

CORPORATION OF THE TOWNSHIP OF LIMERICK
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

Draft May 10, 2018

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CORPORATION OF THE TOWNSHIP OF LIMERICK

For The Year Ended December 31, 2017

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Limerick 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 Limerick. 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.

Reeve _____

Date _____

Clerk-Treasurer _____

Date _____

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Limerick

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Limerick, 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 Limerick 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.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 14, 2018

CORPORATION OF THE TOWNSHIP OF LIMERICK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	619,154	816,523
Short term investments (note 2)	-	842,757
Taxes receivable	214,274	208,112
Accounts receivable	646,346	115,633
TOTAL FINANCIAL ASSETS	1,479,774	1,983,025
LIABILITIES		
Accounts payable	246,854	89,535
Deferred revenue - obligatory reserve funds (note 3)	92,328	71,023
Deferred revenue - other (note 4)	1,204	785,862
Long term debt (note 6)	52,938	68,432
Landfill closure and post-closure liability (note 7)	151,000	149,000
TOTAL LIABILITIES	544,324	1,163,852
NET FINANCIAL ASSETS	935,450	819,173
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	4,768,776	3,619,326
ACCUMULATED SURPLUS (note 9)	5,704,226	4,438,499

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
REVENUES			
Property taxation	1,022,399	1,017,777	1,037,344
User charges	34,800	33,158	32,887
Province of Ontario	340,500	1,804,308	328,919
Other municipalities	32,000	37,282	33,240
Penalties and interest on taxes	30,000	31,893	42,860
Federal gas tax earned	20,385	-	-
Other	-	39,097	13,184
TOTAL REVENUES	1,480,084	2,963,515	1,488,434
EXPENSES			
General government	361,198	314,037	323,097
Protection services	311,387	282,163	295,033
Transportation services	854,023	968,576	700,966
Environmental services	61,975	66,819	78,520
Health services	2,500	369	697
Recreation and cultural services	50,597	54,194	64,993
Planning and development	2,500	9,630	9,346
Change in landfill closure and post-closure costs (note 7)	-	2,000	(101,103)
TOTAL EXPENSES	1,644,180	1,697,788	1,371,549
ANNUAL SURPLUS/(DEFICIT)	<u>(164,096)</u>	1,265,727	116,885
ACCUMULATED SURPLUS - beginning of year		4,438,499	4,321,614
ACCUMULATED SURPLUS - end of year		5,704,226	4,438,499

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
ANNUAL SURPLUS/(DEFICIT)	(164,096)	1,265,727	116,885
Amortization of tangible capital assets	298,164	404,698	258,164
Purchase of tangible capital assets	(235,000)	(1,686,118)	(342,381)
Loss on disposal of tangible capital assets	-	127,970	-
Proceeds on sale of tangible capital assets	-	4,000	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(100,932)	116,277	32,668
NET FINANCIAL ASSETS - beginning of year	819,173	819,173	786,505
NET FINANCIAL ASSETS - end of year	718,241	935,450	819,173

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2017

	2017	2016
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,265,727	116,885
Items not involving cash		
Amortization of tangible capital assets	404,698	258,164
Loss on disposal of tangible capital assets	127,970	-
Change in landfill closure and post-closure liability	2,000	(101,103)
Change in non-cash assets and liabilities		
Taxes receivable	(6,162)	87,732
Accounts receivable	(530,713)	272,894
Accounts payable	157,319	(106,581)
Deferred revenue - obligatory reserve funds	21,305	20,894
Deferred revenue - other	(784,658)	785,862
Net change in cash from operating activities	657,486	1,334,747
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,686,118)	(342,381)
Proceeds on disposal of tangible capital assets	4,000	-
Net change in cash from capital activities	(1,682,118)	(342,381)
INVESTING ACTIVITIES		
Purchase of investments	-	(842,757)
Disposal of investments	842,757	-
Net change in cash from investing activities	842,757	(842,757)
FINANCING ACTIVITIES		
Debt principal repayments	(15,494)	(15,494)
NET CHANGE IN CASH	(197,369)	134,115
CASH - beginning of year	816,523	682,408
CASH - end of year	619,154	816,523

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

The Township of Limerick 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 Township of Limerick.

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 years
Buildings	40 - 50 years
Roadways	10 - 20 years
Machinery and equipment	4 - 20 years
Vehicles	5 - 10 years
Computer software and hardware	4 - 10 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.

(d) 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.

(e) 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.

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) 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 charges 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.

Investment income is recorded when earned.

All other income is recognized in the period in which the transaction or event occurred that gave rise to the revenue.

(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.

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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 are:

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

2. SHORT TERM INVESTMENT

Short term investment at December 31, 2016 was comprised of a short term GIC earning interest at 1.15% that matured August 15, 2017.

3. 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	9,809	9,809
Federal gas tax	82,519	61,214
	92,328	71,023

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

	2017	2016
	\$	\$
Balance - beginning of year	71,023	50,129
Add amounts received:		
Federal gas tax	20,894	20,894
Interest	411	-
	21,305	20,894
Balance - end of year	92,328	71,023

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

4. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2017	2016
	\$	\$
Ontario Community Infrastructure Fund (OCIF)	-	785,862
Seniors Grant	1,204	-
	1,204	785,862

The continuity of deferred revenue - other is as follows:

	2017	2016
	\$	\$
Balance - beginning of year	785,862	-
OCIF grant received	304,975	838,681
Seniors Grant received	1,204	-
	306,179	838,681
Less: OCIF	1,090,837	52,819
Balance - end of year	1,204	785,862

5. TRUST FUNDS

Trust funds administered by the Township amounting to \$8,994 (2016 - \$8,994) 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 LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

6. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2017	2016
	\$	\$
Long term bank loan, due May 2021, repayable in monthly fixed principal installments of \$1,291 plus interest at prime rate plus 1%.	52,938	68,432

- (b) The long term debt in (a) issued in the name of the Township has been approved by by-law. The annual principal and interest payments required to service this liability is within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$2,269 (2016 - \$2,843).
- (d) The long term debt reported in (a) of this note, with an estimate of the interest is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2018	15,494	1,788	17,282
2019	15,494	1,183	16,677
2020	15,494	579	16,073
2021	6,456	63	6,519
	52,938	3,613	56,551

7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$150,000 (2016 - \$149,000) has been estimated using discounted future cash flows associated with closure and post-closure care activities for 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 fund of \$190,183 (2016 - \$190,183) any remaining landfill closure and post-closure liability, if any, 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 life of the landfill, using a discount factor of 4% and an inflation rate of 2%. The remaining capacity of the solid waste landfill site is estimated at 9,815 m³ (2016 - 10,000 m³) which is 45.2% (2016 - 46.0%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$151,000 (2016 - \$149,000) as at December 31, 2017. The landfill is expected to reach its capacity in 2037.

In the current year, additional land was acquired to expand waste disposal services. The land acquired was adjoining to the previous waste disposal site therefore, the previous waste disposal site was reopened. The decrease in the landfill liability is a result of the increased capacity at the landfill due to the current year expansion of the landfill site.

CORPORATION OF THE TOWNSHIP OF LIMERICK

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
	\$	\$
General		
Land	129,942	129,942
Land improvements	7,574	8,332
Buildings	144,558	155,251
Machinery and equipment	252,466	242,943
Vehicles	309,979	335,789
Infrastructure		
Roads	3,029,116	1,772,273
Bridges	895,141	916,108
	4,768,776	3,560,638
Assets under construction	-	58,688
	4,768,776	3,619,326

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).

	2017	2016
	\$	\$
General government	219,446	228,866
Protection services	49,643	28,699
Transportation services	4,412,414	3,302,271
Environmental services	24,119	-
Health services	4,549	4,549
Recreation and cultural services	58,605	54,941
	4,768,776	3,619,326

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2017	2016
	\$	\$
Surplus/(Deficit)		
Operations	266,591	94,808
Unfunded landfill closure and post closure costs	(151,000)	(149,000)
	115,591	(54,192)
Invested In Capital Assets		
Tangible capital assets - net book value	4,768,776	3,619,326
Long term debt	(52,938)	(68,432)
	4,715,838	3,550,894
Surplus	4,831,429	3,496,702
Reserves		
Acquisition of capital assets	251,549	225,549
Working funds	40,983	40,983
Total Reserves	292,532	266,532
Reserve Funds		
Waste disposal	165,183	190,183
Fire capital	90,070	110,070
Roads	325,012	375,012
Total Reserve Funds	580,265	675,265
	5,704,226	4,438,499

10. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2017, requisitions were made by the County of Hastings 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
	\$	\$
Amounts requisitioned and remitted	230,049	356,169

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

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

11. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$200,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2017-01. At December 31, 2017 there was no balance outstanding (2016 - \$Nil).

12. 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	507,127	499,932	445,414
Interest charges	-	2,269	2,843
Materials	577,030	422,725	504,809
Contracted services	224,525	202,976	218,680
Rents and financial	7,400	9,423	11,775
External transfers	29,934	25,795	30,967
Amortization	298,164	404,698	258,164
Change in landfill liability	-	2,000	(101,103)
Loss on disposal of tangible capital assets	-	127,970	-
	1,644,180	1,697,788	1,371,549

13. EMPLOYEE RETIREMENT BENEFITS

Some of the employees of the Township are eligible to be members of a contributory registered retirement savings plan managed by Toronto Dominion Canada Trust. Employer contributions to the plan by the Township during the year amounted to \$11,213 (2016 - \$11,063). These contributions are for current service, are expensed during the year in which services are rendered and represent the total registered retirement savings plan obligation of the Township.

14. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

15. 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.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating	1,499,690	1,264,690
Capital	-	235,000
Total Council approved budget	1,499,690	1,499,690
Less: Tangible capital assets capitalized	-	(235,000)
Add: Amortization of tangible capital assets	-	298,164
Less: Transfers to/from reserves	-	80,326
Less: Prior year surplus	(19,606)	1,000
Adjusted budget per Consolidated Statement of Operations	1,480,084	1,644,180

16. SEGMENTED INFORMATION

The Township of Limerick 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 segmented 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, protective inspection and control and emergency measures.

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

16. SEGMENTED INFORMATION, continued

Transportation Services

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

Environmental Services

The environmental function is responsible for waste collection, waste disposal, and recycling.

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.

Draft May 10, 2018

CORPORATION OF THE TOWNSHIP OF LIMERICK

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2017

	General					Infrastructure		Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads	Bridges		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST									
Balance, beginning of year	129,942	15,162	439,563	604,949	724,343	2,291,427	1,048,368	58,688	5,312,442
Add: additions during the year	-	-	-	33,901	30,156	-	-	1,622,061	1,686,118
Less: disposals during the year	-	-	-	-	-	263,940	-	-	263,940
Internal transfers	-	-	-	-	-	1,680,749	-	(1,680,749)	-
Balance, end of year	129,942	15,162	439,563	638,850	754,499	3,708,236	1,048,368	-	6,734,620
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	6,830	284,312	362,006	388,554	519,154	132,260	-	1,693,116
Add: additions during the year	-	758	10,693	24,378	55,966	291,936	20,967	-	404,698
Less: disposals during the year	-	-	-	-	-	131,970	-	-	131,970
Balance, end of year	-	7,588	295,005	386,384	444,520	679,120	153,227	-	1,965,844
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	129,942	7,574	144,558	252,466	309,979	3,029,116	895,141	-	4,768,776

CORPORATION OF THE TOWNSHIP OF LIMERICK

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2017

	General Government \$	Protection Services \$	Transportatio n Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure costs \$	Consolidated \$
Revenues									
Property taxation	-	261,927	653,210	53,299	2,500	46,841	-	-	1,017,777
User charges	350	11,911	-	7,397	150	1,000	12,350	-	33,158
Government transfers - operating	227,707	-	112,793	-	-	3,953	-	-	344,453
Government transfers - capital	-	-	1,459,855	-	-	-	-	-	1,459,855
Other municipalities	-	37,282	-	-	-	-	-	-	37,282
Penalties and interest on taxes	31,893	-	-	-	-	-	-	-	31,893
Other	29,097	10,000	-	-	-	-	-	-	39,097
Total revenues	289,047	321,120	2,225,858	60,696	2,650	51,794	12,350	-	2,963,515
Expenses									
Salaries and benefits	186,620	49,244	214,791	28,833	-	20,444	-	-	499,932
Interest charges	-	-	2,269	-	-	-	-	-	2,269
Materials	79,953	57,326	234,522	13,291	369	27,634	9,630	-	422,725
Contracted services	30,392	142,070	7,088	23,426	-	-	-	2,000	204,976
Rents and financial	7,304	-	1,987	-	-	132	-	-	9,423
External transfers	348	24,311	-	-	-	1,136	-	-	25,795
Amortization	9,420	9,212	379,949	1,269	-	4,848	-	-	404,698
Loss on disposal of tangible capital assets	-	-	127,970	-	-	-	-	-	127,970
Total expenses	314,037	282,163	968,576	66,819	369	54,194	9,630	2,000	1,697,788
Net surplus/(deficit)	(24,990)	38,957	1,257,282	(6,123)	2,281	(2,400)	2,720	(2,000)	1,265,727

CORPORATION OF THE TOWNSHIP OF LIMERICK

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2016

	General Government \$	Protection Services \$	Transportatio n Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure costs \$	Consolidated \$
Revenues									
Property taxation	132,730	216,064	548,850	87,616	500	50,584	1,000	-	1,037,344
User charges	449	11,450	-	6,480	-	780	13,728	-	32,887
Government transfers - operating	276,100	-	-	-	-	-	-	-	276,100
Government transfers - capital	-	-	52,819	-	-	-	-	-	52,819
Other municipalities	-	33,240	-	-	-	-	-	-	33,240
Penalties and interest on taxes	42,860	-	-	-	-	-	-	-	42,860
Other	13,184	-	-	-	-	-	-	-	13,184
Total revenues	465,323	260,754	601,669	94,096	500	51,364	14,728	-	1,488,434
Expenses									
Salaries and benefits	178,782	49,717	175,418	23,236	-	18,261	-	-	445,414
Interest charges	-	-	2,843	-	-	-	-	-	2,843
Materials	88,852	53,685	283,630	35,478	697	33,121	9,346	-	504,809
Contracted services	34,770	163,799	305	19,806	-	-	-	(101,103)	117,577
Rents and financial	11,273	-	502	-	-	-	-	-	11,775
External transfers	-	21,636	-	-	-	9,331	-	-	30,967
Amortization	9,420	6,196	238,268	-	-	4,280	-	-	258,164
Total expenses	323,097	295,033	700,966	78,520	697	64,993	9,346	(101,103)	1,371,549
Net surplus/(deficit)	142,226	(34,279)	(99,297)	15,576	(197)	(13,629)	5,382	101,103	116,885

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Limerick

Report on the Financial Statements

We have audited the accompanying financial statements of the Trust Fund of the Corporation of the Township of Limerick, 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 Fund of the Corporation of the Township of Limerick as at December 31, 2017 and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 14, 2018

CORPORATION OF THE TOWNSHIP OF LIMERICK

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2017

	2017 Cemetery Trust \$	2016 Cemetery Trust \$
FINANCIAL ASSETS		
Cash	1,937	2,087
Investments (note 2)	7,967	7,817
	<u>9,904</u>	<u>9,904</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Township	910	910
FUND BALANCE	<u>8,994</u>	<u>8,994</u>
	<u>9,904</u>	<u>9,904</u>

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

	2017 Cemetery Trust \$	2016 Cemetery Trust \$
BALANCE - beginning of year	8,994	8,844
RECEIPTS		
Interest earned	150	108
Interment fees	-	150
	150	258
EXPENSES		
Transfer to operations	150	108
BALANCE - end of year	8,994	8,994

Draft May 10, 2018

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

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.

2. INVESTMENTS

The investment is a GIC bearing interest at 2.00% and maturing February 15, 2022. GIC's are recorded at cost plus accrued interest.

3. CEMETERY PERPETUAL CARE

The Perpetual Care Fund administered by the Treasurer of the Township of Limerick is funded by the sale of cemetery plots and monuments. These funds are invested and earnings derived therefrom are used to perform perpetual care maintenance to the Township's cemeteries. The operations and investments of the Fund are undertaken by the Treasurer in accordance with the regulations of the Cemeteries Act.