

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
FINANCIAL STATEMENTS
DECEMBER 31, 2017

VODDEN, BENDER & SEEBACH LLP
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Ashfield-Colborne-Wawanosh

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Ashfield-Colborne-Wawanosh, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 Ashfield-Colborne-Wawanosh as at December 31, 2017 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Vodden, Bender & Seebach LLP

Chartered Professional Accountants
Licensed Public Accountants
Clinton, Ontario
June 19, 2018

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31		2017	2016
Financial Assets			
Cash	note 3	4,358,180	4,293,847
Taxes receivable		630,802	632,546
Accounts receivable		1,811,438	1,722,472
Long-term receivables	note 4	259,033	331,332
		7,059,453	6,980,197
Liabilities			
Account payable and accrued liabilities		1,373,034	1,167,445
Deferred revenue	schedule 2	133,631	110,979
Municipal debt	note 5	259,033	328,554
Landfill closure and post closure liability	note 6	1,367,910	1,376,735
		3,133,608	2,983,713
Net financial assets		3,925,845	3,996,484
Non-financial assets			
Tangible capital assets	schedule 3	37,307,619	37,398,319
Accumulated surplus	note 10	\$ 41,233,464	\$ 41,394,803

The accompanying notes and schedules are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

for the year ended December 31	2017 Budget	2017 Actual	2016 Actual
Annual surplus (deficit)	1,239,530	(161,339)	1,127,628
Amortization of tangible capital assets	-	1,333,088	1,345,432
Acquisition of tangible capital assets	(1,688,250)	(1,804,132)	(2,195,027)
Proceeds from disposition of assets		34,633	155,724
Loss (gain) on disposal of tangible capital assets	-	527,111	(17,552)
Increase (decrease) in net financial assets	<u>(448,720)</u>	(70,639)	416,205
Net financial assets beginning of year		3,996,484	3,580,279
Net financial assets end of year		\$ 3,925,845	\$ 3,996,484

The accompanying notes and schedules are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
CONSOLIDATED STATEMENT OF OPERATIONS

for the year ended December 31	2017 Budget	2017 Actual	2016 Actual
Revenue			
Taxation for municipal purposes	3,627,080	3,712,504	3,421,528
User charges	1,831,913	3,189,080	3,586,358
Government transfers	1,130,884	1,120,094	1,239,460
Other revenue	108,509	103,340	128,319
Gain(loss) on disposal of capital assets	-	(527,111)	17,550
Total revenue	6,698,386	7,597,907	8,393,215
Expenditure			
General government	718,350	724,775	699,170
Protection services	1,528,100	1,550,354	1,379,392
Transportation services	1,935,971	3,013,729	2,929,247
Environmental services	788,094	903,788	872,682
Health services	76,666	64,434	78,882
Recreation and culture	334,975	421,516	427,586
Planning and development	76,700	1,080,650	878,628
Total expenses	5,458,856	7,759,246	7,265,587
Annual surplus (deficit)	1,239,530	(161,339)	1,127,628
Accumulated surplus beginning of year	41,394,803	41,394,803	40,267,175
Accumulated surplus end of year	\$ 42,634,333	\$ 41,233,464	\$ 41,394,803

The accompanying notes and schedules are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended December 31	2017	2016
Operating activities		
Annual surplus (deficit)	(161,339)	1,127,628
Amortization not requiring cash outlay	1,333,088	1,345,432
Loss (gain) on disposition of tangible capital assets	527,111	(17,552)
Decrease (increase) in taxes receivable	1,744	39,471
Decrease (increase) in accounts receivable	(88,966)	(820,634)
Increase (decrease) in accounts payable	205,589	(39,674)
Increase (decrease) in deferred revenue	22,652	(624)
Increase (decrease) in landfill closure liability	(8,825)	17,969
Cash provided from (used for) operations	<u>1,831,054</u>	1,652,016
Capital activities		
Proceeds of disposition of tangible capital assets	34,633	155,724
Acquisition of tangible capital assets	(1,804,132)	(2,195,027)
Net investment in tangible capital assets	<u>(1,769,499)</u>	(2,039,303)
Investing activities		
Issuance of loans receivable	-	(42,600)
Repayment of loans receivable	72,299	59,034
Net increase (decrease) in cash from financing	<u>72,299</u>	16,434
Financing activities		
Debt issued	-	42,600
Debt principal payments	(69,521)	(53,704)
Net increase (decrease) in cash from financing	<u>(69,521)</u>	(11,104)
Net increase (decrease) in cash	64,333	(381,957)
Cash beginning of year	4,293,847	4,675,804
Cash end of year	<u>\$ 4,358,180</u>	<u>\$ 4,293,847</u>

The accompanying notes and schedules are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2017

1. Significant accounting policies

The consolidated financial statements of the Township of Ashfield-Colborne-Wawanosh are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the municipality are as follows:

a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenue and expenditures, reserves and reserve funds and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for their administration of their financial affairs and resources to the municipality and which are owned or controlled by the municipality. In addition to general government tax-supported operations, they include water systems operated by the municipality and the municipality's proportionate share of joint local boards.

These consolidated financial statements include the proportional share of the financial position and operating activities of the following joint local boards:

- Mid-Huron Landfill Site Board - 9.4%
- Lucknow and District Fire Department Joint Board of Management - 50%
- Lucknow Community Health Centre Board - 50%
- Lucknow and District Joint Recreation Board - 50%

Inter-departmental and inter-organizational transactions and balances are eliminated.

The statements do not include trust funds that are administered for the benefit of external parties.

b) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) Non-financial assets

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

a) 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, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	50 years
Buildings	50 years
Transportation roads infrastructure	
Base and earthwork	100 years
Surface	15 years
Bridges and culverts	40 to 80 years
Water system	20 to 80 years
Vehicles and equipment	10 to 15 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The municipality capitalizes all land acquisitions and has a threshold of \$15,000 for buildings and infrastructure and \$1,000 - \$5,000 for various types of equipment, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

b) 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 expense equal to the net book value of the asset as of the date of transfer.

c) Leases

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

d) Inventories

Inventories held for consumption are recorded at the lower of cost or net realizable value.

iii) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditure. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.

iv) Pension and employee benefits

The municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

v) Deferred revenue

Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the statement of financial position as deferred revenue until the obligation is discharged. These amounts will be recognized as revenues in the period in which related expenditure are incurred.

vi) Investments

Investments are recorded at cost plus accrued interest less amounts written off to reflect a permanent decline in value.

vii) Revenue recognition

Tax levies, based on assessment rolls issued by the Municipal Property Assessment Corporation and tax rates established by council, are recognized as revenue when the tax billings are issued.

Other revenue is recognized when related services are provided or goods delivered, collectibility is reasonably assured and there are no significant future obligations.

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

viii) Landfill Site Closure and Post-Closure Care

Landfill site closure and post-closure care costs are recognized over the operating life of the landfill site, based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

ix) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

x) Financial instruments

Financial instruments consist of cash, taxes receivable, accounts receivable, long-term receivables, accounts payable and accrued liabilities and municipal debt. The municipality classifies all of its financial instruments as measured at amortized cost. Financial assets measured at cost are recognized initially at fair value plus any directly attributable transaction costs. The carrying amount is subsequently written down to net realizable value when an impairment loss is known and there is no reasonable prospect of recovery.

2. Pension agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement System Pension Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for the year was \$108,582 (2016: \$99,477) for current services and is included as an expenditure on the consolidated statement of operations.

3. Cash

	2017	2016
Unrestricted	3,225,489	3,026,451
Restricted	459,563	606,049
Cash held by other municipalities and boards	<u>673,128</u>	<u>661,347</u>
	\$ 4,358,180	\$ 4,293,847

4. Loans receivable

	2017	2016
Property owners for road and water system capital costs	40,813	51,407
Property owners for tile drain loans	<u>218,220</u>	<u>227,925</u>
	\$ 259,033	\$ 331,332

Amounts due in the next five years are as follows:

2018: \$53,789 2019: \$53,418 2020: \$53,160 2021: \$33,536 2021: \$26,507

5. Municipal debt

	2017	2016
Bank loan payable in quarterly instalments of \$2,592 including interest at 5.6% maturing April 2022	40,813	48,629
Tile drainage loans payable to the Ministry of Finance maturing from 2017 to 2026 with interest rates of 6%	<u>218,220</u>	<u>279,925</u>
	\$ 259,033	\$ 328,554

Principal payments are recoverable from landowners.

Amounts due in the next five years are as follows:

2018: \$53,789 2019: \$53,418 2020: \$53,160 2021: \$33,536 2021: \$26,507

6. Landfill closure and post closure cost liability

A liability for the costs of solid waste landfill closure and post closure care requirements accrues as the capacity of sites is used. Care requirements include final covering, landscaping, removal of ground water and leachates and ongoing monitoring and maintenance. These costs will be incurred when the landfill site stops accepting waste, with the post-closure care expected to continue for an additional 50 years. The estimated liability is the discounted present value of future cash flows related to capacity used to date. The municipality operates landfill sites within its boundaries and participates in the Mid-Huron landfill site.

Based on a 2015 cost estimate, the recorded liability for sites within the municipality is \$293,200 (2016: \$303,760). The future liability is expected to be funded through budget allocations and reserves.

The municipality's proportionate liability for the Mid-Huron landfill site reported in the financial statements is \$1,074,710 (2016: \$1,072,975). The Mid-Huron Landfill Site Board has set aside reserve funds of which the municipality's proportionate share is \$572,965 (2016: \$561,657).

The reported liability is based on estimates and assumptions with respect to events extending over a long-term period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity and liability. Any changes in these estimates would be recognized in the year the change is identified.

The closure and post-closure care costs are expected to be funded in the year incurred.

7. Contractual obligation

The municipality has contracted with Veolia Water Canada for operation and maintenance of water systems until March 2020 at a base annual fee of \$129,600 with certain additional charges and increases based on consumer price index, and with Waste Management for garbage collection and recycling until April 2020 at an annual fee of \$172,686 plus 2% increase per year.

8. Contingencies

In the ordinary course of business, various claims and lawsuits are brought against the municipality. Because settlement amounts, if any, cannot be determined or because claims are expected to be within the municipality's insurance coverage, no provision has been made for the contingency in the financial statements.

The municipality is liable for long-term liabilities with respect to loans for which the responsibility for payment of principal and interest has been assumed by others. Payments on municipal debt for capital costs and tile drainage loans are recoverable by payments on loans receivable from property owners. However the municipality has prime responsibility to meet the debt payments.

9. Tangible capital assets

Schedule 3 provides information on the tangible capital assets of the municipality by major class and by business segment, as well as for accumulated amortization of the assets controlled.

i) Contributed tangible capital assets

The municipality records all tangible capital assets contributed by external parties at fair value.

ii) Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of \$1 because of the difficulty of determining a tenable valuation.

10. Schedule of accumulated surplus	2017	2016
Reserves	<u>5,293,755</u>	<u>5,373,219</u>
Surpluses		
Invested in tangible capital assets	37,307,619	37,398,319
General revenue fund	-	-
Unfunded		
Solid waste landfill closure and post closure liabilities	<u>(1,367,910)</u>	<u>(1,376,735)</u>
Total surpluses	<u>35,939,709</u>	<u>36,021,584</u>
Accumulated surplus	<u>\$ 41,233,464</u>	<u>\$ 41,394,803</u>

11. Budget amounts

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of change in net assets and operations for comparative purposes. The budget amounts for the municipality have been approved by Council. Certain amounts have been reclassified to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of operations. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the budget approved by Council with the following adjustments:

Approved budget annual surplus (deficit)	-
Add: acquisition of tangible capital assets	1,688,250
net transfers to reserves	<u>(448,720)</u>
Budgeted surplus reported on statement of operations	<u>\$ 1,239,530</u>

12. Financial instrument risk management**Liquidity risk:**

Liquidity risk is the risk that the municipality will not be able to meet its financial obligations associated with financial liabilities. The municipality follows a budgeting and monitoring procedure to ensure funds are available to meet its obligations.

Credit risk:

The municipality is exposed to credit risk through its cash and receivables in the event of non-collection. The maximum exposure to credit risk is the carrying value of accounts receivable on the balance sheet.

Interest rate risk:

The municipality is exposed to interest rate risk arising from the possibility of fluctuation in interest rates on debt. Currently, the municipality has no short-term loans and the rates on long-term debt are fixed.

There have been no significant changes from the previous year in the exposure to risk, or to policies, procedures and methods used to measure risk.

13. Operations of school boards and county

Taxation levied for school board and county purposes are not reflected in the financial statements. The amounts transferred were:

	2017	2015
School boards	2,144,799	2,139,601
County of Huron	4,880,737	4,629,942

14. Trust funds

Trust funds administered by the municipality amounting to \$171,390 (2016: \$167,367) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

15. Segmented information

The Township of Ashfield-Colborne-Wawanosh provides a wide range of services to its citizens such as recreational and cultural services, planning and development, fire, and transportation services. Distinguishable functional segments have been separately disclosed in the segmented information provided in schedule 4. Municipal taxation revenue and the Ontario Municipal Partnership Fund grant are allocated to general government. The nature of the segments and the activities they encompass are as follows:

General Government

This segment relates to the general operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of fire protection, policing, court services, conservation authorities, protective inspection and control, building permit and inspection services, emergency measures and other protection services.

Transportation

Transportation services include road maintenance, winter control services, street light maintenance, parking lots, equipment maintenance and other transportation services.

Environmental Services

Environmental services include sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling.

Health Services

This service area includes cemeteries and other health services.

Recreational and Cultural Services

This service area provides public services that contribute to the provision of recreation and leisure facilities and programs, the maintenance of parks and open spaces, library services, museums and other cultural services.

Planning and Development

This segment includes matters relating to zoning and site plan controls, land acquisition, development initiatives, agriculture and reforestation, municipal drainage and tile drainage.

For additional information, see the schedule of segmented information.

Township of Ashfield-Colborne-Wawanosh

Consolidated Schedule of Continuity of Reserves and Reserve Funds

Schedule 1

For the Year Ended December 31, 2017

	Balance, beginning of year	Revenues and contributions				Transfers			Balance, end of year
		Interest	From Operations	Other	Total	To Operations	To Capital Acquisitions	Total	
Reserves and reserve funds									
for general government	2,026,350				-			-	2,026,350
for protection services	691,328		87,984		87,984			-	779,312
for transportation services	1,868,251	12,211	837,504		849,715		1,148,540	1,148,540	1,569,426
for environmental services	755,700		29,568		29,568			-	785,268
for social and family services	2,500				-			-	2,500
for recreation and cultural services	29,090		101,809		101,809			-	130,899
	5,373,219	12,211	1,056,865	-	1,069,076	-	1,148,540	1,148,540	\$ 5,293,755

Consolidated Schedule of Continuity of Deferred Revenue

Schedule 2

For the Year Ended December 31, 2017

	Balance, beginning of year	Revenues and contributions				Transfers			Balance, end of year
		Interest	From Operations	Contributions	Total	To Operations	To Capital Acquisitions	Total	
Deferred revenue									
Development charges and parklands	99,915	917		1,750	2,667	20,000		20,000	82,582
Federal gasoline tax	11,064	595		172,715	173,310		133,325	133,325	51,049
	110,979	1,512	-	174,465	175,977	20,000	133,325	153,325	\$ 133,631

Township of Ashfield-Colborne-Wawanosh
 Consolidated Schedule of Tangible Capital Assets
 For the Year Ended December 31, 2017

Schedule 3

	General				Infrastructure				Total Net Book Value 2017	Total Net Book Value 2016	
	Land	Buildings	Machinery & Equipment	Vehicles	Plants and Facilities	Roads	Underground and other Networks	Bridges and other Structures			
Cost											
Balance, beginning of year	685,909	3,862,130	1,202,255	3,461,495	1,409,195	43,770,521	2,181,104	6,187,387	-	62,759,996	61,369,271
Additions during the year	93,894	250,763	101,101	117,300	-	1,060,681	-	180,393	-	1,804,132	2,195,027
Disposals during the year	-	-	(214,262)	(125,509)	-	(1,061,439)	-	(21,036)	-	(1,422,246)	(804,302)
Balance, end of year	779,803	4,112,893	1,089,094	3,453,286	1,409,195	43,769,763	2,181,104	6,346,744	-	63,141,882	62,759,996
Accumulated depreciation											
Balance, beginning of year	-	1,153,790	697,537	1,912,664	666,208	17,287,570	598,777	3,045,131	-	25,361,677	24,682,375
Amortization during the year	-	81,722	56,337	205,216	48,902	801,694	29,082	110,135	-	1,333,088	1,345,432
Accumulated amortization on disposals	-	-	(207,994)	(125,509)	-	(505,962)	-	(21,036)	-	(860,502)	(666,130)
Balance, end of year	-	1,235,512	545,880	1,992,371	715,110	17,583,302	627,859	3,134,230	-	25,834,263	25,361,677
Net Book Value of Tangible Capital Assets	779,803	2,877,381	543,214	1,460,915	694,085	26,186,461	1,553,245	3,212,514	-	\$ 37,307,619	\$ 37,398,319

Township of Ashfield-Colborne-Wawanosh

Segmented Information

Schedule 4

For the Year Ended December 31, 2017

	General Government	Police Protection	Fire Protection	Building inspection	Other Protection	Roads and Street lights	Water,Sewers, Storm sewers	Waste Disposal	Health	Recreation and Culture	Zoning and Development	Total 2017	Total 2016
Revenue													
Taxation	3,712,504											3,712,504	3,421,528
User charges	759,630		9,050	196,539	25,642	85,878	434,130	283,979	26,513	295,420	1,072,299	3,189,080	3,586,358
Government transfers	727,518					311,840	750	60,908		-	19,078	1,120,094	1,239,460
Interest and penalties	103,340											103,340	128,319
Gain (loss) on disposal of assets	(3,754)		8,113			(533,977)			2,507			(527,111)	17,550
	5,299,238	-	17,163	196,539	25,642	(136,259)	434,880	344,887	29,020	295,420	1,091,377	7,597,907	8,393,215
Operating expenditure													
Wages, salaries and benefits	526,315		71,844	88,649	18	716,917	1,027	69,204	32,665	128,637	4,842	1,640,118	1,524,409
Contract services	50,854	921,362	167,379	178	201,622	642,550	346,910	217,689	5,953	38,593	1,075,808	3,668,898	3,141,914
Materials and supplies	131,265		35,459	19,727	1,764	536,849	68,684	114,700	22,839	185,855	-	1,117,142	1,253,832
Depreciation and write-downs	16,341		42,352	-		1,096,553	98,844	7,590	2,977	68,431		1,333,088	1,345,432
	724,775	921,362	317,034	108,554	203,404	2,992,869	515,465	409,183	64,434	421,516	1,080,650	7,759,246	7,265,587
Net revenue (expense)	4,574,463	(921,362)	(299,871)	87,985	(177,762)	(3,129,128)	(80,585)	(64,296)	(35,414)	(126,096)	10,727	(161,339)	1,127,628

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Ashfield-Colborne-Wawanosh

We have audited the accompanying financial statements of Trust Funds of the Corporation of the Township of Ashfield-Colborne-Wawanosh, which comprise the balance sheet as at December 31, 2017 and the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trust Funds of the Corporation of the Township of Ashfield-Colborne-Wawanosh as at December 31, 2017 and the continuity of its funds in accordance with Canadian public sector accounting standards.

Vodden, Bender & Seebach LLP

Chartered Professional Accountants
Licensed Public Accountants
Clinton, Ontario
June 19, 2018

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
TRUST FUNDS
STATEMENT OF CONTINUITY**

For the Year Ended December 31	Total		Cemetery Internment Rights		Cemetery Monument Installation		Cemetery Bequest	
	2017	2016	2017	2016	2017	2016	2017	2016
Capital beginning of year	167,367	161,578	116,167	109,687	25,535	26,400	25,665	25,491
Receipts								
Plot sales	2,880	6,480	2,880	6,480				
Monument installations	900	1,350			900	1,350		
Interest earned	1,592	1,112	1,102	760	247	178	243	174
	5,372	8,942	3,982	7,240	1,147	1,528	243	174
Expenditure								
Maintenance	1,349	3,153	1,102	760	247	2,393	-	-
	1,349	3,153	1,102	760	247	2,393	-	-
Capital end of year	\$ 171,390	167,367	\$ 119,047	116,167	\$ 26,435	25,535	\$ 25,908	25,665

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION**

As at December 31	Total		Cemetery Internment Rights		Cemetery Monument Installation		Cemetery Bequest	
	2017	2016	2017	2016	2017	2016	2017	2016
Assets								
Cash	171,390	168,305	119,047	116,927	26,435	25,713	25,908	25,665
Liabilities								
Due to municipality	-	(938)	-	(760)	-	(178)	-	-
Net assets	171,390	167,367	119,047	116,167	26,435	25,535	25,908	25,665
Trust fund capital	\$ 171,390	167,367	\$ 119,047	116,167	\$ 26,435	25,535	\$ 25,908	25,665

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
TRUST FUNDS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

1. Accounting Policies

The financial statements of the Township of Ashfield-Colborne-Wawanosh Trust Funds are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting. Expenditures are reported on the cash basis of accounting with the exception of administration expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

2. Investments

Trust fund investments are stated at cost and have a market value approximately equal to cost.

INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow and District Fire Department Joint Board of Management,
Members of Council, Inhabitants and Ratepayers of the participating municipalities

We have audited the accompanying statement of operations of the Lucknow and District Fire Department Joint Board of Management for the year ended December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of this financial statement being free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this statement 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 statement is 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 basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the results of operations of the Lucknow and District Fire Department Joint Board of Management for the year ended December 31, 2017 in accordance with Canadian public sector accounting standards.

Vodden, Bender & Seebach LLP

Chartered Professional Accountants

Licensed Public Accountants

Clinton, Ontario

June 19, 2018

**LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT
STATEMENT OF OPERATIONS**

For the year ended December 31	2017 Budget	2017 Actual	2016 Actual
Revenue			
Contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	117,995	112,911	95,284
Township of Huron-Kinloss	117,995	112,911	95,284
Fire calls	-	22,400	19,900
County of Bruce Modified First Response grant	5,000	5,000	5,000
Other revenue	-	7,500	35
Transfer from reserve	-	-	-
	<u>240,990</u>	<u>260,722</u>	<u>215,502</u>
Expenditure			
Salaries	133,000	143,688	126,937
Vehicle operation	6,550	10,329	8,541
Equipment	40,000	39,239	18,838
Hydrant repairs	3,000	3,410	3,355
Building maintenance	6,000	4,153	8,139
Dispatch service	7,500	13,947	7,291
Training	13,300	16,525	10,366
Telephone	2,500	2,160	2,200
Utilities	11,450	11,627	11,027
Insurance	6,800	6,837	6,504
Licences, fees, administration	10,890	8,807	12,304
	<u>240,990</u>	<u>260,722</u>	<u>215,502</u>
Annual surplus	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2017

1. Accounting policies

The statement of operations of the Lucknow and District Fire Department Joint Board of Management is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the board are as follows:

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

Board administration cost of \$2,500 (2016: \$2,500) was paid to the Township of Ashfield-Colborne-Wawanosh.

INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow Community Health Centre Board,
Members of Council, Inhabitants and Ratepayers of the participating municipalities

We have audited the accompanying statement of operations of the Lucknow Community Health Centre Board for the year ended December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of this financial statement being free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this statement 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 statement is 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 basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the results of operations of the Lucknow Community Health Centre Board for the year ended December 31, 2017 in accordance with Canadian public sector accounting standards.

Vodden, Bender & Seebach LLP

Chartered Professional Accountants
Licensed Public Accountants
Clinton, Ontario
June 19, 2018

LUCKNOW COMMUNITY HEALTH CENTRE BOARD
STATEMENT OF OPERATIONS

For the year ended December 31	2017 Budget	2017 Actual	2016 Actual
Revenue			
Rentals	19,032	17,947	17,704
Other revenue	-	85	-
Contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	12,859	5,348	3,712
Township of Huron-Kinloss	12,859	5,348	3,712
	<u>44,750</u>	<u>28,728</u>	<u>25,128</u>
Expenditure			
Maintenance	27,400	14,262	9,290
Utilities	8,850	7,390	8,309
Property taxes	5,800	5,366	5,484
Insurance	1,600	1,210	1,545
Administration	1,100	500	500
	<u>44,750</u>	<u>28,728</u>	<u>25,128</u>
Annual surplus	\$ 0	\$ 0	\$ 0

LUCKNOW COMMUNITY HEALTH CENTRE BOARD
NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2017

1. Accounting policies

The statement of operations of the Lucknow Community Health Centre Board is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the board are as follows:

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

During the year, the board paid property taxes of \$5,366 (2016: \$5,483) to the Township of Huron-Kinloss.

INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow and District Joint Recreation Board,
Members of Council, Inhabitants and Ratepayers of the participating municipalities

We have audited the accompanying statement of operations of the Lucknow and District Joint Recreation Board for the year ended December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of this financial statement being free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this statement 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 statement is 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 basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the results of operations of the Lucknow and District Joint Recreation Board for the year ended December 31, 2017 in accordance with Canadian public sector accounting standards.

Vodden, Bender & Seebach LLP

Chartered Professional Accountants
Licensed Public Accountants
Clinton, Ontario
June 19, 2018

LUCKNOW AND DISTRICT JOINT RECREATION BOARD

STATEMENT OF OPERATIONS

For the year ended December 31	2017 Budget	2017 Actual	2016 Actual
Revenue			
Arena			
Ice rentals	39,000	44,357	38,136
Arena rentals	14,000	12,715	10,644
Hockey and figure skating ice time	84,000	81,445	87,035
Bar sales	94,850	97,039	77,309
Public skating	2,500	4,095	2,512
Advertising boards	11,500	11,688	10,275
Donations and other revenue	9,000	9,495	18,002
	254,850	260,834	243,913
Recreation receipts			
Hockey admissions	19,800	19,477	20,919
Hockey program	46,000	58,268	76,044
Skating program	3,000	7,295	5,160
Swimming pool	11,000	19,691	16,919
Baseball	14,900	15,470	14,535
Soccer	10,100	9,395	11,114
	104,800	129,596	144,691
Total rentals and program revenue	359,650	390,430	388,604
Contributions from participating municipalities			
Township of Huron-Kinloss	146,150	141,923	151,246
Township of Ashfield-Colborne-Wawanosh	146,150	141,923	151,246
	292,300	283,846	302,491
Total revenue	651,950	674,276	691,095
Expenses			
Administration and general			
Salaries	134,000	134,266	130,007
Maintenance	27,450	31,973	33,174
Utilities	73,350	76,089	103,853
Insurance	13,000	10,734	13,041
Administration and training	16,700	19,532	23,206
	264,500	272,594	303,281
Arena and auditorium			
Salaries	98,450	93,068	88,038
Maintenance	15,250	7,407	23,082
Utilities	11,500	18,226	10,300
Bar purchases and profit share	66,250	72,739	55,940
	191,450	191,440	177,360
Recreation programs			
Hockey insurance	6,500	7,101	6,317
Referee fees	15,500	13,514	15,983
Other hockey expenses	11,500	14,078	20,319
Hockey ice time	84,000	81,445	87,035
Skating program	1,500	2,027	1,516
Ball and soccer program	7,000	8,231	5,951
Pool salaries	27,200	32,380	25,642
Pool expenses	14,800	20,055	20,894
Parks	28,000	31,411	26,797
	196,000	210,242	210,454
Total expenses	651,950	674,276	691,095
Annual surplus	\$ 0	\$ 0	\$ 0

LUCKNOW AND DISTRICT JOINT RECREATION BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2017

1. Accounting policies

The statement of operations of the Lucknow and District Joint Recreation Board is the representation of management prepared in accordance Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the board are as follows:

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

Board administration cost of \$5,000 (2016: \$5,000) was paid to the Township of Ashfield-Colborne-Wawanosh.