

**CORPORATION OF THE  
TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**CORPORATION OF THE  
TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED FINANCIAL STATEMENTS**

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# Township of Douro-Dummer

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## CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

For The Year Ended December 31, 2017

### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Douro-Dummer are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Douro-Dummer. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Collins Barrow Kawarthas LLP has full and free access to Council.

Mayor

  
\_\_\_\_\_

Date

June 19/18

Treasurer

  
\_\_\_\_\_

Date

June 26, 18

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer**

#### *Report on the Financial Statements*

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

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Douro-Dummer and its local board as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Collins Barrow Kawarthas LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 23, 2018

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At December 31, 2017

	2017	2016
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	1,646,414	1,557,851
Investments (note 3)	3,236,802	3,091,662
Accounts receivable	228,201	311,000
Taxes receivable	779,620	631,902
Inventory held for resale	108,619	108,619
<b>TOTAL FINANCIAL ASSETS</b>	<b>5,999,656</b>	<b>5,701,034</b>
<b>LIABILITIES</b>		
Accounts payable	791,504	759,224
Deferred revenue - obligatory reserve funds (note 4)	640,142	529,369
Deferred revenue - other (note 5)	312,471	1,000
Landfill closure and post-closure liability (note 6)	300,000	347,000
Employee future benefits (note 7)	155,027	162,285
<b>TOTAL LIABILITIES</b>	<b>2,199,144</b>	<b>1,798,878</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,800,512</b>	<b>3,902,156</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	25,945,987	25,267,605
Prepaid expenses	13,789	14,646
Inventories of materials and supplies	429,497	141,092
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>26,389,273</b>	<b>25,423,343</b>
<b>ACCUMULATED SURPLUS (note 10)</b>	<b>30,189,785</b>	<b>29,325,499</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

For the Year Ended December 31, 2017

	Budget 2017 \$ (unaudited)	Actual 2017 \$	Actual 2016 \$
<b>REVENUES</b>			
Property taxation	4,554,084	4,554,683	4,327,725
User charges	730,399	801,291	770,902
Government of Canada	-	1,197	4,671
Province of Ontario	1,560,906	1,031,599	701,918
Other municipalities	5,280	6,750	11,750
Penalties and interest on taxes	113,200	119,702	168,181
Investment income	47,000	94,680	76,783
Donations	1,331	557	1,290
Federal gas tax earned	210,000	163,195	167,675
Parkland fees earned	5,000	5,000	5,000
Development charges earned	41,000	41,000	36,000
<b>TOTAL REVENUES</b>	<b>7,268,200</b>	<b>6,819,654</b>	<b>6,271,895</b>
<b>EXPENSES</b>			
General government	1,101,504	914,407	986,975
Protection services	1,911,321	1,889,511	1,848,498
Transportation services	1,914,854	1,975,315	2,169,407
Environmental services	341,775	265,237	313,737
Health services	6,427	3,892	7,659
Recreation and cultural services	899,328	862,799	915,210
Planning and development	104,659	44,207	69,385
<b>TOTAL EXPENSES</b>	<b>6,279,868</b>	<b>5,955,368</b>	<b>6,310,871</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>988,332</u></b>	<b>864,286</b>	<b>(38,976)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>29,325,499</b>	<b>29,364,475</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>30,189,785</b>	<b>29,325,499</b>

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2017**

	Budget 2017 \$ (unaudited)	Actual 2017 \$	Actual 2016 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	988,332	864,286	(38,976)
Amortization of tangible capital assets	1,272,432	1,260,828	1,272,432
Purchase of tangible capital assets	(3,722,429)	(1,957,704)	(1,456,657)
Loss/(gain) on disposal of tangible capital assets	-	(7,923)	182,508
Proceeds on sale of tangible capital assets	-	26,417	1,662
Change in prepaid expenses	-	857	16,044
Change in inventories of materials and supplies	-	(288,405)	7,762
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>(1,461,665)</b>	<b>(101,644)</b>	<b>(15,225)</b>
<b>NET FINANCIAL ASSETS - beginning of year</b>	<b>3,902,156</b>	<b>3,902,156</b>	<b>3,917,381</b>
<b>NET FINANCIAL ASSETS - end of year</b>	<b>2,440,491</b>	<b>3,800,512</b>	<b>3,902,156</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2017**

	2017	2016
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	864,286	(38,976)
Items not affecting cash		
Amortization of tangible capital assets	1,260,828	1,272,432
Loss/(gain) on disposal of tangible capital assets	(7,923)	182,508
Change in landfill closure and post-closure liability	(47,000)	(20,000)
Change in employee future benefits	(7,258)	(7,500)
Change in non-cash assets and liabilities		
Accounts receivable	82,799	34,692
Taxes receivable	(147,718)	520,153
Prepaid expenses	857	16,044
Inventories of materials and supplies	(288,405)	7,762
Accounts payable	32,280	291,918
Deferred revenue - obligatory reserve funds	110,773	88,471
Deferred revenue - other	311,471	(1,977)
<b>Net change in cash from operating activities</b>	<b>2,164,990</b>	<b>2,345,527</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,957,704)	(1,456,657)
Proceeds on disposal of tangible capital assets	26,417	1,662
<b>Net change in cash from capital activities</b>	<b>(1,931,287)</b>	<b>(1,454,995)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(662,712)	(970,781)
Disposal of investments	517,572	473,002
<b>Net change in cash from investing activities</b>	<b>(145,140)</b>	<b>(497,779)</b>
<b>NET CHANGE IN CASH</b>	<b>88,563</b>	<b>392,753</b>
<b>CASH - beginning of year</b>	<b>1,557,851</b>	<b>1,165,098</b>
<b>CASH - end of year</b>	<b>1,646,414</b>	<b>1,557,851</b>

*The accompanying notes are an integral part of these financial statements*



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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The Township of Douro-Dummer is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These financial statements include:

- Douro-Dummer Public Library

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Tangible capital assets

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

Land improvements	20 to 25 years
Buildings and building improvements	10 to 50 years
Machinery and equipment	5 to 40 years
Vehicles	5 to 30 years
Computers and computer software	5 years
Roads and bridges	10 to 50 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Recognition of revenues and expenses

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

##### Taxation

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

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

##### Government funding

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

##### Other revenue

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

Development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

#### (e) Non-financial assets

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

#### (f) Reserves and reserve funds

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

#### (g) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

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# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (h) Use of estimates

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

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs;
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates;
- The values of employee future benefit obligations and assets and the amount of employee future benefit costs charged to earnings depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

#### (i) Inventory

Inventory held for resale, which includes land, is stated at the lower of cost and net realizable value, with cost being the purchase price plus the cost to prepare the land for resale.

Inventory of materials and supplies is stated at weighted average cost.

### 2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2017, requisitions were made by the County of Peterborough and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	2,600,748	4,477,630
Taxation from other governments	344	4,189
<b>Amounts requisitioned and remitted</b>	<b>2,601,092</b>	<b>4,481,819</b>

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

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

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

**3. INVESTMENTS**

The investments held at the end of the year, stated at cost, are comprised of the following:

	Market Value 2017 \$	Cost 2017 \$	Cost 2016 \$
<b>Short-term investments</b>			
One Fund - money market fund	471,541	495,672	484,581
GICs - interest ranging from 1.10% to 2.30%, maturing 2018	754,786	746,936	520,763
CIBC - 2.35% Bond, matured October, 2017	-	-	49,900
	<u>1,226,327</u>	<u>1,242,608</u>	<u>1,055,244</u>
<b>Long-term investments</b>			
GICs - interest ranging from 1.50% to 2.86%, maturing 2019 to 2021	1,801,297	1,793,261	1,835,485
BNS - 2.09% Bond, maturing September, 2020	100,159	100,457	100,457
BMO - 2.10% Bond, maturing October, 2020	99,993	100,476	100,476
	<u>2,001,449</u>	<u>1,994,194</u>	<u>2,036,418</u>
	<u>3,227,776</u>	<u>3,236,802</u>	<u>3,091,662</u>

**4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS**

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2017 \$	2016 \$
Parkland	16,681	14,931
Development charges	164,809	108,309
Federal gas tax	458,652	406,129
	<u>640,142</u>	<u>529,369</u>

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

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

**4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS, continued**

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

	2017	2016
	\$	\$
<b>Balance - beginning of year</b>	<b>529,369</b>	<b>440,898</b>
Add amounts received:		
Development charges	97,500	77,435
Parkland fees	6,750	8,250
Federal gas tax	210,557	206,894
Interest	<b>5,161</b>	<b>4,567</b>
	<b>319,968</b>	<b>297,146</b>
Less transfer to operations:		
Development charges earned	41,000	36,000
Parkland fees earned	5,000	5,000
Federal gas tax earned	163,195	167,675
	<b>209,195</b>	<b>208,675</b>
<b>Balance - end of year</b>	<b>640,142</b>	<b>529,369</b>

**5. DEFERRED REVENUE - OTHER**

Included in deferred revenue - other are the following amounts:

	2017	2016
	\$	\$
OCIF funding road rehabilitation	302,264	-
Ice and floor rentals	7,625	-
Other	2,582	1,000
	<b>312,471</b>	<b>1,000</b>

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

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

**5. DEFERRED REVENUE - OTHER, continued**

The continuity of deferred revenue - other is as follows:

	2017	2016
	\$	\$
Balance - beginning of year	1,000	2,977
Add amounts received:		
OCIF funding road rehabilitation	623,173	-
Ice and floor rentals	7,625	-
Other	1,582	1,000
	632,380	1,000
Less transfer to operations:		
OCIF funding road rehabilitation	320,909	-
Other	-	2,977
	320,909	2,977
Balance - end of year	312,471	1,000

**6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

The liability for landfill closure and post-closure costs of \$300,000 (2016 - \$347,000) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the three closed sites owned by the Township. The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Township has a landfill reserve of \$70,949 (2016 - \$70,949) and the remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining monitoring periods of the landfills. The total undiscounted future cash flows for closure and post-closure costs are estimated at \$422,000 as at December 31, 2017 (2016 - \$431,000) using a discount factor of 4% and an inflation rate of 2%.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

### 7. EMPLOYEE FUTURE BENEFITS

The Township provides eligible employees a benefit plan to pay costs of extended health and vision benefits after they retire. All benefits are provided upon retirement and continue for a period of 10 years, but not beyond the age 65, at which time the benefits cease. The actuarial valuation as at December 31, 2017 was based on assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate	3.65%
Future health care premiums - first year (2016)	10.0%
- reducing over 10 years to	3.5%

The post-employment benefit is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus and is comprised as follows:

	2017	2016
	\$	\$
Accrued benefit obligation at January 1	75,269	100,371
Unamortized actuarial gains	87,016	69,414
Liability at January 1	162,285	169,785
Current year benefit cost	2,811	2,712
Interest on accrued benefit obligation	2,705	4,199
Less: benefit payments	(5,106)	(5,852)
Amortization of actuarial gains	(7,668)	(8,559)
Liability at December 31	155,027	162,285

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2017

**8. TANGIBLE CAPITAL ASSETS**

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

	2017	2016
	\$	\$
<b>General</b>		
Land and land improvements	1,965,026	1,954,638
Buildings and building improvements	1,685,979	1,777,066
Machinery and equipment	1,480,840	1,612,936
Vehicles	1,710,106	1,284,450
Computers and computer software	26,783	40,241
<b>Infrastructure</b>		
Roads and bridges	18,107,809	18,441,449
	24,976,543	25,110,780
<b>Assets under construction</b>	969,444	156,825
	25,945,987	25,267,605

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

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

The allocation of tangible capital assets by segment is as follows:

	2017	2016
	\$	\$
General government	1,229,837	1,306,222
Protection services	1,242,293	975,927
Transportation services	20,255,366	19,744,504
Environmental services	48,021	56,610
Health services	24,179	26,133
Recreation and cultural services	2,182,916	2,237,221
Planning and development	963,375	920,988
	25,945,987	25,267,605

**9. BUDGET FIGURES**

The budget, approved by the Township, for 2017 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.



**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2017**

**10. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2017	2016
	\$	\$
<b>Surplus/(Deficit)</b>		
Inventory held for resale	108,619	108,619
Unfunded employee future benefits	(155,027)	(162,285)
Unfunded landfill closure and post-closure costs	(300,000)	(347,000)
Douro-Dummer Public Library	2,690	(616)
	(343,718)	(401,282)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	25,945,987	25,267,605
<b>Surplus</b>	25,602,269	24,866,323
<b>Reserves</b>		
Working funds	1,405,251	1,250,366
Self insurance	51,261	39,945
Post employment benefits	57,185	55,191
Future capital projects	2,683,578	2,728,418
Future operations	381,458	376,473
<b>Total Reserves</b>	4,578,733	4,450,393
<b>Reserve Funds</b>		
Future capital projects	8,783	8,783
	30,189,785	29,325,499

**11. CONTINGENT LIABILITIES**

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

**12. COMMITMENT**

The Township has entered into an agreement to purchase 1494 County Road 4, Douro-Dummer. The total purchase price of the property is \$1,410,000, which will be financed by a no interest mortgage held by the seller payable in monthly installment over a 20-year period starting upon completion of the agreement. The agreement is contingent upon specific conditions being met. The agreement will be completed and the transfer of ownership of the property will occur no later than December 30, 2023.

The Township has agreed to purchase a minimum of 20,000 tonnes of material annually from the seller between the date of this agreement (September 30, 2016) and the transfer of ownership at a cost of \$2.50 per tonne adjusted by the annual rate of inflation.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

### 13. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
Salaries and benefits	2,057,958	1,906,346	1,920,332
Materials	1,346,496	1,322,763	1,392,293
Contracted services	1,494,725	1,373,432	1,438,204
Rents and financial	6,016	4,448	6,228
External transfers	102,241	95,474	98,874
Amortization	1,272,432	1,260,828	1,272,432
Loss (gain) on disposal of tangible capital assets	-	(7,923)	182,508
	6,279,868	5,955,368	6,310,871

### 14. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. OMERS provides pension services to 482,000 active, inactive and retired members from 984 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date.

The Actuarial Opinion contained in the 2017 Annual Report disclosed total actuarial liabilities of \$94,431 million in respect of benefits accrued for service with actuarial assets of \$89,028 million indicating an actuarial deficit of \$5,403 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2017 were \$100,577 (2016 - \$105,660).

### 15. TRUST FUNDS

Trust funds administered by the Township amounting to \$41,373 (2016 - \$41,195) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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### 16. SEGMENTED INFORMATION

The Township of Douro-Dummer is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segment information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

#### **General Government**

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

#### **Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

#### **Transportation Services**

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

#### **Environmental Services**

The environmental function is responsible for providing waste collection and waste disposal services to ratepayers.

#### **Health Services**

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

#### **Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

#### **Planning and Development**

The planning and development services function manages commercial, industrial and residential development within the Township.

### 17. COMPARATIVE FIGURES

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

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**For the Year Ended December 31, 2017**

	General				Infrastructure		Totals
	Land and land improvements	Buildings and building improvements	Machinery and Equipment	Vehicles	Computers and computer software	Roads and Bridges	
	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>							
Balance, beginning of year	2,188,019	5,111,325	3,152,023	3,548,583	185,739	29,198,961	43,541,475
Add: additions during the year	35,977	-	48,205	634,875	-	422,785	1,957,704
Less: disposals during the year	1,476	-	31,898	204,337	-	30,146	267,857
Internal transfers	-	-	-	-	-	3,243	(3,243)
<b>Balance, end of year</b>	<b>2,222,520</b>	<b>5,111,325</b>	<b>3,168,330</b>	<b>3,979,121</b>	<b>185,739</b>	<b>29,594,843</b>	<b>45,231,322</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	233,381	3,334,259	1,539,087	2,264,133	145,498	10,757,512	18,273,870
Add: additions during the year	24,113	91,087	176,552	195,950	13,458	759,668	1,260,828
Less: disposals during the year	-	-	28,149	191,068	-	30,146	249,363
<b>Balance, end of year</b>	<b>257,494</b>	<b>3,425,346</b>	<b>1,687,490</b>	<b>2,269,015</b>	<b>158,956</b>	<b>11,487,034</b>	<b>19,285,335</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,965,026</b>	<b>1,685,979</b>	<b>1,480,840</b>	<b>1,710,106</b>	<b>26,783</b>	<b>18,107,809</b>	<b>25,945,987</b>

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE**

For the Year Ended December 31, 2017

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	854,407	1,576,125	1,382,901	191,597	6,264	458,802	84,587	4,554,683
User charges	19,647	195,663	22,710	177,506	-	319,900	65,865	801,291
Government transfers - operating	596,000	4,298	31,242	7,000	-	23,347	-	661,887
Government transfers - capital	-	-	370,909	-	-	-	-	370,909
Other municipalities	-	6,750	-	-	-	-	-	6,750
Penalties and interest on taxes	119,702	-	-	-	-	-	-	119,702
Investment income	94,680	-	-	-	-	-	-	94,680
Donations	-	350	-	-	-	207	-	557
Federal gas tax earned	-	-	163,195	-	-	-	-	163,195
Parkland fees earned	-	-	-	-	-	5,000	-	5,000
Development charges earned	-	9,000	25,000	-	-	7,000	-	41,000
<b>Total revenues</b>	<b>1,684,436</b>	<b>1,792,186</b>	<b>1,995,957</b>	<b>376,103</b>	<b>6,264</b>	<b>814,256</b>	<b>150,452</b>	<b>6,819,654</b>
<b>Expenses</b>								
Salaries and benefits	590,292	374,281	557,060	48,096	-	305,271	31,346	1,906,346
Materials	204,027	222,335	393,806	91,480	3,415	404,002	3,698	1,322,763
Contracted services	36,569	1,072,722	113,956	117,072	-	24,215	8,898	1,373,432
Rents and financial	4,448	-	-	-	-	-	-	4,448
External transfers	700	94,774	-	-	-	-	-	95,474
Amortization	78,371	122,922	929,410	8,589	477	120,794	265	1,260,828
Loss (gain) on disposal of tangible capital assets	-	2,477	(18,917)	-	-	8,517	-	(7,923)
<b>Total expenses</b>	<b>914,407</b>	<b>1,889,511</b>	<b>1,975,315</b>	<b>265,237</b>	<b>3,892</b>	<b>862,799</b>	<b>44,207</b>	<b>5,955,368</b>
<b>Net surplus/(deficit)</b>	<b>770,029</b>	<b>(97,325)</b>	<b>20,642</b>	<b>110,866</b>	<b>2,372</b>	<b>(48,543)</b>	<b>106,245</b>	<b>864,286</b>

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE**

For the Year Ended December 31, 2016

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	676,042	1,558,558	1,339,688	191,723	9,715	473,071	78,928	4,327,725
User charges	20,805	189,742	42,847	165,709	-	323,251	28,548	770,902
Government transfers - operating	594,300	12,126	32,422	-	4,671	26,274	-	669,793
Government transfers - capital	-	-	36,796	-	-	-	-	36,796
Other municipalities	-	11,750	-	-	-	-	-	11,750
Penalties and interest on taxes	168,181	-	-	-	-	-	-	168,181
Investment income	76,783	-	-	-	-	-	-	76,783
Donations	-	350	-	-	-	940	-	1,290
Federal gas tax earned	517	-	167,158	-	-	-	-	167,675
Parkland fees earned	-	-	-	-	-	5,000	-	5,000
Development charges earned	-	4,000	25,000	-	-	7,000	-	36,000
<b>Total revenues</b>	<b>1,536,628</b>	<b>1,776,526</b>	<b>1,643,911</b>	<b>357,432</b>	<b>14,386</b>	<b>835,536</b>	<b>107,476</b>	<b>6,271,895</b>
<b>Expenses</b>								
Salaries and benefits	636,887	346,492	550,089	40,520	2,050	316,129	28,165	1,920,332
Materials	212,486	229,729	447,196	75,953	5,242	414,088	7,599	1,392,293
Contracted services	51,792	1,068,689	87,461	188,102	204	24,958	16,998	1,438,204
Rents and financial	6,228	-	-	-	-	-	-	6,228
External transfers	2,212	96,662	-	-	-	-	-	98,874
Amortization	77,877	109,426	923,976	9,162	163	151,563	265	1,272,432
Loss (gain) on disposal of tangible capital assets	(507)	(2,500)	160,685	-	-	8,472	16,358	182,508
<b>Total expenses</b>	<b>986,975</b>	<b>1,848,498</b>	<b>2,169,407</b>	<b>313,737</b>	<b>7,659</b>	<b>915,210</b>	<b>69,385</b>	<b>6,310,871</b>
<b>Net surplus/(deficit)</b>	<b>549,653</b>	<b>(71,972)</b>	<b>(525,496)</b>	<b>43,695</b>	<b>6,727</b>	<b>(79,674)</b>	<b>38,091</b>	<b>(38,976)</b>

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of Corporation of the Township of Douro-Dummer**

#### *Report on the Financial Statements*

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

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Douro-Dummer as at December 31, 2017 and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Collins Barrow Kawarthas LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 23, 2018



**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2017**

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2017 Total \$	2016 Total \$
<b>FINANCIAL ASSETS</b>						
Cash	8,628	14,584	-	1,537	24,749	24,411
Loans receivable	-	11,577	-	-	11,577	11,577
Due from Township	-	845	3,700	163	4,708	4,868
Due from Province	-	339	-	-	339	339
	8,628	27,345	3,700	1,700	41,373	41,195
<b>FUND BALANCES</b>	8,628	27,345	3,700	1,700	41,373	41,195

**TRUST FUNDS  
STATEMENT OF CONTINUITY  
For the Year Ended December 31, 2017**

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2017 Total \$	2016 Total \$
<b>BALANCES - beginning of year</b>	8,450	27,345	3,700	1,700	41,195	41,533
<b>RECEIPTS</b>						
Interest earned	178	161	28	16	383	193
<b>EXPENSES</b>						
Administration fees	-	161	-	-	161	-
Transfer to Province	-	-	-	-	-	330
Transfer to Township	-	-	28	16	44	48
Administration fees	-	-	-	-	-	153
	-	161	28	16	205	531
<b>BALANCES - end of year</b>	8,628	27,345	3,700	1,700	41,373	41,195

*The accompanying notes are an integral part of these financial statements*



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of accounting

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

(b) Use of estimates

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

### 2. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2017 are comprised of repayable loans of \$11,577 (2016 - \$11,577).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

### 3. CEMETERY PERPETUAL CARE

Cemetery perpetual care trust fund is funded by the sale of cemetery plots. The funds are invested and earnings derived thereof are used to perform perpetual care at the cemetery. The operations and investment of the trust funds are undertaken by the municipality in accordance with the regulations of the Cemeteries Act.

**CORPORATION OF THE  
TOWNSHIP OF DOURO-DUMMER  
DOURO-DUMMER PUBLIC LIBRARY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT****To the Members of the Douro-Dummer Public Library, the Members of Council,  
Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer**

We have reviewed the accompanying financial statements of the Douro-Dummer Public Library of the Corporation of the Township of Douro-Dummer that comprise the statement of financial position as at December 31, 2017 and the statements of operations and accumulated surplus, 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 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.

*Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, the financial position of the Douro-Dummer Public Library of the Corporation of the Township of Douro-Dummer as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*Chartered Professional Accountants  
Licensed Public AccountantsPeterborough, Ontario  
August 23, 2018

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**DOURO-DUMMER PUBLIC LIBRARY  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2017**

	2017	2016
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	50	17,363
Accounts receivable	145	768
Due from Township	10,371	-
<b>TOTAL FINANCIAL ASSETS</b>	10,566	18,131
<b>LIABILITIES</b>		
Due to Township	-	15,742
<b>NET FINANCIAL ASSETS</b>	10,566	2,389
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	53,252	55,178
<b>ACCUMULATED SURPLUS (note 3)</b>	63,818	57,567

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*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**DOURO-DUMMER PUBLIC LIBRARY  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
For the Year Ended December 31, 2017**

	Budget 2017 \$ (Note 4)	Actual 2017 \$	Actual 2016 \$
<b>REVENUES</b>			
Municipal contributions	84,995	84,995	89,141
Province of Ontario	17,808	18,414	21,081
User charges	1,601	3,895	1,614
Other grants	7,002	3,736	5,193
<b>TOTAL REVENUES</b>	<b>111,406</b>	<b>111,040</b>	<b>117,029</b>
<b>EXPENSES</b>			
Salaries, wages and benefits	63,998	59,825	60,720
Subscriptions and videos	1,755	1,109	3,045
Supplies, materials and rentals	8,912	8,055	11,735
Public relations and advertising	689	741	1,376
Memberships, staff training and mileage	4,997	5,017	3,962
Utilities	8,369	7,052	8,130
Property maintenance and repairs	7,807	7,644	7,780
Contracted services	2,224	2,612	3,561
Amortization	11,798	12,734	11,798
<b>TOTAL EXPENSES</b>	<b>110,549</b>	<b>104,789</b>	<b>112,107</b>
<b>ANNUAL SURPLUS</b>	<b><u>857</u></b>	<b>6,251</b>	<b>4,922</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>57,567</b>	<b>52,645</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>63,818</b>	<b>57,567</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**DOURO-DUMMER PUBLIC LIBRARY  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2017**

	Budget 2017 \$ (Note 4)	Actual 2017 \$	Actual 2016 \$
<b>ANNUAL SURPLUS</b>	857	6,251	4,922
Amortization of tangible capital assets	11,798	12,734	11,798
Acquisition of tangible capital assets	(13,500)	(10,808)	(15,002)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(845)	8,177	1,718
<b>NET FINANCIAL ASSETS - beginning of year</b>	2,389	2,389	671
<b>NET FINANCIAL ASSETS - end of year</b>	1,544	10,566	2,389

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**DOURO-DUMMER PUBLIC LIBRARY  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2017**

	2017	2016
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	6,251	4,922
Items not involving cash		
Amortization of tangible capital assets	12,734	11,798
Change in non-cash assets and liabilities		
Accounts receivable	623	3,143
Decrease in due from Township	(10,371)	-
Due to Township	(15,742)	15,429
Deferred revenue	-	(2,977)
<b>Net change in cash from operating activities</b>	<b>(6,505)</b>	<b>32,315</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(10,808)	(15,002)
<b>NET CHANGE IN CASH</b>	<b>(17,313)</b>	<b>17,313</b>
<b>CASH - beginning of year</b>	<b>17,363</b>	<b>50</b>
<b>CASH - end of year</b>	<b>50</b>	<b>17,363</b>

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

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### 1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of revenue and expenses

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

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

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

(b) Use of estimates

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

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

(c) Tangible capital assets

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

Buildings and building improvements	15 to 50 years
Equipment and books	5 to 40 years
Computers	5 years

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

(d) Non-financial assets

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

(e) Reserves

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



**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**DOURO-DUMMER PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

**2. TANGIBLE CAPITAL ASSETS**

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

	Buildings and building improvements \$	Equipment and Books \$	Computer \$	2017 Totals \$	2016 Totals \$
<b>COST</b>					
Balance, beginning of year	67,830	69,360	7,879	145,069	150,121
Add: additions during the year	-	10,808	-	10,808	15,002
Less: disposals during the year	-	8,703	-	8,703	20,054
<b>Balance, end of year</b>	<b>67,830</b>	<b>71,465</b>	<b>7,879</b>	<b>147,174</b>	<b>145,069</b>
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	50,886	31,126	7,879	89,891	98,147
Add: additions during the year	904	11,830	-	12,734	11,798
Less: disposals during the year	-	8,703	-	8,703	20,054
<b>Balance, end of year</b>	<b>51,790</b>	<b>34,253</b>	<b>7,879</b>	<b>93,922</b>	<b>89,891</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>16,040</b>	<b>37,212</b>	<b>-</b>	<b>53,252</b>	<b>55,178</b>

**3. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2017 \$	2016 \$
<b>Surplus/(Deficit)</b>		
Operations	2,690	(616)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	53,252	55,178
<b>Surplus</b>	<b>55,942</b>	<b>54,562</b>
<b>Reserve</b>		
Future capital projects	7,876	3,005
	<b>63,818</b>	<b>57,567</b>

## CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

### DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

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#### 4. BUDGET FIGURES

The operating budget, approved by the Board, for 2017 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to review.