



CORPORATION OF THE TOWNSHIP OF RAMARA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

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THE CORPORATION OF THE
TOWNSHIP OF RAMARA
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CORPORATION OF THE TOWNSHIP OF RAMARA

For The Year Ended December 31, 2018

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 Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.

Mayor



Date

May 22/19

Treasurer



Date

May 22/19



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

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

Other Matter

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

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 30, 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2018

	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash	6,903,395	2,773,718
Accounts receivable	1,548,662	1,558,524
Taxes receivable	2,305,287	2,643,894
Land held for sale	1,282,577	1,234,878
Long-term receivables (note 3)	1,802,738	1,983,570
TOTAL FINANCIAL ASSETS	13,842,659	10,194,584
LIABILITIES		
Accounts payable and accrued liabilities	4,754,654	3,248,545
Deferred revenue - obligatory reserve funds (note 4)	2,036,619	1,627,630
Deferred revenue - other	191,739	79,000
Long term debt (note 5)	10,103,308	10,389,278
TOTAL LIABILITIES	17,086,320	15,344,453
NET FINANCIAL ASSETS/(LIABILITIES)	(3,243,661)	(5,149,869)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 6)	56,712,832	57,265,229
Prepaid expenses	199,860	335,119
TOTAL NON-FINANCIAL ASSETS	56,912,692	57,600,348
ACCUMULATED SURPLUS (note 7)	53,669,031	52,450,479

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
REVENUES			
Property taxation	11,390,669	11,477,684	10,462,327
User charges	3,713,966	3,634,013	3,402,919
Government of Canada	142,940	37,065	153,945
Province of Ontario	1,217,070	1,376,176	1,305,060
Other municipalities	22,500	20,985	31,000
Penalties and interest	318,000	376,592	368,440
Investment income	17,170	147,274	89,089
Donations	-	-	10,050
Development charges earned	-	288,000	-
Aggregate Resources Act	170,000	175,588	149,881
Other	126,853	152,378	169,382
TOTAL REVENUES	17,119,168	17,685,755	16,142,093
EXPENSES			
General government	2,603,737	2,711,270	2,365,793
Protection services	4,072,831	4,154,440	3,789,583
Transportation services	4,231,019	4,517,783	4,249,401
Environmental services	2,629,424	3,147,954	2,924,151
Health services	23,043	11,734	23,533
Recreation and cultural services	1,420,213	1,486,654	1,498,181
Planning and development	522,692	437,368	327,974
TOTAL EXPENSES	15,502,959	16,467,203	15,178,616
ANNUAL SURPLUS	<u>1,616,209</u>	1,218,552	963,477
ACCUMULATED SURPLUS - beginning of year		52,450,479	51,487,002
ACCUMULATED SURPLUS - end of year		53,669,031	52,450,479

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)
For the Year Ended December 31, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
ANNUAL SURPLUS	1,616,209	1,218,552	963,477
Amortization of tangible capital assets	2,578,167	2,565,535	2,578,167
Purchase of tangible capital assets	(4,788,890)	(2,053,556)	(1,751,771)
Loss on disposal of tangible capital assets	-	15,418	149,969
Proceeds on sale of tangible capital assets	-	25,000	25,850
Change in prepaid expenses	-	135,259	(114,277)
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	(594,514)	1,906,208	1,851,415
NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year	(5,149,869)	(5,149,869)	(7,001,284)
NET FINANCIAL ASSETS/(LIABILITIES) - end of year	(5,744,383)	(3,243,661)	(5,149,869)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

	2018	2017
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,218,552	963,477
Items not involving cash		
Amortization of tangible capital assets	2,565,535	2,578,167
Loss on disposal of tangible capital assets	15,418	149,969
Change in non-cash assets and liabilities		
Accounts receivable	9,862	(172,268)
Taxes receivable	338,607	(344,238)
Land held for sale	(47,699)	120,554
Long-term receivables	180,832	73,514
Prepaid expenses	135,259	(114,277)
Accounts payable and accrued liabilities	1,506,109	234,816
Deferred revenue - obligatory reserve funds	408,989	961,656
Deferred revenue - other	112,739	79,000
Net change in cash from operating activities	6,444,203	4,530,370
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,053,556)	(1,751,771)
Proceeds on disposal of tangible capital assets	25,000	25,850
Net change in cash from capital activities	(2,028,556)	(1,725,921)
FINANCING ACTIVITIES		
Debt principal repayments	(285,970)	(273,923)
NET CHANGE IN CASH	4,129,677	2,530,526
CASH - beginning of year	2,773,718	243,192
CASH - end of year	6,903,395	2,773,718

The accompanying notes are an integral part of these financial statements

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

The Township of 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 consolidated financial statements include:

- Ramara Township Public Library
- 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.

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 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Use of Estimates

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

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

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2018, requisitions were made by the County of Simcoe and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Amounts requisitioned and remitted	4,591,796	6,461,172

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:

	2018 \$	2017 \$
Brechin sewer assessment	1,790,812	1,966,183
Simcoe road sewer assessment	11,926	17,387
	1,802,738	1,983,570

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

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:

	2018	2017
	\$	\$
Development charges	1,337,772	1,238,819
Parkland	110,899	100,899
Federal gas tax	587,948	287,912
	2,036,619	1,627,630

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

	2018	2017
	\$	\$
Balance - beginning of year	1,627,630	665,974
Add amounts received:		
Development charges	374,565	579,306
Parkland	10,000	86,900
Federal gas tax	295,418	286,981
Interest	17,006	8,469
	696,989	961,656
Less transfer to operations:		
Development charges earned	288,000	-
Balance - end of year	2,036,619	1,627,630

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

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:

	2018 \$	2017 \$
Debt 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	4,383,445	4,495,898
Debt 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	2,488,082	2,579,803
Debt 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	3,231,781	3,313,577
	<u>10,103,308</u>	<u>10,389,278</u>

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2018 is \$49,447 (2017 - \$68,772). 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 \$467,071 (2017 - \$481,117).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
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	369,429	383,611	753,040
2024 and subsequent years	8,457,473	5,324,482	13,781,955
	<u>10,103,308</u>	<u>7,443,847</u>	<u>17,547,155</u>

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

6. TANGIBLE CAPITAL ASSETS

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

	2018	2017
	\$	\$
General		
Land and land improvements	15,266,195	15,312,150
Buildings and structures	7,026,395	7,292,126
Furniture and office equipment	331,910	333,772
Machinery and equipment	6,186,529	6,105,643
Vehicles	3,041,052	3,034,201
Infrastructure		
Roadways	11,651,452	11,944,948
Water and sewer	11,341,207	11,668,468
Parks and waterways	576,048	616,007
	55,420,788	56,307,315
Assets under construction	1,292,044	957,914
	56,712,832	57,265,229

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

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

Tangible capital assets allocated by segment are as follows:

	2018	2017
	\$	\$
General government	7,057,478	6,827,499
Protection services	4,834,592	4,995,706
Transportation services	19,520,102	19,577,614
Environmental services	18,359,869	19,028,989
Health services	144,914	154,348
Recreation and cultural services	6,795,877	6,681,073
	56,712,832	57,265,229

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

7. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2018	2017
	\$	\$
Surplus/(Deficit)		
General	-	(156,407)
Sewage works	2,579,201	2,263,683
Brechin sewers	(2,908,159)	(2,908,159)
Equity in land held for sale	490,810	422,800
	<u>161,852</u>	<u>(378,083)</u>
Invested In Capital Assets		
Tangible capital assets - net book value	56,712,832	57,265,229
Long term debt related to tangible capital asset acquisition	(9,311,542)	(9,577,200)
Unfunded capital	(167,645)	(62,536)
	<u>47,233,645</u>	<u>47,625,493</u>
Surplus	<u>47,395,497</u>	<u>47,247,410</u>
Reserves		
Working capital	2,237,599	1,709,480
Contingencies	64,634	64,634
Rate stabilization	643,548	643,548
Municipal projects	15,000	280,000
Mosquito control	31,562	32,152
Waterworks	741,297	273,033
Capital expenditures - Township	2,014,891	1,016,564
Capital expenditures - Library	106,790	106,790
Total Reserves	<u>5,855,321</u>	<u>4,126,201</u>
Reserve Funds		
Equipment and housing	118,689	629,250
Ramara rails to trails	14,864	3,051
Library expansion	43,066	55,893
Lagoon City dredging	241,594	388,674
Total Reserve Funds	<u>418,213</u>	<u>1,076,868</u>
	<u>53,669,031</u>	<u>52,450,479</u>

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

8. BUDGET FIGURES

The budget, approved by the Township, for 2018 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets/(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 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
Salaries and benefits	5,677,593	6,017,398	5,377,680
Interest charges	-	419,373	430,271
Materials	2,783,683	2,779,978	2,389,349
Contracted services	4,381,855	4,579,895	4,138,745
Rents and financial	9,948	23,025	13,422
External transfers	71,713	66,581	101,013
Amortization	2,578,167	2,565,535	2,578,167
Loss on disposal of tangible capital assets	-	15,418	149,969
	15,502,959	16,467,203	15,178,616

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 2018 Annual Report disclosed total actuarial liabilities of \$100,081 million in respect of benefits accrued for service with actuarial assets of \$95,890 million indicating an actuarial deficit of \$4,191 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2018 were \$378,275 (2017 - \$348,991).

11. TRUST FUNDS

Trust funds administered by the Township amounting to \$15,590 (2017 - \$15,362) 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.

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

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 \$3,000,000 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 2018.02. At December 31, 2018 there was no balance outstanding (2017 - \$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.

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. CHANGES IN ACCOUNTING POLICIES

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

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

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

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

CORPORATION OF THE TOWNSHIP OF RAMARA



**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2018**

	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	15,938,998	11,227,173	1,393,433	14,017,135	5,673,588	30,917,411	20,380,523	818,698	957,914	101,324,873
Add: additions during the year	-	-	102,948	594,834	310,096	468,136	103,686	-	473,856	2,053,556
Less: disposals during the year	-	-	44,161	228,129	65,845	361,085	-	-	540	699,760
Internal transfers	-	-	-	-	-	139,186	-	-	(139,186)	-
Balance, end of year	15,938,998	11,227,173	1,452,220	14,383,840	5,917,839	31,163,648	20,484,209	818,698	1,292,044	102,678,669
ACCUMULATED AMORTIZATION										
Balance, beginning of year	626,848	3,935,047	1,059,661	7,911,492	2,639,387	18,972,463	8,712,055	202,691	-	44,059,644
Add: additions during the year	45,955	265,731	104,810	492,524	296,745	888,864	430,947	39,959	-	2,565,535
Less: disposals during the year	-	-	44,161	206,705	59,345	349,131	-	-	-	659,342
Balance, end of year	672,803	4,200,778	1,120,310	8,197,311	2,876,787	19,512,196	9,143,002	242,650	-	45,965,837
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	15,266,195	7,026,395	331,910	6,186,529	3,041,052	11,651,452	11,341,207	576,048	1,292,044	56,712,832

CORPORATION OF THE TOWNSHIP OF RAMARA



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2018

	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	1,485,474	3,532,475	4,856,280	-	7,075	5,700	1,234,580	356,100	11,477,684
User charges	32,259	622,361	25,965	2,638,174	-	-	155,382	159,872	3,634,013
Government transfers - operating	1,103,700	7,513	-	16,147	-	-	100,863	12,617	1,240,840
Government transfers - capital	-	-	141,835	30,566	-	-	-	-	172,401
Other municipalities	-	-	-	-	-	-	8,485	12,500	20,985
Penalties and interest	360,269	-	-	16,323	-	-	-	-	376,592
Investment income	85,561	41	1,043	52,001	-	-	8,628	-	147,274
Sale of assets	(2,291)	-	-	2,291	-	-	-	-	-
Development charges earned	-	-	-	288,000	-	-	-	-	288,000
Aggregate Resources Act	175,588	-	-	-	-	-	-	-	175,588
Other	50,110	-	19,775	3,807	28,528	10,355	39,803	-	152,378
Total revenues	3,290,670	4,162,390	5,044,898	3,047,309	35,603	16,055	1,547,741	541,089	17,685,755
Expenses									
Salaries and benefits	1,536,849	1,341,663	1,394,730	798,024	35,990	653	714,228	195,261	6,017,398
Interest charges	131,404	-	-	287,969	-	-	-	-	419,373
Materials	321,616	386,620	1,135,039	720,955	-	16,406	194,537	4,805	2,779,978
Contracted services	470,223	2,058,063	924,163	503,700	-	14,187	392,257	217,302	4,579,895
Rents and financial	4,615	18,325	-	-	-	-	85	-	23,025
External transfers	(200)	46,781	-	-	-	-	-	20,000	66,581
Amortization	179,536	302,925	1,113,504	797,564	-	9,433	162,573	-	2,565,535
Loss (gain) on disposal of tangible capital assets	-	-	5,495	3,500	-	-	6,423	-	15,418
Internal transfers	67,227	63	(55,148)	252	-	(28,945)	16,551	-	-
Total expenses	2,711,270	4,154,440	4,517,783	3,111,964	35,990	11,734	1,486,654	437,368	16,467,203
Net surplus/(deficit)	579,400	7,950	527,115	(64,655)	(387)	4,321	61,087	103,721	1,218,552

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 \$
Revenues									
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
Total revenues	3,587,155	4,123,605	3,625,114	2,863,366	66,042	28,762	1,384,260	463,789	16,142,093
Expenses									
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	-	-
Total expenses	2,365,793	3,789,583	4,249,401	2,835,711	88,440	23,533	1,498,181	327,974	15,178,616
Net surplus/(deficit)	1,221,362	334,022	(624,287)	27,655	(22,398)	5,229	(113,921)	135,815	963,477

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

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

Other Matter

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

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

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 30, 2019

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

	2018 Cemetery Perpetual Care \$	2017 Cemetery Perpetual Care \$
FINANCIAL ASSETS		
Investment (note 2)	15,590	15,362
FUND BALANCE	15,590	15,362

**TRUST FUND
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2018**

	2018 Cemetery Perpetual Care \$	2017 Cemetery Perpetual Care \$
BALANCE - beginning of year	15,362	15,204
RECEIPTS		
Capital dividends	228	158
BALANCE - end of year	15,590	15,362

The accompanying notes are an integral part of these financial statements

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

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of Estimates

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

2. INVESTMENT

The trust's investment consists of a mutual fund with Scotia Partners Income Portfolio, recorded at cost, with a market value of \$16,108.

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 Sebright Cemetery.



CORPORATION OF THE TOWNSHIP OF RAMARA
RAMARA TOWNSHIP PUBLIC LIBRARY
FINANCIAL STATEMENTS
DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT**To the Members of the Ramara Township Public Library, the
Members of Council, Inhabitants and Ratepayers of the Corporation
of the Township of Ramara**D: 705.742.3418
F: 705.742.9775www.bakertilly.ca*Qualified Opinion*

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

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

Basis for Qualified Opinion

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

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

Other Matter

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

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

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 30, 2019

RAMARA TOWNSHIP PUBLIC LIBRARY
STATEMENT OF FINANCIAL POSITION
At December 31, 2018

	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash	96,092	308,766
Due from the Township of Ramara (note 5)	51,456	-
TOTAL FINANCIAL ASSETS	147,548	308,766
LIABILITIES		
Due to the Township of Ramara (note 5)	-	149,768
NET FINANCIAL ASSETS	147,548	158,998
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	72,429	74,432
Prepaid expenses	2,308	3,685
TOTAL NON-FINANCIAL ASSETS	74,737	78,117
ACCUMULATED SURPLUS (note 4)	222,285	237,115

The accompanying notes are an integral part of these financial statements

RAMARA TOWNSHIP PUBLIC LIBRARY
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
REVENUES			
Township contribution (note 5)	404,230	404,230	391,862
Provincial grants	24,370	24,370	24,370
Federal grant	2,700	3,360	2,349
Investment income	1,500	1,913	1,770
Other grants	4,300	1,503	5,181
Donations, fees and other	11,200	6,537	36,391
TOTAL REVENUES	448,300	441,913	461,923
EXPENSES			
Wages and benefits	300,300	315,614	295,214
Rent	76,500	76,728	75,744
Administration	14,800	18,345	21,046
Supplies	7,000	5,643	3,404
Memberships	7,600	6,256	4,704
Insurance	11,300	9,676	10,943
Telephone	3,500	3,038	3,209
Amortization	23,555	21,443	23,555
TOTAL EXPENSES	444,555	456,743	437,819
ANNUAL SURPLUS/(DEFICIT)	<u>3,745</u>	(14,830)	24,104
ACCUMULATED SURPLUS - beginning of year		237,115	213,011
ACCUMULATED SURPLUS - end of year		222,285	237,115

The accompanying notes are an integral part of these financial statements

**RAMARA TOWNSHIP PUBLIC LIBRARY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2018**

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
ANNUAL SURPLUS/(DEFICIT)	3,745	(14,830)	24,104
Amortization of tangible capital assets	23,555	21,443	23,555
Acquisition of tangible capital assets	(27,300)	(19,440)	(20,298)
Change in prepaid expenses	-	1,377	1,621
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	-	(11,450)	28,982
NET FINANCIAL ASSETS - beginning of year	158,998	158,998	130,016
NET FINANCIAL ASSETS - end of year	158,998	147,548	158,998

The accompanying notes are an integral part of these financial statements

**RAMARA TOWNSHIP PUBLIC LIBRARY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018**

	2018	2017
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(14,830)	24,104
Items not involving cash		
Amortization of tangible capital assets	21,443	23,555
Change in non-cash assets and liabilities		
Accounts receivable	-	576
Due from the Township of Ramara	(51,456)	-
Prepaid expenses	1,377	1,621
Accounts payable	-	(284)
Due to the Township of Ramara	(149,768)	44,817
Net change in cash from operating activities	(193,234)	94,389
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(19,440)	(20,298)
NET CHANGE IN CASH	(212,674)	74,091
CASH - beginning of year	308,766	234,675
CASH - end of year	96,092	308,766

The accompanying notes are an integral part of these financial statements

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

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

User fees are recognized as revenue in the year the goods and services are provided.

Donations revenue is recognized when the amounts are received.

(b) Use of Estimates

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

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

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

Building improvements	20-60 years
Furniture and equipment	5-10 years
Library collection	7 years

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

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

Certain amounts, as approved by the Board, 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.

(f) Inter Entity Transactions

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

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

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

2. CHANGES IN ACCOUNTING POLICIES

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

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

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

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

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

3. TANGIBLE CAPITAL ASSETS

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

	Building Improvements \$	Furniture and Equipment \$	Library Collection \$	2018 Totals \$	2017 Totals \$
COST					
Balance, beginning of year	67,088	97,955	116,101	281,144	357,172
Add: additions during the year	-	3,082	16,358	19,440	20,298
Less: disposals during the year	-	-	28,053	28,053	96,326
Balance, end of year	67,088	101,037	104,406	272,531	281,144
ACCUMULATED AMORTIZATION					
Balance, beginning of year	63,716	83,928	59,068	206,712	279,483
Add: additions during the year	2,249	5,429	13,765	21,443	23,555
Less: disposals during the year	-	-	28,053	28,053	96,326
Balance, end of year	65,965	89,357	44,780	200,102	206,712
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,123	11,680	59,626	72,429	74,432

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2018 \$	2017 \$
Invested In Capital Assets		
Tangible capital assets - net book value	72,429	74,432
Surplus	72,429	74,432
Reserve		
Future capital expenditures	106,790	106,790
Reserve Fund		
Expansion	43,066	55,893
	222,285	237,115



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

5. INTER ENTITY TRANSACTIONS

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

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

Details of the related party expense transactions are as follows:

	2018	2017
	\$	\$
Allocated costs:		
Rent	76,728	75,744
Insurance	8,788	10,943
	85,516	86,687

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

- Accounting and administrative services
- Professional services

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

6. BUDGET FIGURES

The operating budget, approved by the Board, for 2018 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year’s actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.



**CORPORATION OF THE TOWNSHIP OF RAMARA
LAGOON CITY PARKS & WATERWAYS
FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Baker Tilly KDN LLP
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INDEPENDENT AUDITOR'S REPORT

www.bakertilly.ca

To the Members of the Lagoon City Parks & Waterways, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion

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

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

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

Other Matter

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

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

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

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

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

ASSURANCE • TAX • ADVISORY

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 30, 2019

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF FINANCIAL POSITION
At December 31, 2018

	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash	100	100
Due from the Township of Ramara (note 6)	241,494	388,574
NET FINANCIAL ASSETS	241,594	388,674
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	959,091	765,375
ACCUMULATED SURPLUS (note 5)	1,200,685	1,154,049

The accompanying notes are an integral part of these financial statements

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
REVENUES			
Levy billed by the Township of Ramara (note 6)	491,141	488,839	441,655
Provincial grants	-	-	20,764
Interest income	-	5,830	2,732
Other	500	2,365	2,059
TOTAL REVENUES	491,641	497,034	467,210
EXPENSES			
Wages and benefits	125,000	102,131	94,693
General and office	102,100	158,187	157,476
Repairs and maintenance	51,500	114,145	133,090
Insurance	5,700	11,224	934
Professional fees	22,000	7,329	3,915
Vehicle operating and maintenance	8,500	2,536	6,823
Amortization	54,622	54,846	54,622
Loss on disposal of tangible capital assets	-	-	29,470
TOTAL EXPENSES	369,422	450,398	481,023
ANNUAL SURPLUS/(DEFICIT)	<u>122,219</u>	46,636	(13,813)
ACCUMULATED SURPLUS - beginning of year		1,154,049	1,167,862
ACCUMULATED SURPLUS - end of year		1,200,685	1,154,049

The accompanying notes are an integral part of these financial statements

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
ANNUAL SURPLUS/(DEFICIT)	122,219	46,636	(13,813)
Amortization of tangible capital assets	54,622	54,846	54,622
Acquisition of tangible capital assets	(255,000)	(248,562)	(248,722)
Loss on disposal of tangible capital assets	-	-	29,470
DECREASE IN NET FINANCIAL ASSETS	(78,159)	(147,080)	(178,443)
NET FINANCIAL ASSETS - beginning of year	388,674	388,674	567,117
NET FINANCIAL ASSETS - end of year	310,515	241,594	388,674

The accompanying notes are an integral part of these financial statements

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

	2018	2017
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	46,636	(13,813)
Items not involving cash		
Amortization of tangible capital assets	54,846	54,622
Loss on disposal of tangible capital assets	-	29,470
Change in non-cash assets and liabilities		
Due from the Township of Ramara	147,080	178,443
Net change in cash from operating activities	248,562	248,722
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(248,562)	(248,722)
NET CHANGE IN CASH	-	-
CASH - beginning of year	100	100
CASH - end of year	100	100

The accompanying notes are an integral part of these financial statements

**LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

The Board recognizes Lagoon City Parks & Waterways Area tax levy revenue annually based on amounts levied by the Township of Ramara.

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.

Interest and other revenue are recorded when the amounts are earned.

(b) Use of Estimates

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

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

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

Buildings and structures	25 years
Vehicles	10-15 years
Machinery and equipment	10-20 years
Linear assets	20 years

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

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

**LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserve Funds

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

(f) Inter Entity Transactions

The Lagoon City Parks & Waterways is a Board of the Township of Ramara and is consolidated with the Township's financial statements.

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

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

2. CHANGES IN ACCOUNTING POLICIES

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

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

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

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

LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2018 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

4. TANGIBLE CAPITAL ASSETS

The continuity of the Board's tangible capital assets is as follows:

	Buildings and structures \$	Vehicles \$	Machinery and equipment \$	Linear assets \$	2018 Totals \$	2017 Totals \$
COST						
Balance, beginning of year	51,106	55,549	430,721	550,745	1,088,121	889,560
Add: additions during the year	-	-	248,562	-	248,562	248,722
Less: disposals during the year	-	-	-	-	-	50,161
Balance, end of year	51,106	55,549	679,283	550,745	1,336,683	1,088,121
ACCUMULATED AMORTIZATION						
Balance, beginning of year	41,907	24,481	192,765	63,593	322,746	288,815
Add: additions during the year	2,044	4,374	24,555	23,873	54,846	54,622
Less: disposals during the year	-	-	-	-	-	20,691
Balance, end of year	43,951	28,855	217,320	87,466	377,592	322,746
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	7,155	26,694	461,963	463,279	959,091	765,375



**LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2018	2017
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	959,091	765,375
Surplus	959,091	765,375
Reserve Fund		
Reserve Fund	241,594	388,674
	1,200,685	1,154,049

6. INTER ENTITY TRANSACTIONS

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

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

Details of the related party expense transactions are as follows:

	2018	2017
	\$	\$
Allocated costs:		
Wages and benefits	102,131	94,693
Insurance	11,224	934
Equipment rental	24,685	38,856
	138,040	134,483

In addition, the Township provides accounting and administrative services to the Board at no cost.

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

7. COMMITMENT

During 2018, the Board entered into a three year Aquatic Weed Spraying agreement in the amount of \$18,978 annually plus HST.

8. COMPARATIVE FIGURES

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