

**The Corporation of the Township of
Tarbutt and Tarbutt Additional
Consolidated Financial Statements
For the year ended December 31, 2016**

**The Corporation of the Township of Tarbutt
and Tarbutt Additional
Consolidated Financial Statements
For the year ended December 31, 2016**

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Independent Auditors' Report

To the Mayor and Council of The Corporation of the Township of Tarbutt and Tarbutt Additional:

Report on the consolidated Financial Statements

I have audited the accompanying consolidated financial statements of The Corporation of the Township of Tarbutt and Tarbutt Additional, which comprise the consolidated balance sheet as at December 31, 2016, and 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 consolidated 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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Tarbutt and Tarbutt Additional as at December 31, 2016, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Stefanizzi Professional Corporation
Chartered Professional Accountant
Sault Ste. Marie, Ontario
March 15, 2017

**The Corporation of the Township of
Tarbutt and Tarbutt Additional
Consolidated Balance Sheet**

As at December 31,	2016	2015
Financial Assets		
Cash and cash equivalents (note 3)	\$ 134,387	\$ 182,703
Taxes receivable	142,384	168,521
Accounts receivable	49,347	42,587
Government remittances recoverable	73,895	47,758
Inventory	-	5,921
	400,013	447,490
Liabilities		
Accounts payable and accrued liabilities	\$ 44,516	\$ 64,489
Deferred revenue (note 4)	3,605	3,605
Landfill site closure liability (note 5)	10,640	10,535
Municipal long-term debt (note 6)	218,874	111,046
	277,635	189,675
Net financial assets	122,378	257,815
Non-financial assets		
Tangible capital assets (schedule 1)	3,205,997	3,097,889
Accumulated surplus (note 7)	\$ 3,328,375	\$ 3,355,704

Approved on behalf of council:

_____ Mayor

_____ Clerk - Treasurer

The Corporation of the Township of Tarbutt and Tarbutt Additional Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, (with comparative figures for the prior year)

	Budget (Unaudited) 2016	Actual 2016	Actual 2015
Revenues			
Taxation (note 8)	\$ 888,106	\$ 892,608	\$ 863,791
Federal grants	25,656	25,554	63,277
Provincial grants	326,412	327,913	338,951
Other municipalities	45,179	47,725	47,081
Fees and user charges	48,145	48,660	83,490
Interest and other	20,700	18,400	17,017
	1,354,198	1,360,860	1,413,607
Expenditures			
Current			
General government	256,144	284,032	292,452
Protection	131,357	147,772	116,906
Transportation services	218,853	485,066	462,417
Environmental services	108,402	120,406	115,436
Health services	27,179	23,811	36,058
Social and family services	285,938	285,938	283,923
Recreation and cultural services	25,132	35,512	30,152
Planning and development	5,197	5,651	11,372
	1,058,202	1,388,188	1,348,716
Annual surplus (deficit)	295,996	(27,328)	64,891
Accumulated surplus, beginning of year	3,355,704	3,355,704	3,290,813
Accumulated surplus, end of year	\$ 3,651,700	\$ 3,328,375	\$ 3,355,704

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Consolidated Statement of Change in Net Financial Assets**

Year ended December 31, (with comparative figures for the prior year)

	Budget (Unaudited) 2016	Actual 2016	Actual 2015
Annual surplus (deficit)	\$ 295,996	\$ (27,328)	\$ 64,891
Acquisition of tangible capital assets	(439,230)	(421,579)	(351,292)
Amortization of tangible capital assets	-	313,469	289,810
	(143,234)	(135,438)	3,409
Net change in net financial assets	(143,234)	(135,438)	3,409
Net financial assets, beginning of year	254,409	257,816	254,409
Net financial assets, end of year	\$ 111,175	\$ 122,378	\$ 257,816

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Consolidated Statement of Cash Flow**

For the year ended December 31,	2016	2015
Cash provided by (used for):		
Operating		
Increase (decrease) in accumulated surplus	\$ (27,328)	\$ 64,891
Changes in non-cash operating items:		
Increase (decrease) in taxes receivable	26,123	(30,051)
Increase (decrease) in accounts receivable	(32,896)	15,481
Increase in inventory	5,921	-
Increase (decrease) in accounts payable	(19,968)	(38,142)
Decrease in landfill post-closure costs	105	104
Increase in deferred revenue	-	(38,417)
	(48,043)	(26,134)
Annual depreciation	313,469	289,810
	265,426	263,676
Financing:		
Proceeds from issuance of long-term debt	177,263	-
Principal repayment on long-term debt	(69,435)	(60,572)
	107,828	(60,572)
Capital transactions:		
Capital additions	(421,579)	(351,292)
Decrease in cash for the year	(48,325)	(148,188)
Cash and cash equivalents, beginning of year	182,712	330,902
Cash and cash equivalents, end of year	\$ 134,387	\$ 182,712
Represented by:		
Cash	\$ 44,850	\$ 93,285
Temporary investments	\$ 89,537	\$ 89,418

The Corporation of the Township of Tarbutt and Tarbutt Additional

Notes to Consolidated Financial Statements

December 31, 2016

1. Summary of significant account policies

The Corporation of the Township of Tarbutt and Tarbutt Additional ("the Municipality") is a municipality in the province of Ontario, Canada. The Municipality conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

Basis of consolidation

The consolidated financial statements of The Corporation of the Township of Tarbutt and Tarbutt Additional are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These estimates and approximations have been made using careful judgment.

Effective January 1, 2009, the The Corporation of the Township of Tarbutt and Tarbutt Additional changed its accounting and financial reporting to conform to the revised guidelines in the Public Sector Accounting Handbook on financial reporting presentation (Section PS 1200) and tangible capital accounting (Section PS 3150).

The focus on the new financial reporting presentation is on the financial position of the Municipality and the changes to the net assets. The Consolidated Balance Sheet reports financial and non-financial assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position and is the difference between assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Non-consolidated entities

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of The Corporation of the Township of Tarbutt and Tarbutt Additional. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Municipality.

All material inter-entity transactions and balances are eliminated on consolidation.

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma District Services Administration Board
Algoma Public Health

The Corporation of the Township of Tarbutt and Tarbutt Additional Notes to Consolidated Financial Statements

December 31, 2016

Revenue recognition

Revenues and expenditures are reported on the accrual basis of accounting. Expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due. Revenues are recognized as follows.

- a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.
- b) Fines and donations are recognized when collected.

Deferred revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.

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.

Government transfers

Government transfers include entitlements, transfers under shared cost agreements and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

Contributed goods and services

Goods and services contributed to the Township are recorded at their fair market value at the time of their occurrence.

Cash and cash equivalents

Cash and cash equivalents include bank deposits and short term guaranteed investment certificates that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

Inventory

Inventory is valued at the lower of cost or net realizable value.

The Corporation of the Township of Tarbutt and Tarbutt Additional Notes to Consolidated Financial Statements

December 31, 2016

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates include allowance for doubtful accounts, inventory obsolescence, environmental liabilities, useful life of assets, and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

Accounting for school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements. As a result of the province wide reform of the tax system overlevies (underlevies) are reported on the consolidated statement of financial position as current liabilities or current assets.

Trust funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

Basis of accounting

The accrual basis of accounting recognizes revenues as they become available 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.

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.

Capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line bases over their estimated useful lives as follows:

	Useful Life - Years
Buildings	20 - 40
Equipment	12 - 15
Infrastructure	10 - 50
Vehicle and machinery	5 - 20
Waste management land	35

In the year of acquisition, capital assets are amortized at one-half the above rates.

The Corporation of the Township of Tarbutt and Tarbutt Additional Notes to Consolidated Financial Statements

December 31, 2016

(a) 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.

(b) Interest capitalization

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

(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) Threshold

The Corporation of the Township of Tarbutt and Tarbutt Additional has a capitalization threshold of \$5,000 to \$10,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Municipality's threshold for pooled assets is \$5,000.

Amounts to be recovered

Amounts to be recovered are reported in the municipal position on the consolidated balance sheet. The balance represents future expenditures not yet levied on the ratepayers.

Budget figures

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. 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. As well, the Town does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

Comparative figures

Certain comparative figures have been reclassified to conform with the current year financial statement presentation.

2. Financial instruments

The Township's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, landfill site closure liability, and municipal long-term debt. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

The Corporation of the Township of Tarbutt and Tarbutt Additional Notes to Consolidated Financial Statements

December 31, 2016

3. Cash and cash equivalents

	2016	2015
Unrestricted cash	\$ 41,245	\$ 89,680
Restricted cash (note 4)	3,605	3,605
Temporary investments	89,537	89,418
	<u>\$ 134,387</u>	<u>\$ 182,703</u>

Temporary investments have a market value which approximates its book value. Interest rates on temporary investments range between 0.50% and 2.60%.

4. Deferred revenue

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

	2016	2015
Cash in lieu of parkland	\$ 3,605	\$ 3,605

5. Landfill site closure liability

Effective January 1, 2001 the Township adopted accounting recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants with respect to landfill site closing and post-closing costs. As a result, the consolidated balance sheet now reflects a liability for anticipated future costs related to the closing and monitoring of the existing landfill site. The waste site closure and post closure cost liability has been estimated at \$12,551. This liability represents the estimated total expenditures required for closure and post closure care. This estimated liability was generated from external consultants who have experience with landfill construction and closure work. For purposes of the above calculation, the landfill has an estimated remaining life of 22 years. Once closed, this landfill site will be monitored for an estimated period of 10 years. A discount rate has been used that is equal to the rate available to the government long term borrowing rate. As at December 31, 2016, the landfill close and post closure costs have been financed.

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Notes to Consolidated Financial Statements**

December 31, 2016

6. Municipal long-term debt

	2016	2015
Fire truck loan with interest at prime plus 0.5%, repayable in monthly principal installments of \$2,381 plus interest. Secured by automotive and council borrowing bylaw.	\$ 23,807	\$ 52,379
Snow plow loan with interest at prime plus 0.5%, repayable in monthly principal installments of \$2,667 plus interest, secured by automotive and council borrowing bylaw.	26,667	58,667
Automotive loan with interest at prime plus 0.5%, repayable in monthly principal installments of \$2,285 plus interest. Secured by automotive and council borrowing bylaw.	168,400	-
	<u>218,874</u>	<u>111,046</u>
Current portion	87,991	60,571
	<u>\$ 130,883</u>	<u>\$ 50,475</u>

Long-term debt principal repayments to be made during the next five years is approximately as follows:

2017	-	\$ 87,991
2018	-	\$ 77,895
2019	-	\$ 27,420
2020	-	\$ 27,420
2021	-	\$ 27,420

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Notes to Consolidated Financial Statements**

December 31, 2016

7. Accumulated surplus

The accumulated surplus is comprised of the following:

	2016	2015
Reserves set aside for specific purposes by Council:		
- Working capital	\$ 887	\$ 887
- Recreation, Hall & Parks	11,199	11,199
- Cemetery	3,357	3,357
	15,443	15,443
Reserve funds set aside for specific purposes by Council:		
- Culvert maintenance	5,828	26,966
- Fire protection	3,966	-
- Landfill closure and post closure	1,975	1,975
- Administration capital	35	35
- Cemetery capital	4,163	4,163
- Roads capital	2,974	-
- Health services	303	303
- General	119,111	300,924
- Landfill capital	5,687	5,687
- Legal	11,156	11,156
- Planning and development	2,213	2,212
	157,411	353,421
Total reserves and reserve funds	172,854	368,864
Invested in tangible capital assets	3,205,995	3,097,886
Funds to be provided from future revenues (note 14)	(50,474)	(111,046)
Accumulated surplus	\$ 3,328,375	\$ 3,355,704

8. Taxation

	2016	2015
Taxation revenue	\$ 1,044,028	\$ 1,014,220
Less: Amount levied and remitted to school boards	151,420	150,429
	\$ 892,608	\$ 863,791

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Notes to Consolidated Financial Statements**

December 31, 2016

9. Expenditures by object

	2016	2015
Salaries, wages and employee benefits	\$ 338,465	\$ 346,297
Materials	305,571	298,694
Contracted services	116,342	100,537
Rents and financial expenses	3,050	2,196
Amortization	313,468	289,810
Transfer payments	308,618	306,413
	\$ 1,385,514	\$ 1,343,947

10. Contributions to unconsolidated joint boards

The following contributions were made by the Township to these boards:

	2016	2015
Algoma District Service Administration Board	\$ 285,938	\$ 283,923
Algoma Public Health	12,676	12,129
	\$ 298,614	\$ 296,052

11. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of three members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed on behalf of Township employees in 2016 was \$17,758 (2015 - \$17,509). No pension liability for this type of plan is included in the municipality's financial statements.

12. Trust funds

Trust funds administrated by the Township amounting to \$22,899 (2015 - \$22,888) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Financial Activities".

The Corporation of the Township of Tarbutt and Tarbutt Additional Notes to Consolidated Financial Statements

December 31, 2016

13. **Public Sector Salary Disclosure Act**

No employee was paid an annual salary of \$100,000 or more as defined by the Public Sector Salary Disclosure Act, 1996.

14. **Amounts to be recovered**

The total balance of amounts to be recovered of \$(50,474) (2015 - \$(111,046)) is comprised of the following:

	2016	2015
Municipal debt:		
Fire pumper truck loan	\$ (23,807)	\$ (52,379)
Snow plow truck loan	(26,667)	(58,667)
	\$ (50,474)	\$ (111,046)

15. **Segmented Information**

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

The Corporation of the Township of Tarbutt and Tarbutt Additional Notes to Consolidated Financial Statements

December 31, 2016

15. Segmented Information continued

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental

The environmental department provides garbage collection and waste minimization programs and facilities for solid waste disposal.

Health

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries.

Social and family

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

The Corporation of the Township of Tarbutt and Tarbutt Additional **Schedule 1**
Schedule of Tangible Capital Assets

Year ended December 31, 2016

	Cost			Accumulated Amortization			2016	2015	
	2015 Opening Balance	Additions and Betterments	Disposals/ Transfers	2015 Closing Balance	2015 Opening Balance	2015 Amortization Expense	Accumulated Amortization on Disposals	2015 Ending Balance	Net Book Value
Land	\$ 55,755	\$ -	\$ -	\$ 55,755	\$ -	\$ -	\$ -	\$ -	\$ 55,755
Buildings	572,299	8,743	-	581,042	219,697	9,170	-	228,867	352,175
Equipment	111,774	-	-	111,774	41,050	10,614	-	51,664	60,110
Infrastructure	4,962,697	253,204	-	5,215,901	2,741,286	259,547	-	3,000,833	2,215,068
Vehicle and machinery	539,518	159,632	-	699,150	206,786	34,138	-	240,924	458,226
Waste management land	79,411	-	-	79,411	14,748	-	-	14,748	64,663
	\$ 6,321,454	\$ 421,579	\$ -	\$ 6,743,033	\$ 3,223,567	\$ 313,469	\$ -	\$ 3,537,036	\$ 3,205,997
									\$ 3,097,888

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Segment Disclosures - Service Bundle**

Schedule 2

Year ended December 31, 2016

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
Expenditures									
Salaries and wages	\$ 200,813	\$ 8,222	\$ 89,583	\$ 31,662	\$ -	\$ -	\$ 8,185	\$ -	\$ 338,465
Materials, good and supplies	65,825	41,274	107,948	69,554	1,131	-	19,839	-	305,571
Contracted & general services	14,578	79,887	-	18,242	-	-	-	3,635	116,342
Rents and financial	1,035	-	-	-	-	-	-	2,015	3,050
Interest on long-term debt	-	1,259	1,411	-	-	-	-	-	2,670
Amortization expenses	1,780	17,129	286,125	947	-	-	7,487	-	313,468
Other	-	-	-	-	22,680	285,938	-	-	308,618
	284,031	147,771	485,067	120,405	23,811	285,938	35,511	5,650	1,388,184
Revenues									
Taxation	182,633	95,017	311,900	77,421	15,311	183,859	22,834	3,633	892,608
User charges	2,061	194	2,128	29,048	-	-	17,722	1,000	52,153
External non-tax revenues	81,372	42,335	138,966	34,495	6,822	81,918	10,173	1,619	397,700
Other	3,765	1,959	6,429	1,596	316	3,790	471	75	18,401
	269,831	139,505	459,423	142,560	22,449	269,567	51,200	6,327	1,360,862
Annual Surplus	\$ (14,200)	\$ (8,266)	\$ (25,644)	\$ 22,155	\$ (1,362)	\$ (16,371)	\$ 15,689	\$ 677	\$ (27,327)

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Segment Disclosures - Service Bundle**

Schedule 3

Year ended December 31, 2015

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
Expenditures									
Salaries and wages	\$ 207,156	\$ 8,004	\$ 87,476	\$ 35,994	\$ -	\$ -	\$ 7,667	\$ -	\$ 346,297
Materials, good and supplies	65,031	33,241	114,860	56,997	13,568	-	14,997	-	298,694
Contracted & general services	14,622	56,279	229	19,228	-	-	-	10,179	100,537
Rents and financial	1,002	-	-	-	-	-	-	1,194	2,196
Interest on long-term debt	-	2,252	2,514	-	-	-	-	-	4,766
Amortization expenses	4,641	17,129	257,337	3,216	-	-	7,487	-	289,810
Other	-	-	-	-	22,490	283,923	-	-	306,413
	292,452	116,905	462,416	115,435	36,058	283,923	30,151	11,373	1,348,713
Revenues									
Taxation	187,303	74,872	296,157	73,931	23,094	181,840	19,310	7,284	863,791
User charges	5,307	193	7,242	29,133	-	-	26,731	-	68,606
External non-tax revenues	100,655	40,236	159,152	39,730	12,410	97,719	10,377	3,914	464,193
Other	3,690	1,475	5,834	1,456	455	3,582	380	143	17,015
	296,955	116,776	468,385	144,250	35,959	283,141	56,798	11,341	1,413,605
Annual Surplus	\$ 4,503	\$ (129)	\$ 5,969	\$ 28,815	\$ (99)	\$ (782)	\$ 26,647	\$ (32)	\$ 64,892

Independent Auditors' Report

To the Mayor and Council of The Corporation of the Township of Tarbutt and Tarbutt Additional:

Report on the consolidated Financial Statements

I have audited the accompanying consolidated financial statements of The Corporation of the Township of Tarbutt and Tarbutt Additional Trust Funds, which comprise the balance sheet as at December 31, 2016, and the statements of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated 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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Tarbutt and Tarbutt Additional Trust Funds as at December 31, 2016, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Stefanizzi Professional Corporation
Chartered Professional Accountant, authorized to practise public accounting by
The Institute of Chartered Professional Accountants of Ontario
Sault Ste. Marie, Ontario
March 15, 2017

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Trust Funds
Balance Sheet**

As at December 31,

	Cemetery	Actual 2016	Actual 2015
Assets			
Cash	\$ 22,901	\$ 22,901	\$ 22,890
Liabilities			
Accounts payable	1,975	1,975	1,975
Fund balance	20,915	20,915	20,215
	\$ 22,890	\$ 22,890	\$ 22,190

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Trust Funds
Statement of Continuity**

Year ended December 31, (with comparative figures for the prior year)

	Perpetual Care	Actual 2016	Actual 2015
Balance, beginning of year	\$ 20,215	\$ 20,215	\$ 19,014
Revenues			
Interest earned	500	500	1
Plot sales and Monument surcharges	200	200	1,200
	700	700	1,201
Balance, end of year	\$ 20,915	\$ 20,915	\$ 20,215

**The Corporation of the Township of Tarbutt and Tarbutt Additional
Trust Funds
Notes to Financial Statements**

December 31, 2016

1. Summary of significant account policies

Management responsibility

The consolidated financial statements of The Corporation of the Township of Tarbutt and Tarbutt Additional Trust Funds are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Professional Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

Basis of accounting

Revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available 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