

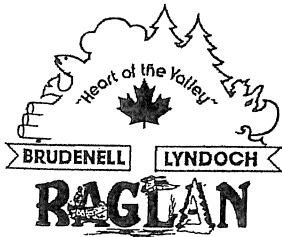
Township of Brudenell, Lyndoch and Raglan

Financial Report

For the year ended 31 December 2017

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS



TOWNSHIP OF
BRUDENELL, LYNDOCH AND RAGLAN

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Township of Brudenell, Lyndoch and Raglan (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is contained in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MacKillican & Associates, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.


Michelle Mantifel - Clerk-Treasurer

Township of Brudenell, Lyndoch and Raglan

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For the year ended 31 December 2017

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**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Brudenell, Lyndoch and Raglan.

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Brudenell, Lyndoch and Raglan, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards for local governments, 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Brudenell, Lyndoch and Raglan and its local boards as at 31 December 2017, and the results of their operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

Mackillican & Associates

RENFREW, Ontario.
7 March 2018.

Chartered Professional Accountants,
Licensed Public Accountants.

Township of Brudenell, Lyndoch and Raglan

Consolidated Statement of Financial Position

As at 31 December 2017
(with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
Financial assets:		
Cash in bank	\$ 494,943	\$ 681,696
Taxes receivable	442,694	407,440
Accounts receivable	<u>615,394</u>	<u>59,425</u>
	<u>\$ 1,553,031</u>	<u>\$ 1,148,561</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 342,969	\$ 191,195
Deferred revenue - obligatory reserve funds (Note 5)	33,723	33,722
Net long term liabilities (Note 3)	449,666	515,883
Landfill closure and post closure costs (Note 6)	<u>164,456</u>	<u>164,456</u>
	<u>\$ 990,814</u>	<u>\$ 905,256</u>
Net financial assets	<u>\$ 562,217</u>	<u>\$ 243,305</u>
Non-financial assets:		
Tangible capital assets (net)	\$ 23,821,092	\$ 22,821,333
Inventories of supplies	42,609	9,891
Prepaid expenses	<u>8,315</u>	<u>7,381</u>
	<u>\$ 23,872,016</u>	<u>\$ 22,838,605</u>
Accumulated surplus	<u>\$ 24,434,233</u>	<u>\$ 23,081,910</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets	\$ 23,368,093	\$ 22,298,784
General	19,951	19,075
Bicentennial Park Committee	4,219	9,297
Recreation Committee	1,852	1,351
Reserves and reserve funds	1,204,574	917,859
Unfunded - landfill closure and post closure costs (Note 2)	<u>(164,456)</u>	<u>(164,456)</u>
Total accumulated surplus	<u>\$ 24,434,233</u>	<u>\$ 23,081,910</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Consolidated Statement of Operations and Accumulated Surplus
For the year ended 31 December 2017
(with 2017 budget and 2016 actual figures for comparison)

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Revenue:			
Taxation and user charges	\$ 1,232,536	\$ 1,250,800	\$ 1,215,936
Government transfers:			
Ontario	2,740,636	2,673,855	796,519
Canada	57,362	57,305	55,501
Other municipalities	11,653	3,483	7,303
Other	<u>144,144</u>	<u>219,406</u>	<u>170,039</u>
	<u>\$ 4,186,331</u>	<u>\$ 4,204,849</u>	<u>\$ 2,245,298</u>
Expenses:			
General government	\$ 302,116	\$ 261,196	\$ 261,998
Protection to persons and property	548,323	538,425	521,461
Transportation services	1,764,733	1,697,518	1,717,341
Environmental services	176,573	174,107	170,814
Health services	14,000	14,000	14,000
Recreation and cultural services	180,337	163,682	137,802
Planning and development	<u>6,800</u>	<u>3,598</u>	<u>5,080</u>
	<u>\$ 2,992,882</u>	<u>\$ 2,852,526</u>	<u>\$ 2,828,496</u>
Excess (shortfall) of revenue over expenses	\$ 1,193,449	\$ 1,352,323	\$ (583,198)
Accumulated surplus at the beginning of the year	<u>23,081,910</u>	<u>23,081,910</u>	<u>23,665,108</u>
Accumulated surplus at the end of the year	<u>\$ 24,275,359</u>	<u>\$ 24,434,233</u>	<u>\$ 23,081,910</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Consolidated Statement of Changes in Net Financial Assets
For the year ended 31 December 2017
(with 2017 budget and 2016 actual figures for comparison)

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Excess (shortfall) of revenue over expenses	\$ 1,193,449	\$ 1,352,323	\$ (583,198)
Amortization of tangible capital assets	1,050,653	1,050,653	1,065,945
Acquisition of tangible capital assets	(2,200,108)	(2,050,412)	(439,215)
Use of (acquisition of) inventory		(32,718)	11,630
Consumption (acquisition) of prepaid expenses	<u> </u>	<u> (934)</u>	<u> (944)</u>
Increase in net financial assets	\$ 43,994	\$ 318,912	\$ 54,218
Net financial assets at the beginning of the year	<u>243,305</u>	<u>243,305</u>	<u>189,087</u>
Net financial assets at the end of the year	<u>\$ 287,299</u>	<u>\$ 562,217</u>	<u>\$ 243,305</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

(with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ 1,352,323	\$ (583,198)
Add amortization which does not involve cash	<u>1,050,653</u>	<u>1,065,945</u>
	<u>\$ 2,402,976</u>	<u>\$ 482,747</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (35,254)	\$ 18,698
- decrease (increase) in accounts receivable	(555,969)	(27,354)
- increase (decrease) in accounts payable and accrued liabilities	151,774	66,778
- increase (decrease) in deferred revenue	1	9,747
- decrease (increase) in inventories of supplies	(32,718)	11,630
- decrease (increase) in prepaid expenses	<u>(934)</u>	<u>(944)</u>
	<u>\$ (473,100)</u>	<u>\$ 78,555</u>
Cash flows from operating activities	<u>\$ 1,929,876</u>	<u>\$ 561,302</u>
Cash flows from (used for) financing activities:		
Increase (decrease) in long term liabilities	<u>\$ (66,217)</u>	<u>\$ 135,064</u>
Cash flows used for capital activities:		
Additions to tangible capital assets:		
General government		\$ (33,112)
Protection services		(29,178)
Transportation services	\$ (2,031,205)	(349,246)
Recreation and cultural services	<u>(19,207)</u>	<u>(27,679)</u>
Cash flows used for capital activities	<u>\$ (2,050,412)</u>	<u>\$ (439,215)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ (186,753)	\$ 257,151
Cash and cash equivalents at the beginning of the year	<u>681,696</u>	<u>424,545</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 494,943</u></u>	<u><u>\$ 681,696</u></u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Brudenell, Lyndoch and Raglan are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. 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 or controlled by the Township. Interdepartmental and organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Township of Brudenell, Lyndoch and Raglan Recreation Committee
- Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee

- (ii) Accounting for County and School Board Transactions

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

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

(c) Non-financial Assets

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

Township of Brudenell, Lyndoch and Raglan

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

(d) Tangible Capital Assets

- (i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Non-Residential Building Construction Price Index (NRBCPI) for infrastructure and using the Consumer Price Index (CPI) for all other assets. Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 - 25 years
Buildings	15 - 40 years
Machinery and equipment	5 - 15 years
Vehicles	7 - 20 years
Linear assets	15 - 50 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expenditure equal to the net book value of the assets as of the date of transfer.

(iii) Leases

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

(e) Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

(f) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(g) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Township of Brudenell, Lyndoch and Raglan

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

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

(h) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(i) Deferred Revenue - Obligatory Reserve Funds

The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and, until applied to applicable costs, are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(j) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Significant estimates include the allowance for doubtful taxes, landfill closure and post closure costs and amortization.

(k) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

(l) Revenue Recognition

Taxation revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years. Fees and user charges relate to licensing fees, fees for use of various programming, and fees imposed based on specific activities, revenue is recognized when the activity is performed or when the services are rendered.

(m) Financial Instruments

Financial instruments include cash in bank, accounts receivable, accounts payable and accrued liabilities and net long term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank, accounts receivable, and accounts payable and accrued liabilities, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

The fair value of net long term liabilities is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

2. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to finance unfunded liabilities, comprised of the landfill closure and post closure liabilities.

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

3. NET LONG TERM LIABILITIES

(a) The balance of net long term liabilities of \$ 449,666 (2016 - \$ 515,883) reported on the "Consolidated Statement of Financial Position" is made up of long term liabilities incurred by the Municipality.

(b) Principal and interest payments required on the long term liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 66,804	\$ 12,014	\$ 78,818
2019	67,408	10,423	77,831
2020	68,031	8,835	76,866
2021	68,673	7,185	75,858
2022	13,750	5,807	19,557
2023 to 2027	68,750	22,334	91,084
2028 onwards	<u>96,250</u>	<u>12,029</u>	<u>108,279</u>
	<u>\$ 449,666</u>	<u>\$ 78,627</u>	<u>\$ 528,293</u>

4. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew 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:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 384,107	\$ 705,983
Payments in lieu	<u>722</u>	<u>38,760</u>
	<u>\$ 384,829</u>	<u>\$ 744,743</u>

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place because federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

(a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	<u>2017</u>	<u>2016</u>
Gasoline Tax - Federal	\$ <u>33,723</u>	\$ <u>33,722</u>

(b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

Balance at the beginning of the year	\$ 33,722	\$ 23,975
Gas tax revenue received	<u>51,301</u>	<u>50,409</u>
	\$ 85,023	\$ 74,384
Used to purchase tangible capital assets	<u>(51,300)</u>	<u>(40,662)</u>
Balance at the end of the year	<u>\$ 33,723</u>	<u>\$ 33,722</u>

Township of Brudenell, Lyndoch and Raglan

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

6. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. Some closure costs are incurred on an ongoing basis and are included in the yearly fiscal operating budget. All remaining expected closure and post closure costs have been discounted at the Township's average long term borrowing rate, net of estimated inflation. There are currently no reserves set aside for either closure or post closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the useful life and estimated post closure care period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Landfill sites' estimated remaining capacity in cubic metres	14,420
Landfill sites' remaining useful life in years	7
Expected years of post closure care	25

The estimated total undiscounted expenses over the 25 year post closure period amount to approximately \$ 132,800.

7. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Township is not aware of any claims or possible claims as at 31 December 2017.

8. BUDGET FIGURES

The operating budget approved by the Township of Brudenell, Lyndoch and Raglan for 2017 is reflected on the Consolidated Statement of Operations. The budget established for capital investment in tangible capital assets is 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. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budget has not been audited.

9. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by function, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. There were no such transfers in 2017.

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2017 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

10. MUNICIPALITIES BENEFIT COMMITTEE

The Township of Brudenell, Lyndoch and Raglan is a member of the Municipalities Benefit Committee (MBC) which is an employee group benefits plan arranged through Manulife to share in the financial risk of extended health and dental benefits. In the event that a deficit position is incurred, the Township of Brudenell, Lyndoch and Raglan must repay their pro-rata share of the deficit through a lump sum deposit or an increase in future annual premiums collected through the monthly billed rates. In the case of a surplus position, upon full funding of the claims fluctuation reserve (CFR), the surplus is transferred into a deposit account held by Manulife on the MBC's behalf. The surplus funds in the deposit account are to be used to fund premium requirements, enhancements to the benefit plan or fund future deficits. If the Township of Brudenell, Lyndoch and Raglan leaves the MBC, the Township forfeits its right to any surplus.

11. CONTRACTUAL OBLIGATIONS

The Township has not negotiated a contract with the Ontario Provincial Police for the provision of policing services, however the Ontario Provincial Police provide policing services on an annual basis. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The contract for 2017 was \$ 325,749 (2016 - \$ 310,661).

The Township has negotiated a contract with Beaumen Waste Management for the collection and disposal of recycled materials from the landfill site and the two transfer stations. Annual charges are determined based on the number of cubic yard bins. The contract for 2017 was \$ 18,012 (2016 - \$ 18,927).

12. SEGMENTED INFORMATION

- (a) The Township is responsible for providing a wide range of services to its citizens. The Township reports on functional areas and programs in its consolidated financial statements. A brief description of each segment follows:
- i) General government is comprised of Council and administration and is responsible for the overall governance and management of the Municipality.
 - ii) Protection is comprised of police, fire, and other protective services.
 - iii) Transportation is comprised of roads including parking, signs and signals, streetlights and the maintenance of roads of the Township.
 - iv) Environmental services include water supply and distribution, wastewater treatment, and solid waste and recycling services.

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

v) Recreation and cultural services include parks and recreation and libraries.

vi) Planning and development services are comprised of managing development for residential and business interests, as well as infrastructure and parks.

(b) For each functional area, expenditures represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The expenditures for 31 December 2017 are as follows:

	<u>Salaries and benefits</u>	<u>Interest on long term debt</u>	<u>Materials and contracted services</u>	<u>Rent and external transfers</u>	<u>Amortization</u>	<u>Total</u>
General government	\$ 141,642	\$ 8,127	\$ 89,343	\$ 5,494	\$ 16,590	\$ 261,196
Protection services	78,907		438,159		21,359	538,425
Transportation services	339,667	5,460	381,946		970,445	1,697,518
Environmental services	46,868		108,190		19,049	174,107
Health services				14,000		14,000
Recreation	33,850		106,622		23,210	163,682
Planning and development	<u> </u>	<u> </u>	<u>3,598</u>	<u> </u>	<u> </u>	<u>3,598</u>
	<u>\$ 640,934</u>	<u>\$ 13,587</u>	<u>\$ 1,127,858</u>	<u>\$ 19,494</u>	<u>\$ 1,050,653</u>	<u>\$ 2,852,526</u>

(c) The expenditures for 31 December 2016 are as follows:

	<u>Salaries and benefits</u>	<u>Interest on long term debt</u>	<u>Materials and contracted services</u>	<u>Rent and external transfers</u>	<u>Amortization</u>	<u>Total</u>
General government	\$ 144,199	\$ 8,609	\$ 91,413	\$ 5,200	\$ 12,577	\$ 261,998
Protection services	88,739		412,821		19,901	521,461
Transportation services	323,030	3,519	399,584		991,208	1,717,341
Environmental services	54,779		96,986		19,049	170,814
Health services				14,000		14,000
Recreation	23,248		91,344		23,210	137,802
Planning and development	<u> </u>	<u> </u>	<u>5,080</u>	<u> </u>	<u> </u>	<u>5,080</u>
	<u>\$ 633,995</u>	<u>\$ 12,128</u>	<u>\$ 1,097,228</u>	<u>\$ 19,200</u>	<u>\$ 1,065,945</u>	<u>\$ 2,828,496</u>

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2017</u>	<u>2016</u>
Tangible capital assets - net	\$ 23,821,092	\$ 22,821,333
Net long term liabilities (Note 3)	(449,666)	(515,883)
Unexpended capital financing (unfunded capital outlay)	<u>(3,333)</u>	<u>(6,666)</u>
	<u>\$ 23,368,093</u>	<u>\$ 22,298,784</u>

Township of Brudenell, Lyndoch and Raglan

Schedule of General Operations

For the year ended 31 December 2017

(with 2017 budget and 2016 actual figures for comparison)

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 1,232,536	\$ 1,250,800	\$ 1,215,936
Government transfers:			
Ontario	2,740,636	2,673,855	796,519
Canada	53,961	53,961	54,501
Other municipalities	11,653	3,483	7,303
Other	<u>86,084</u>	<u>145,959</u>	<u>126,481</u>
	<u>\$ 4,124,870</u>	<u>\$ 4,128,058</u>	<u>\$ 2,200,740</u>
Expenses:			
General government	\$ 302,116	\$ 261,196	\$ 261,998
Protection to persons and property	548,323	538,425	521,461
Transportation services	1,764,733	1,697,518	1,717,341
Environmental services	176,573	174,107	170,814
Health services	14,000	14,000	14,000
Recreation and cultural services	70,815	62,440	62,627
Planning and development	<u>6,800</u>	<u>3,598</u>	<u>5,080</u>
	<u>\$ 2,883,360</u>	<u>\$ 2,751,284</u>	<u>\$ 2,753,321</u>
Excess (shortfall) of revenue over expenses	<u>\$ 1,241,510</u>	<u>\$ 1,376,774</u>	<u>\$ (552,581)</u>
Transfers:			
Transfer to recreation	\$ (37,413)	\$ (29,089)	\$ (30,000)
Transfer to reserves	(7,500)	(277,500)	(185,584)
Transfer from (to) equity in tangible capital assets	<u>(1,215,672)</u>	<u>(1,069,309)</u>	<u>768,461</u>
Net transfers	<u>\$ (1,260,585)</u>	<u>\$ (1,375,898)</u>	<u>\$ 552,877</u>
Change in general surplus (deficit) for the year	\$ (19,075)	\$ 876	\$ 296
General surplus at the beginning of the year	<u>19,075</u>	<u>19,075</u>	<u>18,779</u>
General surplus at the end of the year	<u>\$ -</u>	<u>\$ 19,951</u>	<u>\$ 19,075</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Reserves and Reserve Funds

For the year ended 31 December 2017

(with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
Contributions:		
From operations	\$ 286,715	\$ 185,584
Reserves and reserve funds at the beginning of the year	<u>917,859</u>	<u>732,275</u>
Reserves and reserve funds at the end of the year	<u>\$ 1,204,574</u>	<u>\$ 917,859</u>
Reserves:		
Working funds	\$ 213,877	\$ 164,877
General government	26,800	26,800
Protection services	223,768	172,268
Roadways	468,090	396,090
Solid waste disposal	221,393	116,393
Recreation	<u>33,500</u>	<u>33,500</u>
Total reserves	\$ 1,187,428	\$ 909,928
Discretionary reserve fund set aside for specific purpose:		
Recreation facilities - other	<u>17,146</u>	<u>7,931</u>
Total reserves and reserve funds	<u>\$ 1,204,574</u>	<u>\$ 917,859</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Tangible Capital Assets

For the year ended 31 December 2017

(with 2016 figures for comparison)

Segmented by asset class:	Balance at 31 December <u>2016</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2017</u>
<u>Cost</u>				
Land	\$ 253,948			\$ 253,948
Buildings	2,487,185	\$ 12,796	\$ 27,679	2,527,660
Machinery and equipment	744,228	6,411		750,639
Vehicles	1,421,416			1,421,416
Linear assets	42,587,522	2,031,205		44,618,727
Capital work in progress	<u>27,679</u>		<u>(27,679)</u>	
Total	<u>\$ 47,521,978</u>	<u>\$ 2,050,412</u>	<u>\$ -</u>	<u>\$ 49,572,390</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2016</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2017</u>
Buildings	\$ 858,445	\$ 41,533	\$ -	\$ 899,978
Machinery and equipment	616,964	22,510		639,474
Vehicles	780,278	84,065		864,343
Linear assets	<u>22,444,958</u>	<u>902,545</u>		<u>23,347,503</u>
Total	<u>\$ 24,700,645</u>	<u>\$ 1,050,653</u>	<u>\$ -</u>	<u>\$ 25,751,298</u>

<u>Net book value</u>	Balance at 31 December <u>2016</u>	Balance at 31 December <u>2017</u>
Land	\$ 253,948	\$ 253,948
Buildings	1,628,740	1,627,682
Machinery and equipment	127,264	111,165
Vehicles	641,138	557,073
Linear assets	20,142,564	21,271,224
Capital work in progress	<u>27,679</u>	
Total	<u>\$ 22,821,333</u>	<u>\$ 23,821,092</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Tangible Capital Assets

For the year ended 31 December 2017

(with 2016 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 December <u>2016</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2017</u>
General government (administration)	\$ 547,126		\$ -	\$ 547,126
Protection services (fire)	577,169			577,169
Transportation services (roads)	44,195,511	\$ 2,031,205		46,226,716
Environmental services (waste, recycling)	419,728			419,728
Recreation and cultural services (recreation)	<u>1,782,444</u>	<u>19,207</u>		<u>1,801,651</u>
Total	<u>\$ 47,521,978</u>	<u>\$ 2,050,412</u>	<u>\$ -</u>	<u>\$ 49,572,390</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2016</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2017</u>
General government (administration)	\$ 110,975	\$ 16,590	\$ -	\$ 127,565
Protection services (fire)	231,248	21,359		252,607
Transportation services (roads)	23,608,637	970,445		24,579,082
Environmental services (waste, recycling)	230,636	19,049		249,685
Recreation and cultural services (recreation)	<u>519,149</u>	<u>23,210</u>		<u>542,359</u>
Total	<u>\$ 24,700,645</u>	<u>\$ 1,050,653</u>	<u>\$ -</u>	<u>\$ 25,751,298</u>

<u>Net book value</u>	Balance at 31 December <u>2016</u>	Balance at 31 December <u>2017</u>
General government (administration)	\$ 436,151	\$ 419,561
Protection services (fire)	345,921	324,562
Transportation services (roads)	20,586,874	21,647,634
Environmental services (waste, recycling)	189,092	170,043
Recreation and cultural services (recreation)	<u>1,263,295</u>	<u>1,259,292</u>
Total	<u>\$ 22,821,333</u>	<u>\$ 23,821,092</u>

(See accompanying notes)



INDEPENDENT AUDITOR'S REPORT

To the Recreation Committee Members,
Members of Council, Inhabitants and
Ratepayers of the Corporation of the
Township of Brudenell, Lyndoch and Raglan.

We have audited the accompanying financial statements of the Township of Brudenell, Lyndoch and Raglan Recreation Committee, which comprise the statement of financial position as at 31 December 2017, and the statement of operations and accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

In common with many recreation committees, the organization derives revenue from fundraising and recreation activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Township of Brudenell, Lyndoch and Raglan Recreation Committee and we were not able to determine whether any adjustments might be necessary to fundraising and recreation activities, assets and accumulated surplus.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Township of Brudenell, Lyndoch and Raglan Recreation Committee as at 31 December 2017, and the results of its operations and accumulated surplus for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

M^{rs} Mackillican & Associates

RENFREW, Ontario.
7 March 2018.

Chartered Professional Accountants,
Licensed Public Accountants.

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Statement of Financial Position

As at 31 December 2017

(with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Financial assets:		
Cash in bank	\$ 6,012	\$ 3,638
Due from Canada	<u>330</u>	<u>731</u>
	<u>\$ 6,342</u>	<u>\$ 4,369</u>
 <u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
Liabilities:		
Accounts payable	\$ 4,030	\$ 2,715
Due to Township	<u>460</u>	<u>303</u>
	\$ 4,490	\$ 3,018
Accumulated surplus	<u>1,852</u>	<u>1,351</u>
	<u>\$ 6,342</u>	<u>\$ 4,369</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Statement of Operations and Accumulated Surplus

For the year ended 31 December 2017

(with 2017 budget and 2016 actual figures for comparison)

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Revenue:			
Canada grants - Canada Day	\$ 1,000	\$ 1,000	\$ 1,000
- Summer Student Grant	1,197	1,140	
Municipal grant	32,413	23,589	30,000
Arena revenues	8,000	10,056	9,643
Minor sports	1,260	1,407	1,261
Calendar revenue		1,841	943
Cafeteria	4,000	3,287	1,597
Fees - swim program	1,000	950	
Fundraising activities	28,000	27,086	17,844
Donations	<u>500</u>	<u>100</u>	<u>863</u>
	<u>\$ 77,370</u>	<u>\$ 70,456</u>	<u>\$ 63,151</u>
Expenses:			
Audit and legal	\$ 1,018	\$ 1,018	\$ 1,018
Insurance	9,189	9,189	10,371
Programs and activities	4,000		3,000
Rink, swim program and ball diamond:			
- wages	8,384	7,415	1,509
- utilities	14,000	12,892	12,400
- maintenance and supplies	17,985	12,210	15,286
Advertising and fundraising	22,145	23,693	17,982
Cafeteria supplies	<u>2,000</u>	<u>3,538</u>	<u>3,176</u>
	<u>\$ 78,721</u>	<u>\$ 69,955</u>	<u>\$ 64,742</u>
Excess (shortfall) of revenue over expenses	\$ (1,351)	\$ 501	\$ (1,591)
Accumulated surplus at the beginning of the year	<u>1,351</u>	<u>1,351</u>	<u>2,942</u>
Accumulated surplus at the end of the year	<u>\$ -</u>	<u>\$ 1,852</u>	<u>\$ 1,351</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Statement of Cash Flows

For the year ended 31 December 2017

(with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ <u>501</u>	\$ <u>(1,591)</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in due from Canada	\$ 401	\$ (731)
- increase (decrease) in accounts payable and accrued liabilities	1,315	(1,856)
- increase (decrease) in due to Township	157	186
- increase (decrease) in due to Canada	<u> </u>	<u>(81)</u>
	\$ <u>1,873</u>	\$ <u>(2,482)</u>
Cash flows from (used for) operating activities	\$ <u>2,374</u>	\$ <u>(4,073)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ 2,374	\$ (4,073)
Cash and cash equivalents at the beginning of the year	<u>3,638</u>	<u>7,711</u>
Cash and cash equivalents at the end of the year	<u>\$ 6,012</u>	<u>\$ 3,638</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Brudenell, Lyndoch and Raglan Recreation Committee are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(d) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2017

2. FINANCIAL INSTRUMENTS

Financial instruments include cash in bank, due from Canada, accounts payable and due to Township. Unless otherwise noted, it is management's opinion that the Committee is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank, due from Canada, accounts payable and due to Township, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of committee activities is such that there may be litigation pending or in prospect at any time. The Committee is not aware of any claims or possible claims as at 31 December 2017.



INDEPENDENT AUDITOR'S REPORT

To the Bicentennial Park Committee Members,
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Brudenell, Lyndoch and Raglan.

We have audited the accompanying financial statements of the Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee, which comprise the statement of financial position as at 31 December 2017, and the statement of operations and accumulated surplus 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 for local governments, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

In common with many park committees, the organization derives revenue from fundraising and park activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee and we were not able to determine whether any adjustments might be necessary to fundraising and park activities, assets and accumulated surplus.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee as at 31 December 2017, and the results of its operations and accumulated surplus for the year then ended in accordance with Canadian Public Sector Accounting Standards for local governments.

Mackillican & Associates

**Chartered Professional Accountants,
Licensed Public Accountants.**

RENFREW, Ontario.
7 March 2018.

Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Statement of Financial Position

As at 31 December 2017
(with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current:		
Cash in bank	\$ 3,885	\$ 9,174
Due from Canada	<u>447</u>	<u>140</u>
	<u>\$ 4,332</u>	<u>\$ 9,314</u>
 <u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
Current liabilities:		
Due to Township	\$ 113	\$ 17
Accumulated surplus	<u>4,219</u>	<u>9,297</u>
	<u>\$ 4,332</u>	<u>\$ 9,314</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Statement of Operations and Accumulated Surplus

For the year ended 31 December 2017

(with 2017 budget and 2016 actual figures for comparison)

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Revenue:			
Canada grants - Enabling Accessibility	\$ 1,204	\$ 1,204	
Municipal grant	5,000	5,500	
Fundraising and donations	10,300	13,405	\$ 11,407
Donations renovation project	<u>5,000</u>	<u>6,100</u>	<u> </u>
	<u>\$ 21,504</u>	<u>\$ 26,209</u>	<u>\$ 11,407</u>
Expenses:			
Fundraising	\$ 6,000	\$ 5,930	\$ 7,496
Maintenance, supplies and utilities	3,360	2,515	2,937
Renovation project	18,000	19,743	
Enabling Accessibility project	<u>3,441</u>	<u>3,099</u>	<u> </u>
	<u>\$ 30,801</u>	<u>\$ 31,287</u>	<u>\$ 10,433</u>
Excess (shortfall) of revenue over expenses	\$ (9,297)	\$ (5,078)	\$ 974
Accumulated surplus at the beginning of the year	<u>9,297</u>	<u>9,297</u>	<u>8,323</u>
Accumulated surplus at the end of the year	<u>\$ -</u>	<u>\$ 4,219</u>	<u>\$ 9,297</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Notes to the Financial Statements

For the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee are the representation of management prepared in accordance with Canadian Public Sector Accounting Standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash in bank, due from Canada and due to Township. Unless otherwise noted, it is management's opinion that the Committee is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank, due from Canada and due to Township, approximate their fair values, due to the immediate and short term maturities of these financial instruments.

Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Notes to the Financial Statements

For the year ended 31 December 2017

3. CONTINGENT LIABILITIES

The nature of Committee activities is such that there may be litigation pending or in prospect at any time. The Committee is not aware of any claims or possible claims as at 31 December 2017.