charges has been assumed by individuals. At the end of the year, the outstanding principal receivable from individuals is	<u>237,846</u>	<u>161,321</u>
	<u>\$ 0</u>	<u>\$ 0</u>

Future principal payments and recoveries from individuals are as follows:

2017	\$ 27,479
2018	27,894
2019	29,306
2020	27,061
2021	28,439
Thereafter	<u>97,667</u>
	<u>\$ 237,846</u>

5. LONG TERM DEBT

The balance of long term debt on the Consolidated Statement of Financial Position is made up of the following:

	2016	2015
Water operating loan - demand instalment loan maturing by December 2021, bearing interest at bank's prime rate, with \$20,000 annual repayments	\$ <u>78,221</u>	\$ <u>98,221</u>

6. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY

	2016	2015
Landfill closure and post-closure liability	\$ <u>120,816</u>	\$ <u>120,816</u>

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of this landfill, removing of ground water and leachates, and ongoing environmental monitoring, site inspections and maintenance.

The liability is expected to be funded through budget allocations over the remaining life of the landfill, however during the 2012 fiscal year, the County of Dufferin assumed garbage collection and disposal responsibility and the landfill site ceased to be used for a significant volume of garbage. At year end, the township was undertaking a process of considering various options for the site, which would impact the timeline to close the site. Accordingly, the liability has not been adjusted due to the uncertainty of the outcome of this process.

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

7. OTHER INCOME

	2016	2015
Penalties and interest on taxation	\$ 125,985	\$ 123,541
Other fines and penalties	1,722	1,750
Investment income	8,289	10,655
Donations	6,348	6,103
Gain on disposal of tangible capital assets	51,514	36,134
Annual turbine amenities agreement	184,787	88,000
Other	<u>16,679</u>	<u>(28,734)</u>
	<u>\$ 395,324</u>	<u>\$ 237,449</u>

8. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF DUFFERIN

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Dufferin:

	2016	2015
School boards	\$ 1,359,978	\$ 1,343,615
County of Dufferin	<u>2,318,893</u>	<u>2,208,708</u>
	<u>\$ 3,678,871</u>	<u>\$ 3,552,323</u>

9. TRUST FUNDS

The trust funds administered by the municipality amounting to \$20,765 (2015 - \$17,825) have not been included in the Consolidated Statement of Financial Position, nor have the operations been included in the Consolidated Statement of Operations. At December 31, 2016, the trust fund balances are as follows:

	2016	2015
Cemetery care funds	<u>\$ 20,765</u>	<u>\$ 17,825</u>

10. TANGIBLE CAPITAL ASSETS

	Net 2016	Net 2015
General		
Land and land improvements	\$ 1,737,033	\$ 1,747,403
Buildings	1,015,234	1,040,561
Vehicles	1,093,539	1,034,416
Furniture and equipment	238,522	196,943
Infrastructure		
Roads	8,341,908	8,515,380
Bridges and infrastructure	<u>3,767,501</u>	<u>3,836,240</u>
	<u>\$ 16,193,737</u>	<u>\$ 16,370,943</u>

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

11. PRIOR PERIOD RESTATEMENT

During the year management discovered adjustments were required to the tangible capital assets due to improperly calculating amortization. The changes to the prior period are as follows:

- (a) The net book value of tangible capital assets was increased by \$926,528 from \$15,444,415 to \$16,370,943. The net effect of this change is a decrease in the annual deficit of \$139,257 and an increase in the accumulated surplus beginning balance of \$787,271.

As a result of these changes, the accumulated surplus ending balance for the prior period increased by \$926,528 from \$16,692,006 to \$17,618,534.

12. SEGMENTED INFORMATION

The Township of Amaranth is a diversified municipal government institution that provides a wide range of services to its citizens, including Government and Administration services, Protection Services (i.e. building inspection, fire and emergency services, bylaw enforcement, animal control), Transportation Services (i.e. roadways, street lighting and sidewalks), Environmental Services (i.e. storm water management, source water protection and municipal drinking water), Recreation and Parks, and Planning and Community Development Services. For management reporting purposes, the government's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments and their activities are reported in these funds.

TOWNSHIP OF AMARANTH
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2016	2015
EXPENSES									
Salaries and benefits	\$ 458,115	\$ 93,863	\$ 589,078	\$ 63	\$ 0	\$ 6,017	\$ 73,970	\$ 1,221,106	\$ 1,135,414
Materials	32,516	27,819	590,190	1,700	780	15,070	681	668,756	625,878
Contracted services	236,107	664,137	90,924	92,693	6,695	18,565	65,942	1,175,063	1,071,228
Rents and financial expenses	100,707	11,348	97,507	21,872	0	4,722	2,925	239,081	249,287
Interest on long term debt	0	0	0	2,848	0	0	0	2,848	3,138
Amortization (note 11)	25,264	44,805	631,251	94,514	0	8,175	0	804,009	885,965
Other	<u>0</u>	<u>43,743</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>174,995</u>	<u>0</u>	<u>218,738</u>	<u>227,465</u>
	<u>\$ 852,709</u>	<u>\$ 885,715</u>	<u>\$ 1,998,950</u>	<u>\$ 213,690</u>	<u>\$ 7,475</u>	<u>\$ 227,544</u>	<u>\$ 143,518</u>	<u>\$ 4,329,601</u>	<u>\$ 4,198,375</u>

See notes to the consolidated financial statements

TOWNSHIP OF AMARANTH
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 2

	Land and Land Improvements	Buildings	Vehicles	Transportation Infrastructure	Furniture and Equipment	Environmental Infrastructure	Assets under Construction	2016	2015
COST									
Balance, beginning of year	\$ 1,925,466	\$ 2,562,905	\$ 3,099,650	\$ 16,963,822	\$ 713,030	\$ 5,463,095	\$ 0	\$ 30,727,968	\$ 30,572,521
Additions during the year	0	41,845	230,960	306,544	77,472	0	0	656,821	665,850
Disposals during the year	0	(59,666)	(223,236)	(323,231)	(37,379)	0	0	(643,512)	(510,403)
Other	0	0	0	0	0	0	0	0	0
Balance, end of year	<u>1,925,466</u>	<u>2,545,084</u>	<u>3,107,374</u>	<u>16,947,135</u>	<u>753,123</u>	<u>5,463,095</u>	<u>0</u>	<u>30,741,277</u>	<u>30,727,968</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	178,063	1,522,344	2,065,234	8,448,442	516,087	1,626,855	0	14,357,025	13,968,005
Amortization (note 11)	10,370	67,172	171,837	452,586	33,305	68,739	0	804,009	885,965
Accumulated amortization on disposals	0	(59,666)	(223,236)	(295,801)	(34,791)	0	0	(613,494)	(496,945)
Balance, end of year	<u>188,433</u>	<u>1,529,850</u>	<u>2,013,835</u>	<u>8,605,227</u>	<u>514,601</u>	<u>1,695,594</u>	<u>0</u>	<u>14,547,540</u>	<u>14,357,025</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 1,737,033</u>	<u>\$ 1,015,234</u>	<u>\$ 1,093,539</u>	<u>\$ 8,341,908</u>	<u>\$ 238,522</u>	<u>\$ 3,767,501</u>	<u>\$ 0</u>	<u>\$ 16,193,737</u>	<u>\$ 16,370,943</u>

See notes to the consolidated financial statements

TOWNSHIP OF AMARANTH

CONSOLIDATED SCHEDULE OF DEFERRED REVENUE -
OBLIGATORY RESERVE FUNDS

Schedule 3

FOR THE YEAR ENDED DECEMBER 31, 2016

	Dec. 31, 2015	Contributions Received	Investment Income	Revenue Recognized	Dec. 31, 2016
Obligatory Reserve Funds					
Development charges	\$ 398,531	\$ 210,481	\$ 4,915	\$ (125,000)	\$ 488,927
Federal gas tax funding	65,344	120,488	209	(93,000)	93,041
Recreational land	<u>19,161</u>	<u>750</u>	<u>67</u>	<u>0</u>	<u>19,978</u>
	<u>\$ 483,036</u>	<u>\$ 331,719</u>	<u>\$ 5,191</u>	<u>\$ (218,000)</u>	<u>\$ 601,946</u>

TOWNSHIP OF AMARANTH
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 4

	2016	2015
SURPLUSES		
Invested in tangible capital assets	\$ 16,193,737	\$ 16,370,943
Waterworks systems	29,086	18,717
Shelburne and District Fire Department	7,623	10,539
Grand Valley and District Fire Department	8,510	9,992
General revenue fund	625,527	647,465
Unfunded		
Landfill closure and post-closure costs (note 5)	<u>(120,816)</u>	<u>(120,816)</u>
	<u>16,743,667</u>	<u>16,936,840</u>
RESERVES		
Working Capital Reserves		
Working funds	128,160	153,160
Capital Reserves		
Capital purposes	<u>425,202</u>	<u>417,349</u>
	<u>553,362</u>	<u>570,509</u>
RESERVE FUNDS		
Capital purposes	<u>149,821</u>	<u>111,185</u>
	<u>\$ 17,446,850</u>	<u>\$ 17,618,534</u>

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Township of Amaranth

We have audited the accompanying financial statements of the trust funds of the Township of Amaranth, which comprise the statement of financial position as at December 31, 2016 and 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 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.

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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of the Township of Amaranth 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.



Guelph, Ontario
October 18, 2017

Chartered Professional Accountants
Licensed Public Accountants

TOWNSHIP OF AMARANTH
 TRUST FUNDS
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2016

	2016	2015
ASSETS		
Cash	\$ <u>20,765</u>	\$ <u>17,825</u>
FUND BALANCE		
Fund balance	\$ <u>20,765</u>	\$ <u>17,825</u>

**TOWNSHIP OF AMARANTH
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
BALANCE, beginning of year	\$ 17,825	\$ 14,842
Care and maintenance and burial fees	1,350	1,000
Plot sales	1,500	1,700
Marker sales	0	200
Interest earned	<u>90</u>	<u>83</u>
BALANCE, end of year	<u>\$ 20,765</u>	<u>\$ 17,825</u>

TOWNSHIP OF AMARANTH - TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the trust funds of the Corporation of the Township of Amaranth are the representation of management prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) BASIS OF ACCOUNTING

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.