

**The Corporation of the Township of  
Tarbutt and Tarbutt Additional  
Consolidated Financial Statements  
For the year ended December 31, 2017**

**The Corporation of the Township of Tarbutt  
and Tarbutt Additional  
Consolidated Financial Statements  
For the year ended December 31, 2017**

Contents

---

<b>Auditors' Report</b>	1
<b>Consolidated Financial Statements</b>	
Consolidated Balance Sheet	2
Consolidated Statement of Operations and Accumulated Surplus	3
Consolidated Statement of Change in Net Financial Assets	4
Consolidated Statement of Cash Flow	5
Notes to Consolidated Financial Statements	6 - 15
Schedules to Consolidated Financial Statements	16 - 18
<b>Trust Funds Auditors' Report</b>	19
Balance Sheet	20
Statement of Continuity	21
Notes to Consolidated Financial Statements	22



---

## 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, 2017, 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, 2017, 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  
May 23, 2018

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

<b>As at December 31,</b>	<b>2017</b>	<b>2016</b>
<b>Financial Assets</b>		
Cash and cash equivalents (note 3)	\$ 118,902	\$ 134,387
Taxes receivable	158,361	142,384
Accounts receivable	36,526	49,347
Government remittances recoverable	128,612	73,895
Inventory	2,059	-
	<b>444,460</b>	<b>400,013</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 46,330	\$ 44,516
Deferred revenue (note 4)	3,605	3,605
Landfill site closure liability (note 5)	10,746	10,640
Municipal long-term debt (note 6)	132,947	218,874
	<b>193,628</b>	<b>277,635</b>
<b>Net financial assets</b>	<b>250,832</b>	<b>122,378</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule 1)	3,090,330	3,205,997
<b>Accumulated surplus</b> (note 7)	<b>\$ 3,341,179</b>	<b>\$ 3,328,378</b>

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) 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Taxation (note 8)	\$ 912,756	\$ 917,158	\$ 892,608
Federal grants	26,167	25,681	25,554
Provincial grants	359,401	359,033	327,913
Other municipalities	44,266	47,781	47,725
Fees and user charges	49,200	78,278	48,660
Interest and other	18,150	23,291	18,400
	1,409,940	1,451,222	1,360,860
<b>Expenditures</b>			
<b>Current</b>			
General government	282,381	296,633	284,032
Protection	153,239	160,832	147,772
Transportation services	204,272	521,656	485,066
Environmental services	106,900	91,939	120,406
Health services	27,951	25,637	23,811
Social and family services	303,327	303,327	285,938
Recreation and cultural services	29,823	33,187	35,512
Planning and development	7,500	5,225	5,651
	1,115,393	1,438,436	1,388,188
<b>Annual surplus (deficit)</b>	294,547	12,786	(27,328)
<b>Accumulated surplus, beginning of year</b>	3,328,375	3,328,375	3,355,704
<b>Accumulated surplus, end of year</b>	\$ 3,622,922	\$ 3,341,160	\$ 3,328,375

**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)

	<b>Budget (Unaudited) 2017</b>	<b>Actual 2017</b>	<b>Actual 2016</b>
Annual surplus (deficit)	\$ 294,547	\$ 12,786	\$ (27,328)
Acquisition of tangible capital assets	(375,524)	(239,559)	(421,579)
Amortization of tangible capital assets	-	355,225	313,469
	(80,977)	128,452	(135,438)
<b>Net change in net financial assets</b>	<b>(80,977)</b>	<b>128,452</b>	<b>(135,438)</b>
<b>Net financial assets, beginning of year</b>	<b>254,409</b>	<b>122,376</b>	<b>257,816</b>
<b>Net financial assets, end of year</b>	<b>\$ 173,432</b>	<b>\$ 250,828</b>	<b>\$ 122,376</b>

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

<b>For the year ended December 31,</b>	<b>2017</b>	<b>2016</b>
<b>Cash provided by (used for):</b>		
<b>Operating</b>		
Increase (decrease) in accumulated surplus	\$ 12,786	\$ (27,328)
Changes in non-cash operating items:		
Increase (decrease) in taxes receivable	(15,976)	26,123
(Increase) in accounts receivable	(41,895)	(32,896)
(Increase) decrease in inventory	(2,059)	5,921
Increase (decrease) in accounts payable	1,814	(19,968)
Decrease in landfill post-closure costs	106	105
	(45,224)	(48,043)
Annual depreciation	355,225	313,469
	310,001	265,426
<b>Financing:</b>		
Proceeds from issuance of long-term debt	-	177,263
Principal repayment on long-term debt	(85,926)	(69,435)
	(85,926)	107,828
<b>Capital transactions:</b>		
Capital additions	(239,559)	(421,579)
Decrease in cash for the year	(15,484)	(48,325)
Cash and cash equivalents, beginning of year	134,387	182,712
<b>Cash and cash equivalents, end of year</b>	<b>\$ 118,903</b>	<b>\$ 134,387</b>
Represented by:		
Cash	\$ 28,776	\$ 44,850
Temporary investments	\$ 90,126	\$ 89,537

---

# The Corporation of the Township of Tarbutt and Tarbutt Additional

## Notes to Consolidated Financial Statements

December 31, 2017

---

### 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, 2017

---

## **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, 2017

---

## 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, 2017

---

## **(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, 2017

---

### 3. **Cash and cash equivalents**

	2017	2016
Unrestricted cash	\$ 25,171	\$ 41,245
Restricted cash (note 4)	3,605	3,605
Temporary investments	90,126	89,537
	\$ 118,902	\$ 134,387

Temporary investments have a market value which approximates its book value. Interest rates on temporary investments range between 1.3% and 1.5%.

### 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:

	2017	2016
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, 2017, 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, 2017**

**6. Municipal long-term debt**

	2017	2016
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
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
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.	102,810	130,226
Automotive loan with interest at prime plus 0.5%, repayable in monthly principal installments of \$669.71 plus interest. Secured by automotive and council borrowing bylaw.	30,137	38,174
	132,947	218,874
Current portion	35,452	60,571
	\$ 97,495	\$ 158,303

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

2018	-	\$ 35,452
2019	-	\$ 35,452
2020	-	\$ 35,452
2021	-	\$ 26,590

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

**December 31, 2017**

**7. Accumulated surplus**

The accumulated surplus is comprised of the following:

	<b>2017</b>	<b>2016</b>
Reserves set aside for specific purposes by Council:		
- Working capital	\$ 887	\$ 887
- Recreation, Hall & Parks	11,199	11,199
- Cemetery	3,357	3,357
	<u>15,443</u>	<u>15,443</u>
Reserve funds set aside for specific purposes by Council:		
- Culvert maintenance	5,828	5,828
- Fire protection	3,966	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	2,974
- Health services	303	303
- General	197,106	119,111
- Landfill capital	5,687	5,687
- Legal	11,156	11,156
- Planning and development	2,213	2,213
	<u>235,406</u>	<u>157,411</u>
Total reserves and reserve funds	250,849	172,854
Invested in tangible capital assets	3,090,330	3,205,995
Funds to be provided from future revenues (note 14)	-	(50,471)
Accumulated surplus	<u>\$ 3,341,179</u>	<u>\$ 3,328,378</u>

**8. Taxation**

	<b>2017</b>	<b>2016</b>
Taxation revenue	\$ 1,068,381	\$ 1,044,028
Less: Amount levied and remitted to school boards	151,223	151,420
	<u>\$ 917,158</u>	<u>\$ 892,608</u>

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

**December 31, 2017**

**9. Expenditures by object**

	2017	2016
Salaries, wages and employee benefits	\$ 356,442	\$ 338,465
Materials	266,787	305,571
Contracted services	127,217	116,342
Rents and financial expenses	4,240	3,050
Amortization	355,227	313,468
Transfer payments	327,778	308,618
	<b>\$ 1,437,691</b>	<b>\$ 1,385,514</b>

**10. Contributions to unconsolidated joint boards**

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

	2017	2016
Algoma District Service Administration Board	\$ 303,327	\$ 285,938
Algoma Public Health	12,992	12,676
	<b>\$ 316,319</b>	<b>\$ 298,614</b>

**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 2017 was \$19,538 (2016 - \$17,758). 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 \$23,142 (2016 - \$22,899) 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, 2017

---

## 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 \$- (2016 - \$(50,471)) is comprised of the following:

	2017	2016
Municipal debt:		
Fire pumper truck loan	\$ -	\$ (23,807)
Snow plow truck loan	-	(26,667)
Backhoe loan	-	3
	\$ -	\$ (50,471)

---

## 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, 2017

---

## 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 of Tangible Capital Assets** **Schedule 1**

Year ended December 31, 2017

	Cost				Accumulated Amortization			2017	2016
	2017 Opening Balance	Additions and Betterments	Disposals/ Transfers	2017 Closing Balance	2017 Opening Balance	2017 Amortization Expense	Accumulated Amortization on Disposals	2017 Ending Balance	Net Book Value
Land	\$ 55,755	\$ 2,544	\$ -	\$ 58,299	\$ -	\$ -	\$ -	\$ -	\$ 58,299
Buildings	581,042	7,086	-	588,128	228,867	17,699	-	246,566	341,562
Equipment	111,774	3,496	-	115,270	51,664	10,863	-	62,527	52,743
Infrastructure	5,215,901	208,480	-	5,424,381	3,000,833	282,422	-	3,283,255	2,141,126
Vehicle and machinery	699,149	17,953	-	717,102	240,924	39,703	-	280,627	436,475
Waste management land	79,411	-	-	79,411	14,748	4,538	-	19,286	60,125
	\$ 6,743,032	\$ 239,559	\$ -	\$ 6,982,591	\$ 3,537,036	\$ 355,225	\$ -	\$ 3,892,261	\$ 3,090,330
									\$ 3,205,997

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

Schedule 2

**Year ended December 31, 2017**

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
<b>Expenditures</b>									
Salaries and wages	\$ 217,974	\$ 13,261	\$ 87,660	\$ 29,477	\$ -	\$ -	\$ 8,070	\$ -	\$ 356,442
Materials, good and supplies	52,486	32,971	119,036	43,477	1,187	-	17,630	-	266,787
Contracted & general services	14,799	96,781	-	13,500	-	-	-	2,137	127,217
Rents and financial	1,152	-	-	-	-	-	-	3,088	4,240
Interest on long-term debt	-	351	394	-	-	-	-	-	745
Amortization expenses	10,221	17,468	314,566	5,485	-	-	7,487	-	355,227
Other	-	-	-	-	24,451	303,327	-	-	327,778
	296,632	160,832	521,656	91,939	25,638	303,327	33,187	5,225	1,438,436
<b>Revenues</b>									
Taxation	189,135	102,548	332,612	58,621	16,347	193,404	21,160	3,332	917,159
User charges	20,223	200	8,248	35,384	-	-	24,980	500	89,535
External non-tax revenues	86,867	47,099	152,764	26,924	7,508	88,828	9,719	1,530	421,239
Other	4,803	2,604	8,447	1,489	415	4,911	537	85	23,291
	301,028	152,451	502,071	122,418	24,270	287,143	56,396	5,447	1,451,224
<b>Annual Surplus (Deficit)</b>	\$ 4,396	\$ (8,381)	\$ (19,585)	\$ 30,479	\$ (1,368)	\$ (16,184)	\$ 23,209	\$ 222	\$ 12,788

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

Schedule 3

**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
<b>Expenditures</b>									
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
<b>Revenues</b>									
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
<b>Annual Surplus (Deficit)</b>	\$ (14,200)	\$ (8,266)	\$ (25,644)	\$ 22,155	\$ (1,362)	\$ (16,371)	\$ 15,689	\$ 677	\$ (27,327)

---

## 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, 2017, 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, 2017, 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  
May 23, 2018

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

**As at December 31,**

	<b>Cemetery</b>	<b>Actual 2017</b>	<b>Actual 2016</b>
<b>Assets</b>			
Cash	\$ 23,144	\$ 23,144	\$ 22,901
<b>Liabilities</b>			
Accounts payable	2,217	2,217	1,975
<b>Fund balance</b>	20,915	20,915	20,215
	\$ 23,132	\$ 23,132	\$ 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)

	<b>Perpetual Care</b>	<b>Actual 2017</b>	<b>Actual 2016</b>
<b>Balance, beginning of year</b>	\$ 20,215	\$ 20,215	\$ 19,014
<b>Revenues</b>			
Interest earned	500	500	1
Plot sales and Monument surcharges	200	200	1,200
	700	700	1,201
<b>Balance, end of year</b>	\$ 20,915	\$ 20,915	\$ 20,215

---

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

**December 31, 2017**

---

**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