

CORPORATION OF THE TOWNSHIP OF RAMARA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

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**THE CORPORATION OF THE
TOWNSHIP OF RAMARA**
Proud History – Progressive Future

CORPORATION OF THE TOWNSHIP OF RAMARA

For The Year Ended December 31, 2016

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Ramara 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.

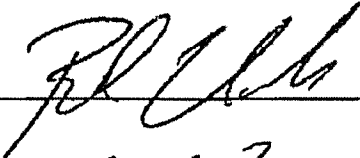
The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted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

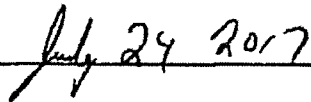
Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Ramara. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial 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



Treasurer



Date





Collins Barrow Kawartha LLP
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Ramara 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/(liabilities) 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 Ramara 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.

Other Matters

The consolidated financial statements of the Corporation of the Township of Ramara and its local boards for the year ended December 31, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on September 28, 2016.

Collins Barrow Kawartha LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 31, 2017

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments	243,192	359,113
Accounts receivable	1,388,256	1,605,343
Taxes receivable	2,299,656	2,556,588
Land held for sale	1,355,432	1,341,401
Long-term receivables (note 3)	2,057,084	2,148,412
TOTAL FINANCIAL ASSETS	7,341,620	8,010,855
LIABILITIES		
Temporary borrowing (note 12)	-	330,533
Accounts payable and accrued liabilities	3,013,729	5,825,959
Deferred revenue - obligatory reserve funds (note 4)	665,974	255,848
Long term debt (note 5)	10,663,201	10,925,630
TOTAL LIABILITIES	14,342,904	17,337,770
NET FINANCIAL ASSETS/(LIABILITIES)	(7,001,284)	(9,326,915)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 6)	58,267,444	59,809,561
Prepaid expenses	220,842	66,151
TOTAL NON-FINANCIAL ASSETS	58,488,286	59,875,712
ACCUMULATED SURPLUS (note 7)	51,487,002	50,548,797

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
REVENUES			
Property taxation	10,026,769	9,903,802	8,793,929
User charges	3,112,097	3,580,170	3,050,345
Government of Canada	2,500	25,578	74,816
Province of Ontario	1,209,405	1,220,913	1,454,945
Other municipalities	50,000	55,000	-
Penalties and interest	350,000	372,185	363,871
Investment income	7,500	73,410	9,224
Federal gas tax earned	281,990	281,990	268,561
Aggregate Resources Act	185,000	263,978	183,993
Other	143,100	161,337	157,895
Gain (loss) on disposal of tangible capital assets	-	(5,342)	(87,601)
TOTAL REVENUES	15,368,361	15,933,021	14,269,978
EXPENSES			
General government	2,619,286	2,319,831	2,372,798
Protection services	3,234,915	3,398,630	3,162,841
Transportation services	4,114,354	4,527,932	4,413,906
Environmental services	2,975,397	3,094,688	3,113,061
Health services	56,533	46,579	44,183
Recreation and cultural services	1,307,382	1,371,627	1,300,125
Planning and development	290,277	235,529	352,978
TOTAL EXPENSES	14,598,144	14,994,816	14,759,892
ANNUAL SURPLUS/(DEFICIT)	<u>770,217</u>	938,205	(489,914)
ACCUMULATED SURPLUS - beginning of year		50,548,797	51,038,711
ACCUMULATED SURPLUS - end of year		51,487,002	50,548,797

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES) For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
ANNUAL SURPLUS/(DEFICIT)	770,217	938,205	(489,914)
Amortization of tangible capital assets	2,593,847	2,623,772	2,593,846
Purchase of tangible capital assets	(713,049)	(1,086,997)	(1,700,355)
Loss on disposal of tangible capital assets	-	5,342	87,601
Proceeds on sale of tangible capital assets	-	-	96,397
Change in prepaid expenses	-	(154,691)	21,254
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	2,651,015	2,325,631	608,829
NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year	(9,326,915)	(9,326,915)	(9,935,744)
NET FINANCIAL ASSETS/(LIABILITIES) - end of year	(6,675,900)	(7,001,284)	(9,326,915)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2016

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	938,205	(489,914)
Items not involving cash		
Amortization of tangible capital assets	2,623,772	2,593,846
Loss on disposal of tangible capital assets	5,342	87,601
Change in non-cash assets and liabilities		
Accounts receivable	219,087	60,171
Taxes receivable	256,930	(263,458)
Land held for sale	(14,031)	11,876
Long-term receivables	91,328	87,748
Prepaid expenses	(154,691)	21,254
Accounts payable and accrued liabilities	(2,812,230)	878,706
Deferred revenue - obligatory reserve funds	410,326	143,960
Net change in cash from operating activities	1,564,038	3,131,790
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,086,997)	(1,700,355)
Proceeds on disposal of tangible capital assets	-	96,397
Net change in cash from capital activities	(1,086,997)	(1,603,958)
FINANCING ACTIVITIES		
Debt principal repayments	(262,429)	(251,458)
Decrease in temporary borrowing	(330,533)	(1,289,181)
Net change in cash from financing activities	(592,962)	(1,540,639)
NET CHANGE IN CASH	(115,921)	(12,807)
CASH - beginning of year	359,113	371,920
CASH - end of year	243,192	359,113

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

The Township of Ramara 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 Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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:

- Library Board
- Lagoon City Parks & Waterways

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) 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	10-40 years
Buildings and structures	20-60 years
Furniture and office equipment	4-10 years
Machinery and equipment	5-30 years
Vehicles	8-20 years
Roadways	20-50 years
Water and sewer	10-80 years
Parks and waterways	10-50 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.

CORPORATION OF THE TOWNSHIP OF RAMARA

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

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 taxation

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

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

Government funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Other revenue

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.

Investment income is recorded when earned.

Federal gas tax, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

(e) 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.

(f) Reserves and Reserve Funds

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

CORPORATION OF THE TOWNSHIP OF RAMARA

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Use of Estimates

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

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

2. 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 \$
Amounts requisitioned and remitted	4,803,713	6,463,671

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

3. LONG-TERM RECEIVABLES

Long-term receivables consist of the following:

	2016 \$	2015 \$
Brechin sewer assessment	2,034,544	2,101,030
Simcoe road sewer assessment	22,540	27,400
McNabb drain assessment	-	19,982
	2,057,084	2,148,412

CORPORATION OF THE TOWNSHIP OF RAMARA

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

4. 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	652,114	250,737
Parkland	13,860	4,911
	<u>665,974</u>	<u>255,648</u>

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

	2016	2015
	\$	\$
Balance - beginning of year	255,648	111,688
Add amounts received:		
Development charges	399,039	140,139
Parkland	8,900	2,700
Federal gas tax	281,990	268,561
Interest	2,387	1,121
	<u>692,316</u>	<u>412,521</u>
Less transfer to operations:		
Federal gas tax earned	281,990	268,561
Balance - end of year	<u>665,974</u>	<u>255,648</u>

CORPORATION OF THE TOWNSHIP OF RAMARA

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

5. 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
	\$	\$
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$188,261, interest at 5.91% per annum, due December 1, 2038	4,601,987	4,702,074
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$81,659, interest at 2.8% per annum, due August 3, 2038	2,669,009	2,755,769
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$106,600, interest at 3.99% per annum, due May 1, 2042	3,392,205	3,467,787
	10,663,201	10,925,630

- (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 \$91,597 (2015 - \$116,021). These loans and the related repayments are not reported on the Consolidated Statements of Financial Position, Operations and Accumulated Surplus Change in Net Financial Assets/(Liabilities) and Cash Flows.
- (d) Interest paid during the year on long term debt amounted to \$440,681 (2015 - \$410,796).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2017	273,923	481,117	755,040
2018	285,969	467,071	753,040
2019	298,597	454,443	753,040
2020	311,833	441,207	753,040
2021	325,711	427,329	753,040
2022 and subsequent years	9,167,168	6,120,868	15,288,036
	10,663,201	8,392,035	19,055,236

CORPORATION OF THE TOWNSHIP OF RAMARA

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

6. TANGIBLE CAPITAL ASSETS

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

	2016	2015
	\$	\$
General		
Land and land improvements	15,321,187	15,336,800
Buildings and structures	7,301,571	7,553,274
Furniture and office equipment	379,127	445,550
Machinery and equipment	5,708,362	6,072,961
Vehicles	3,531,912	3,724,721
Infrastructure		
Roadways	12,401,209	13,017,456
Water and sewer	11,673,682	12,111,116
Parks and waterways	430,922	460,953
	58,747,972	58,722,831
Assets under construction	1,519,472	1,086,730
	58,267,444	59,809,561

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).

Tangible capital assets allocated by segment are as follows:

	2016	2015
	\$	\$
General government	7,545,325	7,292,317
Protection services	4,937,404	5,033,728
Transportation services	20,028,055	20,804,904
Environmental services	19,134,270	19,922,098
Recreation and cultural services	6,597,804	6,725,344
Planning and development	24,586	31,170
	58,267,444	59,809,561

CORPORATION OF THE TOWNSHIP OF RAMARA

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

7. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2016	2015
	\$	\$
Surplus/(Deficit)		
General	(166,198)	(387,657)
Mosquito control	30,834	33,143
Community policing	11,131	4,984
Sewage works	(441,386)	(447,221)
Waterworks	(141,893)	(456,339)
Health	29,591	30,831
Recreation	89,596	99,065
Equity in land held for sale	524,314	492,206
Library board	54,742	42,187
	(9,269)	(588,801)
Invested In Capital Assets		
Tangible capital assets - net book value	58,267,444	59,809,561
Long term debt	(9,832,082)	(10,076,435)
	48,435,362	49,733,126
Surplus	48,426,093	49,144,325
Reserves		
Working capital	773,815	111,815
Contingencies	64,634	63,634
Rate stabilization	643,548	443,548
Municipal projects	261,500	18,500
Capital expenditures - Township	317,257	39,257
Capital expenditures - Library	55,192	60,702
Total Reserves	2,115,946	737,456
Reserve Funds		
Equipment and housing	349,437	186,774
Ramara rails to trails	3,021	2,991
Library expansion	25,388	24,618
Lagoon City dredging	567,117	452,633
Total Reserve Funds	944,963	667,016
	51,487,002	50,548,797

CORPORATION OF THE TOWNSHIP OF RAMARA

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

8. 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/(Liabilities). 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.

9. 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	5,117,100	5,383,882	5,284,399
Interest charges	213,200	440,681	410,796
Materials	2,891,650	2,358,642	2,820,897
Contracted services	3,598,048	4,019,168	3,471,948
Rents and financial	79,745	77,187	77,911
External transfers	104,554	91,484	100,294
Amortization	2,593,847	2,623,772	2,593,847
	14,598,144	14,994,816	14,759,892

10. PENSION AGREEMENTS

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

Contributions required on account of current service in 2016 were \$334,393 (2015 - \$335,025).

11. TRUST FUNDS

Trust funds administered by the Township amounting to \$15,204 (2015 - \$Nil) 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 RAMARA

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

12. 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 \$3,500,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2016-02. At December 31, 2016 there was a balance outstanding of \$Nil (2015 - \$330,533).

13. CONTINGENT LIABILITIES

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

14. SEGMENTED INFORMATION

The Township of Ramara 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.

Water and Sewer

This function is responsible for providing water and sewer services to the Township.

Other Environmental Services

This function is responsible for solar operations and Lake Simcoe protection plan.

Health Services

The health services function consists of the activities of the cemetery board.

CORPORATION OF THE TOWNSHIP OF RAMARA

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

14. SEGMENTED INFORMATION, continued

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.

15. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF RAMARA

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

	General					Infrastructure			Assets Under Construction	Totals
	Land and Land Improvements	Buildings and Structures	Furniture and Office Equipment	Machinery and Equipment	Vehicles	Roadways	Water and Sewer	Parks and Waterways		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	15,878,109	10,950,656	1,367,620	12,573,386	6,412,613	30,321,086	19,977,674	620,137	1,086,730	99,188,011
Add: additions during the year	31,921	16,801	80,128	87,909	-	4,419	2,727	-	863,092	1,086,997
Less: disposals during the year	-	-	-	380	-	78,196	-	-	4,982	83,538
Internal transfers	-	-	-	-	141,002	304,366	-	-	(445,368)	-
Balance, end of year	15,910,030	10,967,457	1,427,748	12,660,835	6,553,615	30,551,675	19,980,401	620,137	1,519,472	100,191,470
ACCUMULATED AMORTIZATION										
Balance, beginning of year	541,309	3,397,382	922,070	6,500,425	2,687,892	17,303,630	7,866,558	159,184	-	39,378,450
Add: additions during the year	47,534	268,504	126,551	452,148	333,811	925,032	440,161	30,031	-	2,623,772
Less: disposals during the year	-	-	-	-	-	78,196	-	-	-	78,196
Balance, end of year	588,843	3,665,886	1,048,621	6,952,573	3,021,703	18,150,466	8,306,719	189,215	-	41,924,026
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	15,321,187	7,301,571	379,127	5,708,362	3,531,912	12,401,209	11,673,682	430,922	1,519,472	58,267,444

CORPORATION OF THE TOWNSHIP OF RAMARA

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

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	9,903,802	-	-	-	-	-	-	-	9,903,802
User charges	24,711	416,604	224,239	2,538,209	1,075	28,500	174,691	172,141	3,580,170
Government transfers - operating	1,113,274	20,349	-	131	-	-	38,638	-	1,172,392
Government transfers - capital	-	-	54,535	-	11,508	-	8,058	-	74,099
Other municipalities	-	-	-	-	-	-	5,000	50,000	55,000
Penalties and interest	353,075	-	-	19,110	-	-	-	-	372,185
Investment income	66,981	-	-	-	-	-	6,429	-	73,410
Federal gas tax earned	-	-	281,990	-	-	-	-	-	281,990
Aggregate Resources Act	263,978	-	-	-	-	-	-	-	263,978
Other	65,561	50	4,673	-	30,986	7,117	51,950	1,000	161,337
Gain (loss) on disposal of tangible capital assets	-	-	(4,982)	-	-	-	(360)	-	(5,342)
Total revenues	11,791,382	437,003	560,455	2,557,450	43,569	35,617	284,404	223,141	15,933,021
Expenses									
Salaries and benefits	1,518,110	1,052,348	1,187,549	795,094	54,660	1,114	628,027	146,980	5,383,882
Interest charges	137,618	-	-	303,063	-	-	-	-	440,681
Materials	256,652	379,779	817,428	690,530	312	17,665	190,075	6,201	2,358,642
Contracted services	204,027	1,618,134	1,405,260	404,251	1,246	9,386	294,793	82,071	4,019,168
Rents and financial	-	3,072	-	-	-	-	74,115	-	77,187
External transfers	-	60,734	-	-	-	8,000	22,750	-	91,484
Amortization	203,424	284,563	1,117,695	845,532	-	10,414	161,867	277	2,623,772
Total expenses	2,319,831	3,398,630	4,527,932	3,038,470	56,218	46,579	1,371,627	235,529	14,994,816
Net surplus/(deficit)	9,471,551	(2,961,627)	(3,967,477)	(481,020)	(12,649)	(10,962)	(1,087,223)	(12,388)	938,205

CORPORATION OF THE TOWNSHIP OF RAMARA

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

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	8,793,929	-	-	-	-	-	-	-	8,793,929
User charges	57,052	386,640	13,470	2,216,924	425	27,736	200,914	147,184	3,050,345
Government transfers - operating	1,278,400	23,091	3,474	-	47,285	-	34,544	-	1,386,794
Government transfers - capital	-	-	56,181	-	14,279	-	72,507	-	142,967
Penalties and interest	340,553	-	-	23,318	-	-	-	-	363,871
Investment income	1,187	59	-	-	-	-	7,978	-	9,224
Federal gas tax earned	-	-	268,561	-	-	-	-	-	268,561
Aggregate Resources Act	183,993	-	-	-	-	-	-	-	183,993
Other	19,736	780	100,952	-	27,068	6,296	3,063	-	157,895
Gain (loss) on disposal of tangible capital assets	-	-	(76,716)	-	-	-	(10,885)	-	(87,801)
Total revenues	10,674,850	410,570	365,922	2,240,242	89,057	34,032	308,121	147,184	14,269,978
Expenses									
Salaries and benefits	1,528,295	1,081,339	1,096,814	824,374	35,874	1,457	589,372	126,874	5,284,399
Interest charges	160,609	-	-	250,187	-	-	-	-	410,796
Materials	276,765	449,466	1,159,034	702,813	713	18,671	198,330	14,905	2,820,697
Contracted services	204,351	1,276,123	1,072,054	440,316	1,267	5,022	261,873	210,922	3,471,948
Rents and financial	-	4,675	-	-	-	-	73,236	-	77,911
External transfers	-	59,969	-	-	-	8,000	32,325	-	100,294
Amortization	202,778	291,269	1,086,004	857,497	-	11,033	144,989	277	2,593,847
Total expenses	2,372,798	3,162,841	4,413,906	3,075,187	37,874	44,183	1,300,125	352,978	14,759,892
Net surplus/(deficit)	8,302,052	(2,752,271)	(4,047,984)	(834,945)	51,183	(10,151)	(992,004)	(205,794)	(489,914)



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Trust Fund of the Corporation of the Township of Ramara, 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 Fund of the Corporation of the Township of Ramara as at December 31, 2016 and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 31, 2017

CORPORATION OF THE TOWNSHIP OF RAMARA

**TRUST FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2016**

	2016 Cemetery Perpetual Care \$	2015 Cemetery Perpetual Care \$
FINANCIAL ASSETS		
Investment (note 2)	15,204	-
FUND BALANCE	15,204	-

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

**TRUST FUND
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2016**

	2016 Cemetery Perpetual Care \$	2015 Cemetery Perpetual Care \$
RECEIPTS		
Received from Sebright Cemetery (note 3)	14,844	-
Interest	360	-
	<u>15,204</u>	<u>-</u>
BALANCE - end of year	<u>15,204</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

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. INVESTMENT

The trust's investment consists of a mutual fund with Scotia Partners Income Portfolio with a market value of \$15,726.

3. CEMETERY PERPETUAL CARE

The figures reported for the cemetery perpetual care represent the trust fund activities for the Sebright Cemetery. During 2016 the Township agreed to manage the operations and perpetual care trust funds for the Seabright Cemetery.