

Township of Prince
Consolidated Financial Statements
For the year ended December 31, 2017

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Consolidated Financial Statements
For the year ended December 31, 2017

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Township of Prince
Management's Responsibility for Financial Reporting

December 31, 2017

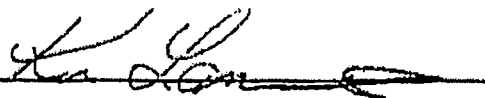
The accompanying consolidated financial statements of the Township of Prince and all the information in this annual report are the responsibility of management and have been approved by the Mayor and CAO / Clerk-Treasurer on behalf of Council.

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

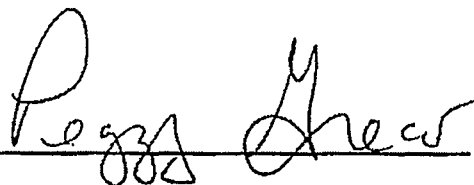
The municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the municipality's assets are appropriately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

The municipal Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers and inhabitants of the municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the municipality's consolidated financial statements.



Mayor



CAO / Clerk-Treasurer



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
Township of Prince

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Township of Prince as at December 31, 2017 and the consolidated results of its operations, change in its net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

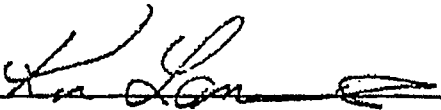
Chartered Professional Accountants, Licensed Public Accountants

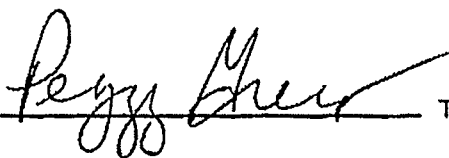
Sault Ste. Marie, Ontario
June 12, 2018

Township of Prince
Consolidated Statement of Financial Position

<u>December 31</u>	<u>2017</u>	<u>2016</u>
Financial assets		
Cash and short term investments	\$ 1,034,835	\$ 1,544,110
Taxes receivable	163,876	177,786
Accounts receivable	613,906	64,677
	<u>1,812,617</u>	<u>1,786,573</u>
Liabilities		
Accounts payable and accrued liabilities	240,788	77,018
Deferred revenue (Note 4)	167,264	181,011
	<u>408,052</u>	<u>258,029</u>
Net financial assets	<u>1,404,565</u>	<u>1,528,544</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	4,208,217	3,401,814
Prepaid expenses	14,354	13,176
	<u>4,222,571</u>	<u>3,414,990</u>
Accumulated surplus (Note 3)	<u>\$ 5,627,136</u>	<u>\$ 4,943,534</u>

On behalf of the Council:

 Mayor

 Treasurer

Township of Prince Consolidated Statement of Operations

For the year ended December 31	Budget	2017	2016
Revenue			
Taxation (Note 2)	\$ 1,160,088	\$ 1,174,694	\$ 1,105,090
Government grants - Provincial	762,509	938,778	565,283
Government grants - Federal	62,691	229,665	36,631
User fees and service charges	41,050	47,921	51,793
Licences, permits and rents	30,180	20,179	40,734
Interest fines and penalties	20,000	24,538	29,898
Investment income	22,000	29,404	24,185
Other	9,180	10,669	25,535
	<u>2,107,698</u>	<u>2,475,848</u>	<u>1,879,149</u>
Expenses			
General government	377,056	334,009	316,400
Protection services	283,555	274,324	256,934
Transportation services	310,119	294,535	304,173
Environmental services	65,320	83,232	86,690
Health services	96,038	100,787	88,519
Social and family services	318,395	575,634	566,396
Recreation and cultural services	96,221	125,082	106,276
Planning and development	6,500	4,643	4,344
	<u>1,553,204</u>	<u>1,792,246</u>	<u>1,729,732</u>
Annual surplus	554,494	683,602	149,417
Accumulated surplus, beginning of year	4,943,534	4,943,534	4,794,117
Accumulated surplus, end of year	<u>\$ 5,498,028</u>	<u>\$ 5,627,136</u>	<u>\$ 4,943,534</u>

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

Township of Prince

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget	2017	2016
Annual surplus	\$ 554,494	\$ 683,602	\$ 149,417
Acquisition of tangible capital assets	(239,730)	(931,714)	(165,680)
Amortization of tangible capital assets	-	125,311	116,270
Prepaid expenses and inventory of supplies	-	(1,178)	(3,705)
Net change in net financial assets	314,764	(123,979)	96,302
Net financial assets, beginning of year	1,528,544	1,528,544	1,432,242
Net financial assets, end of year	\$ 1,843,308	\$ 1,404,565	\$ 1,528,544

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

Township of Prince Consolidated Statement of Cash Flows

For the year ended December 31

2017

2016

Operating transactions

Annual surplus	\$ 683,602	\$ 149,417
Amortization	125,311	116,270
	<u>808,913</u>	<u>265,687</u>

Changes in non-cash working capital balances

Taxes receivable	13,910	(34,827)
Accounts receivable	(549,229)	(3,006)
Other current assets	(1,178)	(3,705)
Accounts payable and accrued liabilities	163,770	(108,143)
Deferred revenue	(13,747)	44,957
Accrued sick leave and retirement benefits	-	(5,216)
	<u>422,439</u>	<u>155,747</u>

Capital transactions

Acquisition of tangible capital assets	(931,714)	(165,680)
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Net change in cash and cash equivalents (509,275) (9,933)

Cash and cash equivalents, beginning of year 1,544,110 1,554,043

Cash and cash equivalents, end of year \$ 1,034,835 \$ 1,544,110

Township of Prince

Notes to Consolidated Financial Statements

December 31, 2017

1. Summary of significant accounting policies

The consolidated financial statements of the municipality have been prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Basis of Consolidation These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of all municipal organizations, committees and boards which are owned or controlled by the municipality, including the following:

Prince Township Library Board
Prince Township Parent/Child Resource Centre
Prince Township Museum Board

Cash and Cash Equivalents Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	20 to 25 years
Buildings	20 to 40 years
Machinery and equipment	3 to 20 years
Vehicles	4 to 20 years
Furnishings and fixtures	5 to 20 years
Infrastructure - bridges, culverts & streetlights	25 to 75 years
Infrastructure - road bases	40 years
Infrastructure - road paved surface	25 years

Collection of Taxes on Behalf of Other Taxation Authorities The municipality collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.

Trust Funds Funds held in trust by the municipality and their related operations are not included in these consolidated financial statements. The financial activity and financial position of the trust funds are reported separately.

Retirement Benefits and Other Employee Benefit Plans The municipality provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan. The municipality's contributions due during the period are expensed as incurred. The municipality provides other post-employment benefits. These costs accumulate over the period of service provided by employees and are determined using management's best estimates.

Township of Prince

Consolidated Summary of Significant Accounting Policies

December 31, 2017

1. Summary of significant accounting policies *(continued)*

Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.
Revenue Recognition	<p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.</p> <p>Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p>
Use of Estimates	The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Township of Prince
Notes to Consolidated Financial Statements

December 31, 2017

2. Taxation	2017	2016
Residential and multi-residential	\$ 1,370,078	\$ 1,318,388
Commercial and industrial	73,954	63,004
Taxation from other governments	41,378	37,191
	<u>1,485,410</u>	<u>1,418,583</u>
Deduct: amounts received or receivable for school boards	(310,716)	(313,493)
	<u>\$ 1,174,694</u>	<u>\$ 1,105,090</u>

3. Accumulated surplus

	2017	2016
Reserves set aside for specific purposes by Council		
Working funds	\$ 699,230	\$ 820,353
Other	368,055	410,655
Museum restoration	11,898	11,898
Recreation, current purposes	31,397	21,397
Roads	103,778	81,004
Fire	74,000	64,000
Parks	40,900	40,900
Total reserves	<u>1,329,258</u>	<u>1,450,207</u>
Reserve funds set aside for specific purposes by Council		
Parks	35,449	35,449
Fire	26,325	26,325
Total reserve funds	<u>61,774</u>	<u>61,774</u>
Total reserves	1,391,032	1,511,981
Equity in tangible capital assets	4,208,217	3,401,814
Library surplus	29,920	32,225
Museum deficit	(8,339)	(6,570)
Parent and Child Resource Centre surplus	6,306	4,084
	<u>\$ 5,627,136</u>	<u>\$ 4,943,534</u>

Allocation of annual surplus

	2017	2016
Equity in tangible capital assets	\$ 806,403	\$ 49,410
Reserve and reserve funds	(120,949)	103,071
Library surplus	(2,305)	758
Museum deficit	(1,769)	(3,795)
Parent and Child Resource Centre surplus	2,222	(27)
	<u>\$ 683,602</u>	<u>\$ 149,417</u>

Township of Prince
Notes to Consolidated Financial Statements

December 31, 2017

4. Deferred revenue

	<u>2017</u>	<u>2016</u>
Other deferred revenue	\$ 8,096	\$ 3,982
Parks - Obligatory	17,924	17,924
Federal Gas Tax - Obligatory	141,244	159,105
	<u>\$ 167,264</u>	<u>\$ 181,011</u>

Deferred revenue continuity

	<u>2017</u>	<u>2016</u>
Balance, beginning of year:	\$ 181,011	\$ 136,054
Contributions	79,281	57,391
	<u>260,292</u>	<u>193,445</u>
Contributions used	93,028	12,434
	<u>\$ 167,264</u>	<u>\$ 181,011</u>

5. Post employment and retirement benefits

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of eligible 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 municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$33,114 (2016 - \$29,128) to the plan. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expense. Contribution amounts are determined by OMERS which adjusts rates to reflect actuarial requirements. Any surplus or deficit of the pension plan is not included in the municipality's financial statements.

The municipality's employees accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The cost of the benefits is determined using management's best estimate.

The liability for these accumulated days, amounted to \$- (2016 - \$-) at the end of the year.

6. Trust funds

Trust funds administered by the Township amounting to \$63,078 (2016 - \$60,361) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

Township of Prince

Notes Consolidated to Financial Statements

December 31, 2017

7. Credit facility

The municipality has established a \$300,000 bank operating line of credit bearing interest at prime and secured by a general security agreement. As at December 31, 2017, a balance of NIL was outstanding on this credit facility.

8. Contingencies and commitments

Legal claims

A claim has been made against the Township related to a personal injury. No provision has been recorded in these financial statements as the outcome is not determinable. Any loss resulting from the resolution of the claim will be charged to operations in the year of resolution.

Commitments

In 2014, the Township entered a five year agreement with the City of Sault Ste. Marie to provide police services. The agreement expires in 2018 and is payable annually as follows:

2017	\$	190,364
2018	\$	209,370

9. Public Sector Salary Disclosure Act

For Township of Prince, no employees were paid salaries, as defined in the Public Sector Salary Disclosure Act, 1996 of \$100,000 or more.

10. 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 department 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 extinguishment 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.

Township of Prince Notes Consolidated to Financial Statements

December 31, 2017

10. 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 consists of solid waste disposal. The department provides drinking water to ratepayers, collecting and treating wastewater, and providing 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. In addition, the municipality provides alternative residential services for seniors.

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, rink facilities, 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. For additional information see Schedule 2.

Township of Prince
Notes Consolidated to Financial Statements

December 31, 2017

11. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 9, 2017 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council on May 9, 2017 with adjustments as follows:

Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	788,823
Less:	
Net inter-fund transfers from reserves	(109,018)
Amortization	<u>(125,311)</u>
Budget surplus per statement of operations	<u>\$ 554,494</u>

Township of Prince
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended December 31, 2017

	Land	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in progress	Total
Cost, beginning of year	\$ 139,416	\$ 244,095	\$ 183,492	\$ 180,445	\$ 32,376	\$ 4,309,642	\$ -	\$ 5,089,466
Additions	-	-	4,885	-	1,795	264,936	660,098	931,714
Cost, end of year	139,416	244,095	188,377	180,445	34,171	4,574,578	660,098	6,021,180
Accumulated amortization, beginning of year	-	100,959	87,573	66,710	19,761	1,412,649	-	1,687,652
Amortization	-	7,430	18,125	16,930	3,701	79,125	-	125,311
Accumulated amortization, end of year	-	108,389	105,698	83,640	23,462	1,491,774	-	1,812,963
Net carrying amount, end of year	\$ 139,416	\$ 135,706	\$ 82,679	\$ 96,805	\$ 10,709	\$ 3,082,804	\$ 660,098	\$ 4,208,217

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$660,098 (2016 - \$NIL).

The Municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Township of Prince
Schedule 1 - Consolidated Tangible Capital Assets (Continued)

For the year ended December 31, 2016 (comparative figures)

	Land	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in progress	Total
Cost, beginning of year	\$ 139,416	\$ 244,095	\$ 172,231	\$ 127,336	\$ 32,376	\$ 4,208,332	\$ -	\$ 4,923,786
Additions	-	-	11,261	53,109	-	101,310	-	165,680
Cost, end of year	139,416	244,095	183,492	180,445	32,376	4,309,642	-	5,089,466
Accumulated amortization, beginning of year	-	93,529	69,928	55,091	15,901	1,336,933	-	1,571,382
Amortization	-	7,430	17,645	11,619	3,860	75,716	-	116,270
Accumulated amortization, end of year	-	100,959	87,573	66,710	19,761	1,412,649	-	1,687,652
Net carrying amount, end of year	\$ 139,416	\$ 143,136	\$ 95,919	\$ 113,735	\$ 12,615	\$ 2,896,993	\$ -	\$ 3,401,814

The Municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Township of Prince
Schedule 2 - Consolidated Segment Disclosure

For the year ended December 31, 2017

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 204,544	\$ 201,569	\$ 155,514	\$ 32,348	\$ 68,098	\$ 240,810	\$ 69,007	\$ 202,804	\$ 1,174,694
Government grants - Provincial	74,512	44,374	301,002	7,121	14,991	274,616	127,516	94,646	938,778
Government grants - Federal	-	-	89,046	-	-	30,831	109,788	-	229,665
User fees and service charges	16,692	5,023	8,588	224	2,175	7,025	6,244	1,950	47,921
Licences, permits and rents	7,999	-	-	-	-	-	12,180	-	20,179
Interest fines and penalties	24,538	-	-	-	-	-	-	-	24,538
Investment income	29,404	-	-	-	-	-	-	-	29,404
Other	10,669	-	-	-	-	-	-	-	10,669
	368,358	250,966	554,150	39,693	85,264	553,282	324,735	299,400	2,475,848
Expenses									
Salaries and benefits	224,713	22,515	74,374	7,573	8,361	222,830	25,184	-	585,550
Materials and supplies	88,012	56,498	117,882	52,578	1,315	67,696	80,144	2,466	466,591
Contracted services	20,416	183,267	9,634	23,081	-	-	-	2,110	238,508
Rents and financial expenses	-	-	-	-	-	-	-	67	67
External transfers and other	-	-	-	-	91,111	285,108	-	-	376,219
Amortization	868	12,044	92,645	-	-	-	19,754	-	125,311
	334,009	274,324	294,535	83,232	100,787	575,634	125,082	4,643	1,792,246
Net surplus (deficit)	\$ 34,349	\$ (23,358)	\$ 259,615	\$ (43,539)	\$ (15,523)	\$ (22,352)	\$ 199,653	\$ 294,757	\$ 683,602

Township of Prince
Schedule 2 - Consolidated Segment Disclosure (Continued)

For the year ended December 31, 2016 (comparative figures)

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 137,726	\$ 226,544	\$ 249,113	\$ 55,566	\$ 75,958	\$ 288,267	\$ 70,701	\$ 1,215	\$ 1,105,090
Government grants - Provincial	86,097	58,897	64,764	14,446	19,748	292,157	26,608	2,566	565,283
Government grants - Federal	-	-	-	-	-	30,325	6,306	-	36,631
User fees and service charges	26,531	4,966	-	234	5,502	7,162	5,748	1,650	51,793
Licences, permits and rents	28,554	-	-	-	-	-	12,180	-	40,734
Interest fines and penalties	29,898	-	-	-	-	-	-	-	29,898
Investment income	24,185	-	-	-	-	-	-	-	24,185
Other	25,535	-	-	-	-	-	-	-	25,535
	358,526	290,407	313,877	70,246	101,208	617,911	121,543	5,431	1,879,149
Expenses									
Salaries and benefits	198,116	19,913	81,097	14,047	3,512	218,126	17,683	-	552,494
Materials and supplies	97,286	58,518	114,631	50,967	1,009	63,626	68,811	2,813	457,661
Contracted services	20,087	166,765	23,755	21,676	-	-	-	1,531	233,814
Rents and financial expenses	-	-	851	-	-	-	-	-	851
External transfers and other	-	-	-	-	83,998	284,644	-	-	368,642
Amortization	911	11,738	83,839	-	-	-	19,782	-	116,270
	316,400	256,934	304,173	86,690	88,519	566,396	106,276	4,344	1,729,732
Net surplus (deficit)	\$ 42,126	\$ 33,473	\$ 9,704	\$ (16,444)	\$ 12,689	\$ 51,515	\$ 15,267	\$ 1,087	\$ 149,417

Township of Prince
Schedule 3 - Library Board

Statement of Operations

For the year ended December 31	2017	2016
Revenue		
Grants - Province	\$ 9,549	\$ 8,227
Township contribution	2,000	3,950
Calendar	5,333	5,420
Other	885	281
	<u>17,767</u>	<u>17,878</u>
Expenses		
Amortization	2,833	2,949
Books	4,505	3,856
Fundraising	1,998	2,040
Materials and supplies	3,568	2,806
Professional fees	3,342	2,169
Honorarium	3,825	3,300
	<u>20,071</u>	<u>17,120</u>
Annual surplus	(2,304)	758
Accumulated surplus, beginning of year	32,225	31,467
Accumulated surplus, end of year	\$ 29,921	\$ 32,225

Statement of Financial Position

December 31	2017	2016
Financial assets		
Cash	\$ 22,952	\$ 24,378
Prepaid expenses	654	-
	<u>23,606</u>	<u>24,378</u>
Liabilities		
Accounts payable	135	135
Due to township	3,966	4,695
	<u>4,101</u>	<u>4,830</u>
Net financial assets	19,505	19,548
Tangible capital assets	10,416	12,677
Accumulated surplus	\$ 29,921	\$ 32,225
Accumulated surplus represented by:		
Equity in tangible capital assets	\$ 10,416	\$ 12,677
Accumulated operating surplus	19,505	19,548
	<u>\$ 29,921</u>	<u>\$ 32,225</u>

Township of Prince
Schedule 4 - Museum Board

Statement of Operations

For the year ended December 31	2017	2016
Revenue		
Grants - Province	\$ 1,197	\$ -
Township contribution	7,000	3,500
Other	26	47
	<u>8,223</u>	<u>3,547</u>
Expenses		
Bank charges	47	47
Materials and supplies	6,863	235
Wages and benefits	3,082	7,060
	<u>9,992</u>	<u>7,342</u>
Annual surplus	(1,769)	(3,795)
Accumulated surplus, beginning of year	5,328	9,123
Accumulated surplus, end of year	\$ 3,559	\$ 5,328

Statement of Financial Position

December 31	2017	2016
Financial assets		
Cash	\$ 4,714	\$ 6,920
Accounts receivable	-	80
Due from Township of Prince	279	-
	<u>4,993</u>	<u>7,000</u>
Liabilities		
Accounts payable	1,434	1,281
Due to Township	-	391
	<u>1,434</u>	<u>1,672</u>
Accumulated surplus	\$ 3,559	\$ 5,328
Accumulated surplus represented by:		
Reserves	\$ 11,898	\$ 11,898
Accumulated operating deficit	(8,339)	(6,570)
	<u>\$ 3,559</u>	<u>\$ 5,328</u>

Township of Prince
Schedule 5 - Parent/Child Resource Centre

Statement of Operations

For the year ended December 31	2017	2016
Revenue		
Grants - District Social Services Board	\$ 84,623	\$ 74,997
Grants - Government of Canada	30,831	30,325
Grants - Ontario Early Years Centre	136,981	142,217
Other	7,025	7,162
	<u>259,460</u>	<u>254,701</u>
Expenses		
Administration	3,800	4,339
Occupancy	3,800	3,000
Postage, stationery and office supplies	1,304	1,058
Program supplies	25,505	28,205
Wages and benefits	222,830	218,126
	<u>257,239</u>	<u>254,728</u>
Annual surplus	2,221	(27)
Accumulated surplus (deficit), beginning of year	4,084	4,111
Accumulated surplus, end of year	\$ 6,305	\$ 4,084

Statement of Financial Position

December 31	2017	2016
Financial assets		
Cash	\$ 14,836	\$ 10,952
Accounts receivable	12,724	-
	<u>27,560</u>	<u>10,952</u>
Liabilities		
Accounts payable and accrued liabilities	10,224	5,201
Due to Township	11,031	1,667
	<u>21,255</u>	<u>6,868</u>
Accumulated surplus	\$ 6,305	\$ 4,084

Township of Prince
Trust Funds
Financial Statements
For the year ended December 31, 2017



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
Township of Prince

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of Township of Prince as at December 31, 2017 and the continuity thereof for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
June 12, 2018

**Township of Prince
Trust Funds
Cemetery Care and Maintenance
Statement of Financial Position**

December 31	2017	2016
Assets		
Cash	\$ 9,208	\$ 8,747
Term deposit	45,000	45,000
Due from township	8,870	6,614
	<u>\$ 63,078</u>	<u>\$ 60,361</u>
Fund Balance		
Capital	\$ 63,078	\$ 60,361

Statement of Continuity

For the year ended December 31	2017	2016
Revenue		
Sale of plots	\$ 250	\$ 4,530
Monument charge	250	700
Interest earned	2,217	1,099
	<u>2,717</u>	<u>6,329</u>
Expenditures	<u>-</u>	<u>-</u>
Annual surplus	2,717	6,329
Balance, beginning of year	<u>60,361</u>	<u>54,032</u>
Balance, end of year	\$ 63,078	\$ 60,361

Notes to Financial Statements

December 31, 2017

1. Significant accounting policies

The financial statements of the Trust Funds of Township of Prince are prepared in accordance with Canadian public sector accounting standards.

2. Cash

Cash is represented by funds on deposit in chartered banks or investment portfolios.