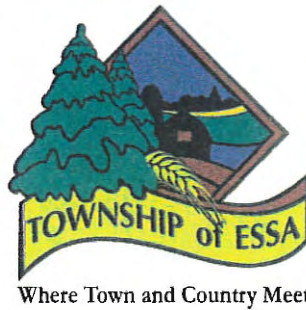


CORPORATION OF THE TOWNSHIP OF ESSA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

CORPORATION OF THE TOWNSHIP OF ESSA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

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CORPORATION OF THE TOWNSHIP OF ESSA

For The Year Ended December 31, 2016

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Essa 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 the Corporation of the Township of Essa. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

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

Mayor

Date

July 5/17

Treasurer

Date

July 5/17

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Essa and its local boards, which comprise the consolidated statement of financial position as at December 31, 2016, 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 Essa and its local boards as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 12, 2017

CORPORATION OF THE TOWNSHIP OF ESSA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	30,676,088	12,277,021
Investments	-	10,132,712
Taxes receivable	2,175,065	2,213,377
Accounts receivable	1,341,498	1,535,549
Accounts receivable - developers	-	418,852
TOTAL FINANCIAL ASSETS	34,192,651	26,577,511
LIABILITIES		
Accounts payable and accrued liabilities	5,734,551	3,883,735
Accounts payable - developers	-	526,652
Deferred revenue - obligatory reserve fund (note 5)	18,330,035	13,477,858
Deferred revenue - other	209,247	249,791
Long term debt (note 6)	5,595,822	6,192,427
Employee future benefits payable (note 3)	703,848	667,026
TOTAL LIABILITIES	30,573,503	24,997,489
NET FINANCIAL ASSETS	3,619,148	1,580,022
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	116,496,471	112,597,670
Prepaid expenses	5,103	12,480
TOTAL NON-FINANCIAL ASSETS	116,501,574	112,610,150
ACCUMULATED SURPLUS (note 7)	120,120,722	114,190,172

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
REVENUES			
Property taxation	8,684,993	9,130,492	7,974,923
User charges	4,027,814	5,018,850	4,686,653
Government of Canada	216,559	227,972	55,946
Province of Ontario	1,164,894	1,166,756	1,318,394
Other municipalities	148,000	200,038	271,577
Penalties and interest on taxes	275,000	294,375	275,117
Investment income	44,396	181,408	196,917
Donations	2,500	4,967	8,577
Contributed capital assets	-	4,683,634	3,157,988
Development charges earned	2,072,013	1,653,921	766,991
Federal gas tax earned	-	143,274	536,000
Willoughby road and bridge charges earned	-	56,484	-
TOTAL REVENUES	16,636,169	22,762,171	19,249,083
EXPENSES			
General government	1,425,880	1,442,675	1,427,576
Protection services	4,450,275	4,542,175	4,751,381
Transportation services	3,806,400	4,288,570	4,069,891
Environmental services	3,315,587	3,399,662	3,470,445
Recreation and cultural services	2,450,256	2,558,803	2,435,780
Planning and development	650,541	599,736	2,815,205
TOTAL EXPENSES	16,098,939	16,831,621	18,970,278
ANNUAL SURPLUS	<u>537,230</u>	5,930,550	278,805
ACCUMULATED SURPLUS - beginning of year		114,190,172	113,911,367
ACCUMULATED SURPLUS - end of year		120,120,722	114,190,172

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
ANNUAL SURPLUS	537,230	5,930,550	278,805
Amortization of tangible capital assets	3,759,032	3,880,024	3,759,032
Purchase of tangible capital assets	(5,039,381)	(3,227,239)	(3,094,958)
Loss/(gain) on disposal of tangible capital assets	-	117,265	(51,943)
Proceeds on sale of tangible capital assets	-	14,783	57,189
Contributed capital assets	-	(4,683,634)	(3,157,988)
Change in prepaid expenses	-	7,377	(1,902)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(743,119)	2,039,126	(2,211,765)
NET FINANCIAL ASSETS - beginning of year	1,580,022	1,580,022	3,791,787
NET FINANCIAL ASSETS - end of year	836,903	3,619,148	1,580,022

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	5,930,550	278,805
Items not involving cash		
Amortization of tangible capital assets	3,880,024	3,759,032
Loss/(gain) on disposal of tangible capital assets	117,265	(51,943)
Contributed capital assets	(4,683,634)	(3,157,988)
Change in employee future benefits payable	36,822	(53,443)
Change in non-cash assets and liabilities		
Taxes receivable	38,312	(107,416)
Accounts receivable	194,051	(193,277)
Accounts receivable - developers	418,852	86,995
Prepaid expenses	7,377	(1,902)
Accounts payable and accrued liabilities	1,850,816	(240,725)
Accounts payable - developers	(526,652)	(370,795)
Deferred revenue - obligatory reserve fund	4,852,177	3,936,431
Deferred revenue - other	(40,544)	(41,533)
Net change in cash from operating activities	12,075,416	3,842,241
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,227,239)	(3,094,958)
Proceeds on disposal of tangible capital assets	14,783	57,189
Net change in cash from capital activities	(3,212,456)	(3,037,769)
INVESTING ACTIVITIES		
Purchase of investments	-	(10,132,712)
Disposal of investments	10,132,712	10,136,260
Net change in cash from investing activities	10,132,712	3,548
FINANCING ACTIVITIES		
Debt principal repayments	(596,605)	(577,981)
NET CHANGE IN CASH	18,399,067	230,039
CASH - beginning of year	12,277,021	12,046,982
CASH - end of year	30,676,088	12,277,021

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

- Essa Public Library Board
- Angus Business Improvement Area Board

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

(b) 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	15 to 30 years
Buildings	25 to 60 years
Equipment	5 to 50 years
Vehicles	10 to 25 years
Roads and bridges	7 to 75 years
Water and sanitary sewer systems	20 to 80 years
Storm sewers	20 to 80 years

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

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

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Recognition of Revenues and Expenses

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

Taxation

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

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

Government Funding

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

Other Revenue

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

Investment income is recorded when earned.

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

(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 ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) 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.

(g) Use of Estimates

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

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

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2016, requisitions were made by the County of Simcoe 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	5,733,526	7,830,936

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

3. EMPLOYEE FUTURE AMOUNTS PAYABLE

The Township provides certain employee benefits which will require funding in future periods as follows:

	2016 \$	2015 \$
Extended health care benefits	522,728	510,777
Vacation pay entitlement	181,120	156,249
	703,848	667,026

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

4. TANGIBLE CAPITAL ASSETS

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

	2016	2015
	\$	\$
General		
Land	18,889,612	18,433,539
Land improvements	2,913,581	3,018,803
Buildings	15,924,187	16,527,998
Equipment	11,930,308	12,392,108
Vehicles	3,219,849	2,366,456
Infrastructure		
Roads and bridges	29,066,783	27,222,993
Water and sanitary sewer systems	24,690,195	23,437,710
Storm sewers	9,082,071	8,606,831
	115,716,586	112,006,438
Assets under construction	779,885	591,232
	116,496,471	112,597,670

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

During the year there were no write-downs of assets (2015 - \$Nil) and no interest capitalized (2015 - \$Nil).

Land is further broken down between general capital assets \$5,919,621 (2015 - \$5,780,909) and infrastructure (linear) assets \$12,969,991 (2015 - \$12,652,630).

Land improvements is further broken down between general capital assets \$1,658,099 (2015 - \$1,731,337) and infrastructure (linear) assets \$1,255,482 (2015 - \$1,287,466).

	2016	2015
	\$	\$
General government	1,319,961	1,322,109
Protection services	2,671,382	2,236,049
Transportation services	43,743,700	41,212,076
Environmental services	54,829,065	53,672,344
Recreation and cultural services	13,932,363	14,155,092
	116,496,471	112,597,670

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

5. 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:

	2016	2015
	\$	\$
Development charges	17,552,342	13,380,956
Parkland	342,756	26,386
Willoughby road and bridge	12,621	68,904
Federal gas tax	422,316	1,612
	18,330,035	13,477,858

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

	2016	2015
	\$	\$
Balance - beginning of year	13,477,858	9,541,427
Add amounts received:		
Development charges received	5,686,915	4,571,783
Federal gas tax received	562,611	535,820
Willoughby road and bridge charges received	-	13,200
Interest	152,024	118,619
Proceeds on sale of Parkland property	304,306	-
	6,705,856	5,239,422
Less transfer to operations:		
Development charges earned	1,653,921	766,991
Federal gas tax earned	143,274	536,000
Willoughby road and bridge charges earned	56,484	-
	1,853,679	1,302,991
Balance - end of year	18,330,035	13,477,858

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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:

	2016	2015
	\$	\$
Ontario Municipal Economic Infrastructure Financing Authority Debenture, matures December 2, 2019, repayable in blended semiannual payments of \$167,252, bears interest at 2.62% per annum. Borrowed for water systems.	959,064	1,262,466
Ontario Strategic Infrastructure Financing Authority Debenture, matures February 2, 2031, repayable in blended semiannual payments of \$173,452, bears interest at 4.78% per annum. Borrowed for sanitary sewer systems.	3,598,852	3,767,658
Ontario Infrastructure Projects Corporation Debenture, matures May 1, 2024, repayable in blended semiannual payments of \$76,284, bears interest at 2.49% per annum. Borrowed for water systems.	1,037,906	1,162,303
	5,595,822	6,192,427

(b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. The long term debt principal and interest payments for water systems will be recovered from a combination of water user charges and water development charges. The long term debt principal and interest payments for sanitary sewer systems will be recovered from sewer development charges.

(c) Interest paid during the year on long term debt amounted to \$237,375 (2015 - \$255,999).

(d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2017	615,889	218,091	833,980
2018	635,856	198,124	833,980
2019	656,534	177,446	833,980
2020	341,255	158,220	499,475
2021	354,559	144,916	499,475
2022 to 2026	1,601,954	514,000	2,115,954
2027 and subsequent years	1,389,775	171,304	1,561,079
	5,595,822	1,582,101	7,177,923

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

7. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2016	2015
	\$	\$
Surplus/(Deficit)		
Township	1,194,728	320,524
Waterworks	204,636	100,189
Unfunded employee future benefits	(703,848)	(667,026)
Erosion control works - see (c) below	(414,846)	(257,723)
	280,670	(504,036)
Invested In Capital Assets		
Tangible capital assets - net book value	116,496,471	112,597,670
Long term debt	(5,595,822)	(6,192,427)
Unfunded capital - see (b) below	-	(68,075)
	110,900,649	106,337,168
Surplus	111,181,319	105,833,132
Reserves		
Working funds	1,648,321	1,673,321
Contingencies	37,372	37,372
Acquisition of capital assets	1,404,854	1,625,255
Operations	109,903	109,903
Water and sewer - see (c) below	4,518,847	4,089,853
Future enforcement of Building Code Act - see (d) below	1,031,688	628,777
Total Reserves	8,750,985	8,164,481
Reserve Funds		
Water and sewer services	152,887	151,198
Angus Business Improvement Area	35,531	41,361
Total Reserve Funds	188,418	192,559
	120,120,722	114,190,172

(b) The unfunded capital balance from 2015 was funded through the 2016 Federal Gas Tax allocation.

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

7. ACCUMULATED SURPLUS, continued

- (c) In 2015, the Township approved a transfer of \$2,073,400 from the reserve for water and sewer infrastructure to fund the erosion control on the Nottawasaga River through by-law 2015-34. The by-law provides that this amount will be repaid over 15 years plus interest at the prevailing reserve interest rate which was 1.25% at the time of the by-law, and be funded from taxation. The deficit of \$414,846 from erosion controls works will be funded from another repayable transfer from the reserve for water and sewer infrastructure and be repaid from taxation. In relation to the reserve loan of \$2,073,400, the Township contributed \$138,227 in loan principal and \$25,918 in interest to the water and sewer reserve in 2016.
- (d) This reserve represents the building department accumulated surplus to be used to fund enforcement of the Building Code Act and future inspections relating to building permits issued.

8. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2016 Annual Report disclosed total actuarial liabilities of \$87,554 million in respect of benefits accrued for service with actuarial assets of \$81,834 million indicating an actuarial deficit of \$5,720 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2016 were \$247,490 (2015 - \$248,662).

9. EXPENSES BY OBJECT

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

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
Salaries and benefits	4,249,609	4,392,768	4,141,669
Interest charges	237,375	237,375	255,999
Materials	3,124,605	3,482,737	3,567,652
Contracted services	4,547,203	4,521,700	7,075,382
Rents and financial	19,760	31,346	41,707
External transfers	161,355	168,406	180,780
Amortization	3,759,032	3,880,024	3,759,032
Loss (gain) on disposal of tangible capital assets	-	117,265	(51,943)
	16,098,939	16,831,621	18,970,278

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

10. BUDGET FIGURES

The budget, approved by the Township, for 2016 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.

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 \$2,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less .75% per annum. Council authorized the temporary borrowing limit by By-law 2016-02. At December 31, 2016 there was no balance outstanding (2015 - \$Nil).

12. CONTINGENT LIABILITIES

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

13. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. The changes do not affect prior year excess (deficiency) of revenue over expenses.

14. SEGMENTED INFORMATION

The Township of Essa 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 and protective inspection and control.

CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

14. SEGMENTED INFORMATION, continued

Transportation Services

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

Water and Sanitary Sewer Systems

This function is responsible for providing water and sanitary sewer services to certain areas of the Township.

Other Environmental Services

This function includes storm sewer systems and related facilities; the County of Simcoe provides waste disposal and recycling services.

Recreation and Cultural Services

The recreation and cultural services function provides parks, 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.

15. COMMITMENTS

The Township along with two neighbouring municipalities negotiated a joint policing contract with the Minister of Community Safety and Correctional Services for the provision of police services by the Ontario Provincial Police (OPP), effective July 1, 2015 to June 30, 2020. The Township's cost for policing is based on a per capita amount plus a per call charge. The 2016 Township OPP costs were \$2,800,520 (2015- \$3,031,111). The remaining costs under this contract are expected to decrease until June 30, 2020.

The Township entered into an agreement with Honeywell Limited in May 2014 to complete capital works at the Angus sanitary sewer treatment plant and water treatment facilities at a total cost of \$2,017,623 plus HST. The project will be funded through reserves for water and sewer infrastructure. The remaining commitment at December 31, 2016 is \$1,269,293 (2015- \$1,495,620).

CORPORATION OF THE TOWNSHIP OF ESSA

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2016**

	General					Infrastructure			Assets Under Construction	Totals
	Land	Land improvements	Buildings	Equipment	Vehicles	Roads and bridges	Water and sanitary sewer systems	Storm sewers		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	18,433,539	3,997,958	26,885,239	21,807,507	5,069,096	58,860,921	28,847,885	11,113,159	591,232	175,606,536
Add: additions during the year	540,245	24,547	60,038	251,060	1,152,895	-	-	-	5,882,088	7,910,873
Less: disposals during the year	84,172	-	-	254,964	144,323	124,485	-	-	-	607,944
Internal transfers	-	-	12,847	106,824	-	3,252,597	1,629,346	691,821	(5,693,435)	-
Balance, end of year	18,889,612	4,022,505	26,958,124	21,910,427	6,077,668	61,989,033	30,477,231	11,804,980	779,885	182,909,465
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	979,155	10,357,241	9,415,399	2,702,640	31,637,928	5,410,175	2,506,328	-	63,008,866
Add: additions during the year	-	129,769	676,696	776,812	299,501	1,403,804	376,861	216,581	-	3,880,024
Less: disposals during the year	-	-	-	212,092	144,322	119,482	-	-	-	475,896
Balance, end of year	-	1,108,924	11,033,937	9,980,119	2,857,819	32,922,250	5,787,036	2,722,909	-	66,412,994
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	18,889,612	2,913,581	15,924,187	11,930,308	3,219,849	29,066,783	24,690,195	9,082,071	779,885	116,496,471

CORPORATION OF THE TOWNSHIP OF ESSA

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

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sanitary Sewer Services \$	Other Environmental \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	481,486	4,159,816	2,666,476	-	-	1,253,688	569,026	9,130,492
User charges	87,474	1,015,479	108,459	3,013,794	-	709,356	84,288	5,018,850
Government transfers - operating	1,050,700	2,143	-	-	-	45,671	2,500	1,101,014
Government transfers - capital	-	-	293,714	-	-	-	-	293,714
Other municipalities	21,232	178,806	-	-	-	-	-	200,038
Penalties and interest on taxes	294,375	-	-	-	-	-	-	294,375
Investment income	102,678	-	-	78,730	-	-	-	181,408
Donations	-	2,263	-	-	-	2,704	-	4,967
Contributed capital assets	-	-	2,839,288	1,629,346	-	215,000	-	4,683,634
Development charges earned	-	17,159	1,043,635	465,562	-	127,565	-	1,653,921
Federal gas tax earned	-	-	143,274	-	-	-	-	143,274
Willoughby road and bridge charges earned	-	-	56,484	-	-	-	-	56,484
Total revenues	2,037,945	5,375,666	7,151,330	5,187,432	-	2,353,984	655,814	22,762,171
Expenses								
Salaries and benefits	911,919	979,918	991,036	176,375	-	1,067,053	266,467	4,392,768
Interest charges	-	-	-	237,375	-	-	-	237,375
Materials	345,971	341,948	1,360,549	705,405	-	664,880	63,984	3,482,737
Contracted services	117,429	2,877,022	175,430	911,702	-	170,832	269,285	4,521,700
Rents and financial	18,951	-	11,590	545	-	260	-	31,346
External transfers	22,051	146,355	-	-	-	-	-	168,406
Amortization	26,354	196,932	1,751,010	1,132,610	235,650	537,468	-	3,880,024
Loss (gain) on disposal of tangible capital assets	-	-	(1,045)	-	-	118,310	-	117,265
Total expenses	1,442,675	4,542,175	4,288,570	3,164,012	235,650	2,558,803	599,736	16,831,621
Net surplus/(deficit)	595,270	833,491	2,862,760	2,023,420	(235,650)	(204,819)	56,078	5,930,550

CORPORATION OF THE TOWNSHIP OF ESSA

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2015

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sanitary Sewer Services \$	Other Environmental \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(454,819)	4,018,473	2,768,290	44,240	-	1,266,439	332,300	7,974,923
User charges	253,137	880,281	128,722	2,666,795	-	684,150	73,568	4,686,653
Government transfers - operating	1,208,381	990	-	-	-	44,762	13,996	1,268,129
Government transfers - capital	-	-	106,211	-	-	-	-	106,211
Other municipalities	56,073	163,004	50,000	-	-	2,500	-	271,577
Penalties and interest on taxes	275,117	-	-	-	-	-	-	275,117
Investment income	147,665	-	-	49,252	-	-	-	196,917
Donations	749	7,546	-	-	-	282	-	8,577
Contributed capital assets	-	-	2,505,632	652,356	-	-	-	3,157,988
Development charges earned	-	68,090	150,000	360,371	-	170,530	18,000	766,991
Federal gas tax earned	-	-	536,000	-	-	-	-	536,000
Total revenues	1,486,303	5,138,384	6,244,855	3,773,014	-	2,168,663	437,864	19,249,083
Expenses								
Salaries and benefits	868,473	921,185	819,519	175,672	-	1,093,466	263,354	4,141,669
Interest charges	-	-	-	255,999	-	-	-	255,999
Materials	360,690	473,619	1,266,804	729,877	-	653,868	82,794	3,567,652
Contracted services	116,657	3,084,156	354,152	914,559	-	136,801	2,469,057	7,075,382
Rents and financial	19,771	-	20,805	652	-	479	-	41,707
External transfers	38,959	141,821	-	-	-	-	-	180,780
Amortization	23,026	179,098	1,612,056	1,162,923	230,763	551,166	-	3,759,032
Loss (gain) on disposal of tangible capital assets	-	(48,498)	(3,445)	-	-	-	-	(51,943)
Total expenses	1,427,576	4,751,381	4,069,891	3,239,682	230,763	2,435,780	2,815,205	18,970,278
Net surplus/(deficit)	58,727	387,003	2,174,964	533,332	(230,763)	(267,117)	(2,377,341)	278,805

CORPORATION OF THE TOWNSHIP OF ESSA
ESSA PUBLIC LIBRARY BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT**To the Members of the Essa Public Library Board, the Members of Council,
Inhabitants and Ratepayers of the Corporation of the Township of Essa***Report on the Financial Statements*

We have audited the accompanying financial statements of the Essa Public Library Board of the Corporation of the Township of Essa, which comprise the statement of financial position as at December 31, 2016, the statements of operations and accumulated surplus, change in net financial liabilities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal 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 qualified audit opinion.

Basis for Qualified Opinion

The Board derives revenue from other revenues, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to other revenues, assets and accumulated surplus.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Essa Public Library Board as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Collins Barrow Kawarthas LLP*Chartered Professional Accountants
Licensed Public AccountantsPeterborough, Ontario
July 12, 2017

CORPORATION OF THE TOWNSHIP OF ESSA

ESSA PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	3,709	3,605
Accounts receivable	28,295	951
TOTAL FINANCIAL ASSETS	32,004	4,556
LIABILITIES		
Accounts payable	3,500	1,553
Due to Township	15,177	1,932
Deferred revenue (note 5)	15,000	10,675
TOTAL LIABILITIES	33,677	14,160
NET FINANCIAL LIABILITIES	(1,673)	(9,604)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	580,479	569,790
Prepaid expenses	1,673	9,604
TOTAL NON-FINANCIAL ASSETS	582,152	579,394
ACCUMULATED SURPLUS (note 3)	580,479	569,790

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

**ESSA PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2016**

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
REVENUES			
Contribution from Township	608,590	616,932	566,456
Province of Ontario	29,194	29,145	32,724
Government of Canada	8,559	7,991	5,982
Other	34,997	48,238	52,105
TOTAL REVENUES	681,340	702,306	657,267
EXPENSES			
Salaries and benefits	462,453	470,896	450,676
Utilities	21,920	24,464	22,385
Subscriptions and periodicals	1,740	2,558	1,726
Insurance and audit	8,450	8,853	7,691
Computer support and supplies	14,620	13,503	17,714
Facility costs	18,700	21,650	15,647
Office	4,950	4,790	4,109
Fundraising costs	1,000	1,148	609
Amortization	103,494	99,888	103,494
Other operating costs	19,050	18,741	18,425
Contract services	24,963	25,126	24,230
TOTAL EXPENSES	681,340	691,617	666,706
ANNUAL SURPLUS/(DEFICIT)	-	10,689	(9,439)
ACCUMULATED SURPLUS - beginning of year		569,790	579,229
ACCUMULATED SURPLUS - end of year		580,479	569,790

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

**ESSA PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL LIABILITIES
For the Year Ended December 31, 2016**

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
ANNUAL SURPLUS/(DEFICIT)	-	10,689	(9,439)
Amortization of tangible capital assets	103,494	99,888	103,494
Acquisition of tangible capital assets	(96,500)	(110,577)	(94,055)
Change in prepaid expenses	-	7,931	(1,476)
DECREASE/(INCREASE) IN NET FINANCIAL LIABILITIES	6,994	7,931	(1,476)
NET FINANCIAL LIABILITIES - beginning of year	(9,604)	(9,604)	(8,128)
NET FINANCIAL LIABILITIES - end of year	(2,610)	(1,673)	(9,604)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

**ESSA PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016**

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	10,689	(9,439)
Items not involving cash		
Amortization of tangible capital assets	99,888	103,494
Change in non-cash assets and liabilities		
Accounts receivable	(27,344)	(951)
Prepaid expenses	7,931	(1,476)
Accounts payable	1,947	(3,440)
Due to Township	13,245	11,796
Deferred revenue	4,325	(2,669)
Net change in cash from operating activities	110,681	97,315
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(110,577)	(94,055)
NET CHANGE IN CASH	104	3,260
CASH - beginning of year	3,605	345
CASH - end of year	3,709	3,605

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

ESSA PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

Government funding 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 includes user fees which are recognized as revenue in the year the goods and services are provided, and donations which are recognized as received.

Contributions from the Township of Essa are recognized as approved by the Township.

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Furniture and equipment	5 to 40 years
Books	7 to 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.

(d) Deferred Revenue

Deferred revenue represents grants which have been collected but for which the related costs have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the expenditures are incurred.

CORPORATION OF THE TOWNSHIP OF ESSA

**ESSA PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

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

2. TANGIBLE CAPITAL ASSETS

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

	Furniture and equipment \$	Books \$	2016 Totals \$	2015 Totals \$
COST				
Balance, beginning of year	335,029	661,125	996,154	984,128
Add: additions during the year	16,012	94,565	110,577	94,055
Less: disposals during the year	17,008	94,298	111,306	82,029
Balance, end of year	334,033	661,392	995,425	996,154
ACCUMULATED AMORTIZATION				
Balance, beginning of year	119,113	307,251	426,364	404,899
Add: additions during the year	23,171	76,717	99,888	103,494
Less: disposals during the year	17,008	94,298	111,306	82,029
Balance, end of year	125,276	289,670	414,946	426,364
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	208,757	371,722	580,479	569,790

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2016 \$	2015 \$
Invested In Tangible Capital Assets		
Tangible capital assets - net book value	580,479	569,790
	580,479	569,790

CORPORATION OF THE TOWNSHIP OF ESSA

**ESSA PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016**

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2016 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Liabilities. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

5. DEFERRED REVENUE

The continuity of deferred revenue for the RBC Foundation grant is as follows:

	2016	2015
	\$	\$
Balance - beginning of year	10,675	13,344
RBC Foundation grant received	25,000	17,792
Less transfer to other revenue	(20,675)	(20,461)
	<hr/> 15,000	<hr/> 10,675

**CORPORATION OF THE TOWNSHIP OF ESSA
ANGUS BUSINESS IMPROVEMENT AREA BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2016**

INDEPENDENT AUDITOR'S REPORT

To the Members of the Angus Business Improvement Area Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Essa

Report on the Financial Statements

We have audited the accompanying financial statements of the Angus Business Improvement Area Board of the Corporation of the Township of Essa, which comprise the statement of financial position as at December 31, 2016, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal 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 Angus Business Improvement Area Board as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 12, 2017

CORPORATION OF THE TOWNSHIP OF ESSA

ANGUS BUSINESS IMPROVEMENT AREA BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Due from Township	35,531	41,361
NET FINANCIAL ASSETS	35,531	41,361
ACCUMULATED SURPLUS (note 2)	35,531	41,361

The accompanying notes are an integral part of these financial statements



CORPORATION OF THE TOWNSHIP OF ESSA

**ANGUS BUSINESS IMPROVEMENT AREA BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2016**

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
REVENUES			
Taxation	22,922	22,922	19,800
Investment income	-	462	543
TOTAL REVENUES	22,922	23,384	20,343
EXPENSES			
Decorations	32,512	21,113	8,654
Landscaping	3,000	2,860	9,955
Tax write offs	-	1,026	1,952
Professional fees	-	1,500	1,500
Memberships	3,110	2,715	210
TOTAL EXPENSES	38,622	29,214	22,271
ANNUAL DEFICIT	(15,700)	(5,830)	(1,928)
ACCUMULATED SURPLUS - beginning of year		41,361	43,289
ACCUMULATED SURPLUS - end of year		35,531	41,361

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

**ANGUS BUSINESS IMPROVEMENT AREA BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2016**

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
ANNUAL DEFICIT	(15,700)	(5,830)	(1,928)
NET FINANCIAL ASSETS - beginning of year	41,361	41,361	43,289
NET FINANCIAL ASSETS - end of year	25,661	35,531	41,361

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

**ANGUS BUSINESS IMPROVEMENT AREA BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016**

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(5,830)	(1,928)
Change in non-cash assets and liabilities		
Due from Township	5,830	1,928
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ESSA

ANGUS BUSINESS IMPROVEMENT AREA BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

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 BIA special area tax rate annually, incorporating amounts to be raised for BIA services. 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.

Investment income is recognized as earned.

(b) Use of Estimates

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

(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 Angus Business Improvement Area has no significant capital assets.

(d) Reserves and Reserve Funds

Certain amounts, as approved by the Board, 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 ESSA

**ANGUS BUSINESS IMPROVEMENT AREA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016**

2. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2016	2015
	\$	\$
Reserve Fund		
Operations	35,531	41,361
	35,531	41,361

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2016 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.