

**CORPORATION OF THE TOWNSHIP OF RAMARA**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**CORPORATION OF THE TOWNSHIP OF RAMARA**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
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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, 2017

### 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.

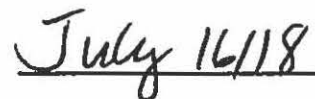
Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Ramara. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial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

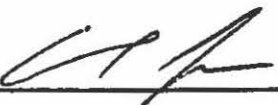
Mayor



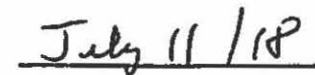
Date



Treasurer



Date



## **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, 2017, 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, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Collins Barrow Kawarthas LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
June 27, 2018

# CORPORATION OF THE TOWNSHIP OF RAMARA

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2017

	2017	2016
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	2,773,718	243,192
Accounts receivable	1,558,524	1,386,256
Taxes receivable	2,643,894	2,299,656
Land held for sale	1,234,878	1,355,432
Long-term receivables (note 3)	1,983,570	2,057,084
<b>TOTAL FINANCIAL ASSETS</b>	<b>10,194,584</b>	<b>7,341,620</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,248,545	3,013,729
Deferred revenue - obligatory reserve funds (note 4)	1,627,630	665,974
Deferred revenue - other	79,000	-
Long term debt (note 5)	10,389,278	10,663,201
<b>TOTAL LIABILITIES</b>	<b>15,344,453</b>	<b>14,342,904</b>
<b>NET FINANCIAL ASSETS/(LIABILITIES)</b>	<b>(5,149,869)</b>	<b>(7,001,284)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 6)	57,265,229	58,267,444
Prepaid expenses	335,119	220,842
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>57,600,348</b>	<b>58,488,286</b>
<b>ACCUMULATED SURPLUS (note 7)</b>	<b>52,450,479</b>	<b>51,487,002</b>

*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, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
<b>REVENUES</b>			
Property taxation	10,525,522	10,462,327	9,903,802
User charges	3,503,639	3,402,919	3,506,170
Government of Canada	102,700	153,945	25,578
Province of Ontario	1,191,970	1,305,060	1,220,913
Other municipalities	25,000	31,000	55,000
Penalties and interest	315,000	368,440	372,185
Investment income	6,945	89,089	73,410
Donations	-	10,050	-
Federal gas tax earned	281,990	-	281,990
Aggregate Resources Act	200,000	149,881	263,978
Other	169,227	169,382	161,337
<b>TOTAL REVENUES</b>	<b>16,321,993</b>	<b>16,142,093</b>	<b>15,864,363</b>
<b>EXPENSES</b>			
General government	2,482,189	2,365,793	2,319,831
Protection services	3,872,119	3,789,583	3,398,630
Transportation services	4,622,201	4,249,401	4,532,914
Environmental services	3,150,452	2,924,151	3,094,688
Health services	24,714	23,533	18,079
Recreation and cultural services	1,452,187	1,498,181	1,326,487
Planning and development	450,457	327,974	235,529
<b>TOTAL EXPENSES</b>	<b>16,054,319</b>	<b>15,178,616</b>	<b>14,926,158</b>
<b>ANNUAL SURPLUS</b>	<b><u>267,674</u></b>	<b>963,477</b>	<b>938,205</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>51,487,002</b>	<b>50,548,797</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>52,450,479</b>	<b>51,487,002</b>

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, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
<b>ANNUAL SURPLUS</b>	267,674	963,477	938,205
Amortization of tangible capital assets	2,623,772	2,578,167	2,623,772
Purchase of tangible capital assets	(2,571,027)	(1,751,771)	(1,086,997)
Loss on disposal of tangible capital assets	-	149,969	5,342
Proceeds on sale of tangible capital assets	-	25,850	-
Change in prepaid expenses	-	(114,277)	(154,691)
<b>CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)</b>	320,419	1,851,415	2,325,631
<b>NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year</b>	(7,001,284)	(7,001,284)	(9,326,915)
<b>NET FINANCIAL ASSETS/(LIABILITIES) - end of year</b>	(6,680,865)	(5,149,869)	(7,001,284)

*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, 2017

	2017	2016
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	963,477	938,205
Items not involving cash		
Amortization of tangible capital assets	2,578,167	2,623,772
Loss on disposal of tangible capital assets	149,969	5,342
Change in non-cash assets and liabilities		
Accounts receivable	(172,268)	219,087
Taxes receivable	(344,238)	256,930
Land held for sale	120,554	(14,031)
Long-term receivables	73,514	91,328
Prepaid expenses	(114,277)	(154,691)
Accounts payable and accrued liabilities	234,816	(2,812,230)
Deferred revenue - obligatory reserve funds	961,656	410,326
Deferred revenue - other	79,000	-
<b>Net change in cash from operating activities</b>	<b>4,530,370</b>	<b>1,564,038</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,751,771)	(1,086,997)
Proceeds on disposal of tangible capital assets	25,850	-
<b>Net change in cash from capital activities</b>	<b>(1,725,921)</b>	<b>(1,086,997)</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(273,923)	(262,429)
Repayment of temporary borrowing	-	(330,533)
<b>Net change in cash from financing activities</b>	<b>(273,923)</b>	<b>(592,962)</b>
<b>NET CHANGE IN CASH</b>	<b>2,530,526</b>	<b>(115,921)</b>
<b>CASH - beginning of year</b>	<b>243,192</b>	<b>359,113</b>
<b>CASH - end of year</b>	<b>2,773,718</b>	<b>243,192</b>

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, 2017

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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	10-90 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, 2017

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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.

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

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, 2017

### 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 2017, 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	4,596,081	6,390,003

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:

	2017 \$	2016 \$
Brechin sewer assessment	1,966,183	2,034,544
Simcoe road sewer assessment	17,387	22,540
	1,983,570	2,057,084

# CORPORATION OF THE TOWNSHIP OF RAMARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 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:

	2017	2016
	\$	\$
Development charges	1,238,819	652,114
Parkland	100,899	13,860
Federal gas tax	287,912	-
	1,627,630	665,974

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

	2017	2016
	\$	\$
Balance - beginning of year	665,974	255,648
Add amounts received:		
Development charges	579,306	399,039
Parkland	86,900	8,900
Federal gas tax	286,981	281,990
Interest	8,469	2,387
	961,656	692,316
Less transfer to operations:		
Federal gas tax earned	-	281,990
Balance - end of year	1,627,630	665,974

# CORPORATION OF THE TOWNSHIP OF RAMARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 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:

	2017	2016
	\$	\$
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	4,495,898	4,601,987
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	2,579,803	2,669,009
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	3,313,577	3,392,205
	<b>10,389,278</b>	<b>10,663,201</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, 2017 is \$68,772 (2016 - \$91,597). 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 \$430,271 (2016 - \$440,681).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
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	340,265	412,775	753,040
2023 and subsequent years	8,826,903	5,708,093	14,534,996
	<b>10,389,278</b>	<b>7,910,918</b>	<b>18,300,196</b>

# CORPORATION OF THE TOWNSHIP OF RAMARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 6. TANGIBLE CAPITAL ASSETS

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

	2017	2016
	\$	\$
<b>General</b>		
Land and land improvements	15,312,150	15,321,187
Buildings and structures	7,292,126	7,301,571
Furniture and office equipment	333,773	379,127
Machinery and equipment	5,469,191	5,708,362
Vehicles	3,670,652	3,531,912
<b>Infrastructure</b>		
Roadways	11,944,948	12,401,209
Water and sewer	11,668,468	11,673,682
Parks and waterways	616,007	430,922
	56,307,315	56,747,972
<b>Assets under construction</b>	957,914	1,519,472
	57,265,229	58,267,444

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

During the year there were no write-downs of assets (2016 - \$Nil) and no interest capitalized (2016 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2017	2016
	\$	\$
General government	6,827,499	7,545,417
Protection services	4,995,706	4,821,286
Transportation services	19,577,614	20,028,055
Environmental services	19,028,989	19,138,540
Health services	154,348	136,342
Recreation and cultural services	6,681,073	6,597,804
	57,265,229	58,267,444

# CORPORATION OF THE TOWNSHIP OF RAMARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 7. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2017	2016
	\$	\$
<b>Surplus/(Deficit)</b>		
General	(156,407)	(166,198)
Mosquito control	-	30,834
Community policing	-	11,131
Sewage works	(644,476)	(441,386)
Waterworks	-	(141,893)
Health	-	29,591
Recreation	-	89,596
Equity in land held for sale	422,800	524,314
Library board	-	54,742
	<b>(378,083)</b>	<b>(9,269)</b>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	57,265,229	58,267,444
Long term debt related to tangible capital asset acquisition	(9,577,200)	(9,832,082)
Unfunded capital	(62,536)	-
	<b>47,625,493</b>	<b>48,435,362</b>
<b>Surplus</b>	<b>47,247,410</b>	<b>48,426,093</b>
<b>Reserves</b>		
Working capital	1,709,480	773,815
Contingencies	64,634	64,634
Rate stabilization	643,548	643,548
Municipal projects	280,000	261,500
Capital expenditures - Township	1,016,564	317,257
Mosquito control	32,152	-
Waterworks	273,033	-
Capital expenditures - Library	106,790	55,192
<b>Total Reserves</b>	<b>4,126,201</b>	<b>2,115,946</b>
<b>Reserve Funds</b>		
Equipment and housing	629,250	349,437
Ramara rails to trails	3,051	3,021
Library expansion	55,893	25,388
Lagoon City dredging	388,674	567,117
<b>Total Reserve Funds</b>	<b>1,076,868</b>	<b>944,963</b>
	<b>52,450,479</b>	<b>51,487,002</b>

# CORPORATION OF THE TOWNSHIP OF RAMARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

### 8. BUDGET FIGURES

The budget, approved by the Township, for 2017 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 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
Salaries and benefits	5,499,729	5,377,680	5,383,882
Interest charges	134,200	430,271	440,681
Materials	3,215,075	2,389,349	2,358,642
Contracted services	4,462,045	4,138,745	4,019,168
Rents and financial	21,345	13,422	3,187
External transfers	98,153	101,013	91,484
Amortization	2,623,772	2,578,167	2,623,772
Loss on disposal of tangible capital assets	-	149,969	5,342
	16,054,319	15,178,616	14,926,158

### 10. 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 2017 Annual Report disclosed total actuarial liabilities of \$94,431 million in respect of benefits accrued for service with actuarial assets of \$89,028 million indicating an actuarial deficit of \$5,403 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 2017 were \$348,991 (2016 - \$334,393).

### 11. TRUST FUNDS

Trust funds administered by the Township amounting to \$15,362 (2016 - \$15,204) 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, 2017

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### 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 2016-65. At December 31, 2017 there was no balance outstanding (2016 - \$Nil).

### 13. 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.

### 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.

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# CORPORATION OF THE TOWNSHIP OF RAMARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

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### 14. SEGMENTED INFORMATION, continued

#### Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and includes the operations of Lagoon City Parks & Waterways and the Township's Libraries.

#### 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, 2017

	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		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>										
Balance, beginning of year	15,910,030	10,967,457	1,412,708	12,660,935	6,553,615	30,551,673	19,980,401	620,137	1,519,472	100,176,428
Add: additions during the year	147,551	5,714	51,338	149,111	487,453	125,635	433,089	248,722	103,158	1,751,771
Less: disposals during the year	124,783	-	98,462	57,807	162,157	76,989	32,967	50,161	-	603,326
Internal transfers	6,200	254,002	27,849	59,573	-	317,092	-	-	(664,716)	-
<b>Balance, end of year</b>	<b>15,938,998</b>	<b>11,227,173</b>	<b>1,393,433</b>	<b>12,811,812</b>	<b>6,878,911</b>	<b>30,917,411</b>	<b>20,380,523</b>	<b>818,698</b>	<b>957,914</b>	<b>101,324,873</b>
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	588,843	3,665,886	1,033,581	6,952,573	3,021,703	18,150,464	8,306,719	189,215	-	41,908,984
Add: additions during the year	47,112	269,161	124,429	447,855	330,713	894,641	430,088	34,168	-	2,578,167
Less: disposals during the year	9,107	-	98,350	57,807	144,157	72,642	24,752	20,692	-	427,507
<b>Balance, end of year</b>	<b>626,848</b>	<b>3,935,047</b>	<b>1,059,660</b>	<b>7,342,621</b>	<b>3,208,259</b>	<b>18,972,463</b>	<b>8,712,055</b>	<b>202,691</b>	<b>-</b>	<b>44,059,644</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>15,312,150</b>	<b>7,292,126</b>	<b>333,773</b>	<b>5,469,191</b>	<b>3,670,652</b>	<b>11,944,948</b>	<b>11,668,468</b>	<b>616,007</b>	<b>957,914</b>	<b>57,265,229</b>

# CORPORATION OF THE TOWNSHIP OF RAMARA

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2017

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>									
Property taxation	1,926,488	3,601,905	3,480,242	-	39,145	15,300	1,126,567	272,680	10,462,327
User charges	25,804	499,151	13,323	2,561,926	447	-	120,510	181,758	3,402,919
Government transfers - operating	1,062,000	6,112	-	-	-	-	64,565	-	1,132,677
Government transfers - capital	-	-	98,934	227,394	-	-	-	-	326,328
Other municipalities	-	-	-	-	-	-	6,000	25,000	31,000
Penalties and interest	351,347	-	-	17,093	-	-	-	-	368,440
Investment income	25,580	9	1,352	56,953	-	-	5,195	-	89,089
Donations	10,050	-	-	-	-	-	-	-	10,050
Aggregate Resources Act	149,881	-	-	-	-	-	-	-	149,881
Other	36,005	16,428	31,263	-	26,450	13,462	61,423	(15,649)	169,382
<b>Total revenues</b>	<b>3,587,155</b>	<b>4,123,605</b>	<b>3,625,114</b>	<b>2,863,366</b>	<b>66,042</b>	<b>28,762</b>	<b>1,384,260</b>	<b>463,789</b>	<b>16,142,093</b>
<b>Expenses</b>									
Salaries and benefits	1,366,162	1,199,869	1,303,785	631,936	74,682	1,070	663,207	136,969	5,377,680
Interest charges	132,573	-	-	297,698	-	-	-	-	430,271
Materials	309,065	361,136	818,536	664,144	646	20,349	207,524	7,949	2,389,349
Contracted services	191,392	1,885,019	1,106,237	410,169	13,112	12,845	365,007	154,964	4,138,745
Rents and financial	-	7,015	6,176	-	-	-	231	-	13,422
External transfers	22,800	42,213	-	-	-	8,000	-	28,000	101,013
Amortization	197,617	295,146	1,085,989	824,149	-	9,843	165,331	92	2,578,167
Loss (gain) on disposal of tangible capital assets	114,974	(4,016)	1,926	7,615	-	-	29,470	-	149,969
Internal transfers	31,210	3,201	(73,248)	-	-	(28,574)	67,411	-	-
<b>Total expenses</b>	<b>2,365,793</b>	<b>3,789,583</b>	<b>4,249,401</b>	<b>2,835,711</b>	<b>88,440</b>	<b>23,533</b>	<b>1,498,181</b>	<b>327,974</b>	<b>15,178,616</b>
<b>Net surplus/(deficit)</b>	<b>1,221,362</b>	<b>334,022</b>	<b>(624,287)</b>	<b>27,655</b>	<b>(22,398)</b>	<b>5,229</b>	<b>(113,921)</b>	<b>135,815</b>	<b>963,477</b>

# 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 \$
<b>Revenues</b>									
Property taxation	9,903,802	-	-	-	-	-	-	-	9,903,802
User charges	24,711	416,604	224,239	2,538,209	1,075	-	129,191	172,141	3,506,170
Government transfers - operating	1,113,274	20,349	-	131	-	-	38,638	-	1,172,392
Government transfers - capital	-	-	54,535	-	11,508	-	8,056	-	74,099
Other municipalities	-	-	-	-	-	-	5,000	50,000	55,000
Penalties and interest	353,075	-	-	19,110	-	-	-	-	372,185
Investment income	8,152	-	-	58,829	-	-	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
<b>Total revenues</b>	<b>11,732,553</b>	<b>437,003</b>	<b>565,437</b>	<b>2,616,279</b>	<b>43,569</b>	<b>7,117</b>	<b>239,264</b>	<b>223,141</b>	<b>15,864,363</b>
<b>Expenses</b>									
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	-	-	-	-	115	-	3,187
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
Loss (gain) on disposal of tangible capital assets	-	-	4,982	-	-	-	360	-	5,342
Internal transfers	-	-	-	-	-	(28,500)	28,500	-	-
<b>Total expenses</b>	<b>2,319,831</b>	<b>3,398,630</b>	<b>4,532,914</b>	<b>3,038,470</b>	<b>56,218</b>	<b>18,079</b>	<b>1,326,487</b>	<b>235,529</b>	<b>14,926,158</b>
<b>Net surplus/(deficit)</b>	<b>9,412,722</b>	<b>(2,961,627)</b>	<b>(3,967,477)</b>	<b>(422,191)</b>	<b>(12,649)</b>	<b>(10,962)</b>	<b>(1,087,223)</b>	<b>(12,388)</b>	<b>938,205</b>

## 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, 2017, 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, 2017 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  
June 27, 2018

# CORPORATION OF THE TOWNSHIP OF RAMARA

## TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2017

	2017 Cemetery Perpetual Care \$	2016 Cemetery Perpetual Care \$
<b>FINANCIAL ASSETS</b>		
Investment (note 2)	15,362	15,204
<b>FUND BALANCE</b>	<b>15,362</b>	<b>15,204</b>

## TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2017

	2017 Cemetery Perpetual Care \$	2016 Cemetery Perpetual Care \$
<b>BALANCE - beginning of year</b>	<b>15,204</b>	<b>-</b>
<b>RECEIPTS</b>		
Received from Sebright Cemetery	-	14,844
Interest	158	360
	<b>158</b>	<b>15,204</b>
<b>BALANCE - end of year</b>	<b>15,362</b>	<b>15,204</b>

*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, 2017

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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. INVESTMENT

The trust's investment consists of a mutual fund with Scotia Partners Income Portfolio, recorded at cost, with a market value of \$16,306.

### 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.