

Financial Statements of

**THE CORPORATION OF THE  
TOWNSHIP OF WILMOT**

Year ended December 31, 2018

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

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**THE CORPORATION OF THE TOWNSHIP OF WILMOT**  
**SIX-YEAR FINANCIAL REVIEW (UNAUDITED)**

(All dollar amounts are in (000's) of dollars, except per capita figures)

	2018	2017	2016	2015	2014	2013
<b>POPULATION</b> at the end of the year	21,643	21,429	21,151	20,982	20,828	20,541
<b>AREA</b> in acres at the end of the year	65,767	65,767	65,767	65,767	65,767	65,767
<b>EMPLOYEES</b> - continuous full time	65	62	62	61	60	60
<b>NUMBER</b> of households	7,757	7,681	7,581	7,520	7,465	7,362
<b>ASSESSMENT</b> - Taxable assessment upon which the year's rates of taxation were set						
Residential, multi-residential and farm	3,298,092	3,113,367	2,960,690	2,819,008	2,674,206	2,528,385
Commercial - all classes	132,920	131,630	128,835	116,868	111,762	107,291
Industrial - all classes	39,741	37,009	39,948	40,371	41,292	40,314
Pipeline & Managed Forests	15,070	13,740	12,984	11,877	11,451	11,014
Total	<u>3,485,823</u>	<u>3,295,746</u>	<u>3,142,457</u>	<u>2,988,124</u>	<u>2,838,711</u>	<u>2,687,004</u>
Per capita	\$ 161,060	\$ 153,798	\$ 148,573	\$ 142,414	\$ 136,293	\$ 130,812
Commercial and industrial, as a percentage of taxable assessment	5%	5%	5%	5%	5%	5%
Exempt assessment	\$ 114,627	\$ 110,821	\$ 114,611	\$ 110,791	\$ 99,241	\$ 93,708
<b>TAX ARREARS</b> -per capita	\$50.65	\$38.14	\$40.90	\$48.10	\$69.90	\$57.40
- percentage of current levy	3.45%	2.66%	2.80%	3.39%	4.84%	4.16%
<b>EXPENDITURE</b> -general municipal purposes	\$ 19,343	\$ 19,442	\$ 18,591	\$ 17,834	\$ 17,007	\$ 16,102
<b>TRANSFERS TO THE REGION</b>	\$ 17,287	\$ 16,766	\$ 16,394	\$ 15,949	\$ 15,431	\$ 15,016
<b>TRANSFERS TO THE SCHOOL BOARDS</b>	\$ 7,580	\$ 7,535	\$ 7,644	\$ 7,643	\$ 7,502	\$ 7,424
<b>REVENUE FOR GENERAL MUNICIPAL SERVICES</b>						
Taxation	\$ 7,870	\$ 7,592	\$ 7,419	\$ 7,153	\$ 6,950	\$ 6,726
Payment in lieu of taxes	163	161	160	157	153	157
Government grants	2,847	3,290	2,137	1,933	2,220	1,706
Fees and service charges	5,800	5,295	4,864	5,066	4,086	3,908
Equity income from Kitchener Power Corporation	849	785	806	850	823	642
Other	279	3,547	1,027	4,359	1,350	1,690
Total	<u>\$ 17,808</u>	<u>\$ 20,670</u>	<u>\$ 16,413</u>	<u>\$ 19,517</u>	<u>\$ 15,582</u>	<u>\$ 14,829</u>

**THE CORPORATION OF THE TOWNSHIP OF WILMOT**  
**SIX-YEAR FINANCIAL REVIEW (UNAUDITED)**

(All dollar amounts are in (000's) of dollars, except per capita figures)

	2018	2017	2016	2015	2014	2013
<b>NET LONG TERM LIABILITIES</b>						
General municipal activities	\$0	\$0	\$0	\$0	\$0	\$60
- per capita	\$0	\$0	\$0	\$0	\$0	\$3
- percentage of taxable assessment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
- Municipal enterprises	Nil	Nil	Nil	Nil	Nil	Nil
<b>CHARGES FOR NET LONG TERM LIABILITIES</b>						
General municipal activities	\$0	\$0	\$0	\$0	\$60	\$269
-per capita	\$0	\$0	\$0	\$0	\$3	\$13
-as a tax rate	\$0.000	\$0.000	\$0.000	\$0.000	\$0.021	\$0.100
<b>ACCUMULATED SURPLUS</b>						
- OPERATING FUND	\$5,459	\$5,157	\$1,677	\$706	\$1,175	\$1,515
- TANGIBLE CAPITAL ASSETS	\$137,684	\$139,955	\$143,567	\$146,639	\$101,630	\$104,288
- RESERVES AND RESERVE FUNDS	\$8,414	\$8,304	\$7,210	\$7,168	\$6,110	\$5,103
- KITCHENER POWER CORPORATION	\$17,965	\$17,432	\$16,972	\$16,508	\$15,963	\$15,398
<b>DEFERRED REVENUES - obligatory reserve funds</b>	-\$828	-\$947	\$1,776	\$1,708	\$3,320	\$2,806



## Management Responsibility for Financial Reporting

For the Year ended December 31, 2018

The accompanying Financial Statements and all other information contained in this Annual Report are the responsibility of the management of The Corporation of the Township of Wilmot. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These Financial Statements have been prepared by management within the reasonable limits of materiality and within the framework of Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.


In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Prior to their submission to Council, the Financial Statements are reviewed and approved by management. In addition, management meets periodically with the Township's external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged.

Graham Mathew Professional Corporation, Chartered Professional Accountants, as the Township's appointed external auditors have audited the Financial Statements. The external auditors have full and free access to management and Council. The Independent Auditors' Report is dated April 29, 2019 and appears on the following pages. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Financial Statements are free of material misstatements and present fairly the financial position and results of the operations of the Township in accordance with Canadian public sector accounting standards.



Grant Whittington,  
Chief Administrative Officer



Patrick Kelly CPA, CMA  
Director of Finance /Treasurer

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of  
**The Corporation of the Township of Wilmot**

### **Opinion**

We have audited the accompanying financial statements of **The Corporation of the Township of Wilmot** (the Township), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario  
April 29, 2019

Chartered Professional Accountants, authorized to practise public  
accounting by the Chartered Professional Accountants of Ontario

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Statement of Financial Position

December 31, 2018

	2018	2017
<b>Financial Assets</b>		
Cash	\$ 12,833,606	\$ 12,515,078
Taxes receivable	1,096,237	817,306
Accounts receivable	2,597,650	2,504,621
Investment in Kitchener Power Corp. (note 6)	17,965,472	17,432,101
	34,492,965	33,269,106

## Liabilities

Accounts payable and accrued liabilities	2,261,444	2,093,613
Deferred revenue	1,396,839	1,343,061
Deferred revenue - obligatory reserve funds (note 8)	(828,333)	(947,340)
	2,829,950	2,489,334
<b>Net Financial Assets</b>	<b>\$ 31,663,015</b>	<b>\$ 30,779,772</b>

## Non-Financial Assets

Tangible capital assets (note 7)	137,684,391	139,955,498
Inventories and supplies	105,647	63,998
Prepaid expenses	69,618	48,859
	137,859,656	140,068,355

<b>Accumulated Surplus</b> (note 12)	<b>\$ 169,522,671</b>	<b>\$ 170,848,127</b>
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See accompanying notes to financial statements.

Approved on behalf of Council

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# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2018

	2018 Budget (Note 11b)	2018 Actual	2017 Actual
<b>Revenues</b>			
Taxation	\$ 7,765,052	\$ 7,869,863	\$ 7,591,967
Taxation from other governments	160,570	163,412	160,660
User fees and charges	4,589,972	4,953,629	4,700,853
Government transfer			
Canada	11,602	114,513	50,474
Ontario	1,305,640	1,469,817	1,520,599
Investment income	676,600	530,688	401,759
Interest and penalties on taxes	205,000	194,092	199,976
Other	183,033	458,344	309,321
	14,897,469	15,754,358	14,935,609
<b>Expenses</b>			
General government	2,029,370	2,586,078	2,291,010
Protection to persons and property	2,259,050	1,953,204	2,065,602
Transportation services	6,048,066	6,641,136	6,079,560
Environmental services	1,526,915	1,500,270	1,868,010
Health services	60,002	48,167	37,801
Recreation and cultural services	5,415,397	5,845,808	5,618,065
Planning and development	312,797	559,139	1,287,650
	17,651,597	19,133,802	19,247,698
<b>Net expenses before other income (expense)</b>	<b>(2,754,128)</b>	<b>(3,379,444)</b>	<b>(4,312,089)</b>
<b>Other income (expense)</b>			
Grants and transfers related to capital			
Deferred revenue earned	326,731	394,338	3,584,531
Grants and transfers - Canada	655,470	634,232	729,590
Grants and transfers - Ontario	1,742,927	628,380	989,006
Loss on disposal of tangible capital assets	-	(648,913)	(579,238)
Change in equity in Kitchener Power Corp.	-	848,858	785,308
Donations	-	-	72,643
Sale of Publications, Equipment	29,000	94,927	91,375
Interest earned on reserve funds	-	102,166	61,040
	2,754,128	2,053,988	5,734,255
<b>Annual Surplus (Deficit)</b>	<b>-</b>	<b>(1,325,456)</b>	<b>1,422,166</b>
<b>Accumulated Surplus, beginning of the year</b>		<b>170,848,127</b>	<b>169,425,961</b>
<b>Accumulated Surplus, end of the year</b>		<b>\$ 169,522,671</b>	<b>\$ 170,848,127</b>

See accompanying notes to financial statements.

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Statement of Change in Net Financial Assets

Year ended December 31, 2018

	2018 Budget (Note 11b)	2018 Actual	2017 Actual
<b>Annual Surplus (Deficit)</b>	\$ -	\$ (1,325,456)	\$ 1,422,166
Amortization of tangible capital assets	-	6,004,180	5,994,229
Acquisition of tangible capital assets	(5,874,248)	(4,381,987)	(2,962,103)
Loss on disposal of tangible capital assets	-	648,913	579,238
Change in inventories and supplies	-	(41,648)	46,748
Change in prepaid expenses	-	(20,759)	31,692
<b>Increase In Net Financial Assets</b>	(5,874,248)	883,243	5,111,970
<b>Net Financial Assets, beginning of year</b>	30,779,772	30,779,772	25,667,802
<b>Net Financial Assets, end of year</b>	\$ 24,905,524	\$ 31,663,015	\$ 30,779,772

See accompanying notes to financial statements.

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Statement of Cash Flows

Year ended December 31, 2018

	2018	2017
<b>Operating activities</b>		
Annual Surplus (Deficit)	\$ (1,325,456)	\$ 1,422,166
Sources (uses)		
Taxes receivable	(278,931)	48,702
Accounts receivable	(93,029)	(555,618)
Accounts payable and accrued liabilities	167,831	(50,161)
Deferred revenue	172,785	(2,383,707)
Inventories and supplies	(41,648)	46,748
Prepaid expenses	(20,759)	31,692
	(1,419,207)	(1,440,178)
Non-cash charges to operations		
Amortization	6,004,180	5,994,229
Loss on sale of tangible capital assets	648,913	579,238
	5,233,886	5,133,289
<b>Capital activities</b>		
Acquisition of tangible capital assets	(4,381,987)	(2,962,103)
<b>Investing activities</b>		
Net increase in investments	(533,371)	(460,171)
<b>Net increase in cash</b>	318,528	1,711,015
<b>Cash, beginning of year</b>	12,515,078	10,804,063
<b>Cash, end of year</b>	\$ 12,833,606	\$ 12,515,078

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements

Year ended December 31, 2018

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### 1. Municipal Status

The Corporation of The Township of Wilmot was created on January 1, 1973 when the municipalities of Wilmot and New Hamburg were amalgamated into a single legal entity under the Wilmot name. The Township operates as a lower tier government in the Province of Ontario, Canada. Wilmot provides municipal services such as fire protection, public works, water/sanitary distribution, urban/rural planning, recreation and cultural services, and other general government services. The Township owns 7.75% of Kitchener Power Corporation and its affiliates.

### 2. Summary of Significant Accounting policies:

The financial statements of the Municipality are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

#### (a) Basis of Presentation:

##### (i) Financial Statements:

These statements reflect the financial assets, liabilities, operating revenues and expenses, reserve funds and reserves, changes in investment in tangible capital assets and cash flows and include the activities of all governmental functions controlled and exercised by the Township Council.

All interfund transfers have been eliminated.

##### (ii) Government Business Enterprises:

The government business enterprise, Kitchener Power Corp., is accounted for on the modified equity basis which reflects the Township's investment in the enterprise and its share of net income (loss) since acquisition. Under the modified equity basis, the enterprise's accounting principles are not adjusted to conform to those of the Township, and inter-organizational transactions and balances are not eliminated.

##### (iii) Accounting for Region and School Board Transactions:

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the School Boards and the Regional Municipality of Waterloo, are not reflected in these financial statements.

##### (iv) Trust Funds:

Trust funds and their related operations administered by the Municipality are not consolidated herein but are reported separately on the "Trust Funds Statement of Financial Position and Statement of Continuity" (see also Note 4).

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

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### 2. Summary of Significant Accounting policies (continued):

#### (b) Non-Financial Assets

Non-financial assets are not normally available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess (deficiency) of revenues over expenses, provides the change in net financial assets for the year.

#### (i) 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 of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land	not amortized
Land Improvements	15 years
Buildings	40 years
Machinery and Equipment	10 years
Technological Equipment	5 years
Vehicles	10 years
Roads (tar & chip, gravel, paved)	25 years
Bridges	60 years
Water and Wastewater	75 years

Work in progress is not amortized until the asset is available for productive use.

#### (ii) Contributions of Tangible Capital Assets (Donated)

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

#### (iii) Interest Capitalization

The Township does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

#### (iv) Works of art and cultural and historic assets

These assets are not recorded in these financial statements.

#### (v) Inventories and Prepaid Expenses

Inventories held for consumption are recorded at the lower of cost and replacement cost.

Prepaid expenses relate to expenditures incurred in the current period which relate to and will be expensed in a future fiscal period.

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

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### 2. Summary of Significant Accounting policies (continued):

#### (c) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues 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.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible assets are acquired.

Tax revenue is recognized when it is authorized and in the period for which the tax is levied.

#### (d) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. These estimates and assumptions, including taxation assessment appeals, legal claims provisions, the valuation of tangible capital assets and their related useful lives and amortization, are based on management's best information and judgement and may differ significantly from future actual results.

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 3. Operations of School Boards and the Region of Waterloo:

Further to note 2(a)(iii), the taxation, other revenues, and requisitions for the School Boards and the Region of Waterloo are comprised of the following:

	School Boards	Region
Taxation and user charges	\$ 7,467,016	\$ 17,176,408
Share of payments in lieu of taxes	112,678	110,631
	7,579,694	17,287,039
Payment	7,579,694	17,287,039
Overlevies (underlevies) end of year	\$ -	\$ -

### 4. Trust Funds:

Further to note 2(a)(iv), trust fund assets administered by the Township amounting to \$1,113,975 (2017 - \$591,051) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus.

### 5. Ontario Municipal Employees' Retirement Fund:

The Township makes matching contributions on behalf of its staff to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan. 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, age and rates of pay.

Employee contributions in 2018 were at rates ranging from 9.0% to 14.6% based on member earnings and were matched by the Township on a dollar for dollar basis. The amount contributed to OMERS by the Township for 2018 was \$450,413 (2017 - \$431,928) for current service and is included as an expense on the statement of operations and accumulated surplus.

The OMERS pension plan has a deficit. The last available report for the OMERS plan was on December 31, 2018. At that time the plan reported a \$4.2 billion actuarial deficit (2017 - \$5.4 billion), based on actuarial liabilities of \$100.1 billion (2017 - \$94.4 billion) and actuarial assets of \$95.9 billion (2017 - \$89.0 billion). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future. There were no changes to contribution rates or benefits for 2018.

The Township does not participate in any past service provisions of the OMERS agreement.

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 6. Investment in Kitchener Power Corp.:

Under the provincial government's Electricity Competition Act (Bill 35), Kitchener Power Corp., a holding company, along with its wholly-owned affiliates, Kitchener-Wilmot Hydro Inc., and Kitchener Energy Services Inc. was incorporated on July 1, 2004.

The Township holds 7.75% of the common shares of Kitchener Power Corp. and a 7.75% share in long-term notes payable by subsidiaries and investees of Kitchener Power Corp.

The investment in Kitchener Power Corp. consists of the following elements:

	2018	2017
Kitchener Power Corp. common shares, initial valuation	\$ 5,113,962	\$ 5,113,962
Kitchener-Wilmot Hydro Inc. long-term notes receivable	5,964,566	5,964,566
	11,078,528	11,078,528
Accumulated equity increase, beginning of year	6,353,573	5,893,402
	17,432,101	16,971,930
Share of net income for year	848,858	785,308
Dividends received in year	(315,487)	(325,137)
Cost of investment	\$ 17,965,472	\$ 17,432,101

The Kitchener-Wilmot Hydro Inc. notes bear interest at the annual rate of 4.88%, and are unsecured.



# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 6. Investment in Kitchener Power Corp. (continued):

The following table provides condensed financial information in respect of Kitchener Power Corp.:

	2018	2017
	(in thousands)	(in thousands)
Current assets	\$ 65,862	\$ 72,120
Long-term assets	254,425	245,360
<b>Total assets</b>	<b>\$ 320,287</b>	<b>\$ 317,480</b>
Current liabilities	33,259	36,890
Long-term liabilities	123,941	120,497
<b>Total liabilities</b>	<b>157,200</b>	<b>157,387</b>
<b>Net assets</b>	<b>\$ 163,087</b>	<b>\$ 160,093</b>

	2018	2017
	(in thousands)	(in thousands)
Results of operations:		
Revenues	\$ 244,310	\$ 251,323
Operating expenses	(233,357)	(241,190)
<b>Net income</b>	<b>\$ 10,953</b>	<b>\$ 10,133</b>
<b>Township's share of net income - 7.75%</b>	<b>\$ 849</b>	<b>\$ 785</b>

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 7. Tangible Capital Assets

There were no tangible capital assets contributed to the Township in 2018. Donated land and other tangible capital assets are capitalized at their fair market value at the time of receipt and included in income as “donated tangible capital assets”.

Amortization expense for the year amounts to \$6,004,181 (\$5,994,229 in 2017).

2018	Land	Land Improvements	Buildings	Machinery & Equipment	Infrastructure	Vehicles	Total
<b>Cost</b>							
Balance, beginning of year	\$ 10,315,370	\$ 3,987,869	\$ 34,051,381	\$ 3,513,520	\$ 173,369,710	\$ 6,073,091	\$ 231,310,941
Additions	-	172,494	138,587	562,183	1,929,142	498,043	3,300,449
Disposals	-	(24,177)	(47,923)	(93,413)	(1,283,507)	(165,701)	(1,614,721)
<b>Cost, end of year</b>	<b>10,315,370</b>	<b>4,136,186</b>	<b>34,142,045</b>	<b>3,982,291</b>	<b>174,015,345</b>	<b>6,405,432</b>	<b>232,996,670</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	-	1,930,972	10,451,074	2,208,035	74,016,875	4,063,182	92,670,138
Disposals	-	(12,654)	(18,590)	(89,365)	(679,498)	(165,701)	(965,808)
Amortization expense	-	233,668	834,206	264,696	4,273,004	398,607	6,004,181
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>2,151,986</b>	<b>11,266,689</b>	<b>2,383,367</b>	<b>77,610,381</b>	<b>4,296,088</b>	<b>97,708,511</b>
<b>Work in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,396,233</b>
<b>Net Book Value, end of year</b>	<b>\$ 10,315,370</b>	<b>\$ 1,984,200</b>	<b>\$ 22,875,356</b>	<b>\$ 1,598,924</b>	<b>\$ 96,404,965</b>	<b>\$ 2,109,344</b>	<b>\$ 137,684,391</b>

2017	Land	Land Improvements	Buildings	Machinery & Equipment	Infrastructure	Vehicles	Total
<b>Cost</b>							
Balance, beginning of year	\$ 10,320,181	\$ 3,780,158	\$ 34,317,163	\$ 3,181,730	\$ 172,881,770	\$ 5,893,042	\$ 230,374,045
Additions	-	216,692	18,826	378,763	1,889,812	513,783	3,017,875
Disposals	(4,811)	(8,980)	(284,608)	(46,972)	(1,401,872)	(333,734)	(2,080,978)
<b>Cost, end of year</b>	<b>10,315,370</b>	<b>3,987,869</b>	<b>34,051,381</b>	<b>3,513,520</b>	<b>173,369,710</b>	<b>6,073,091</b>	<b>231,310,941</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	-	1,710,047	9,903,466	2,003,905	70,547,765	4,012,465	88,177,648
Disposals	-	(1,417)	(284,608)	(46,972)	(835,007)	(333,734)	(1,501,738)
Amortization expense	-	222,341	832,216	251,103	4,304,117	384,452	5,994,229
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>1,930,972</b>	<b>10,451,074</b>	<b>2,208,035</b>	<b>74,016,875</b>	<b>4,063,182</b>	<b>92,670,138</b>
<b>Work in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,314,695</b>
<b>Net Book Value, end of year</b>	<b>\$ 10,315,370</b>	<b>\$ 2,056,897</b>	<b>\$ 23,600,307</b>	<b>\$ 1,305,485</b>	<b>\$ 99,352,836</b>	<b>\$ 2,009,909</b>	<b>\$ 139,955,498</b>

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 8. Deferred revenue - obligatory reserve funds:

A requirement of PSAB is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded.

(a) The balances in the obligatory reserve funds of the Township are summarized as follows:

	2018	2017
Recreational parkland (The Planning Act)	\$ 1,448,820	\$ 1,374,965
Development charges and sub-dividers contributions	(1,497,385)	(1,587,334)
Federal Gas Tax	25,306	25,000
Building Department (Bill 124)	(805,074)	(759,971)
	\$ (828,333)	\$ (947,340)

(b) Continuity schedule:

	2018	2017
Revenue		
Development charges and user fees	\$ 500,625	\$ 746,691
Federal Gas Tax funding	612,271	594,787
Ontario Municipal Commuter Cycling funding	107,335	-
Investment income	12,774	13,306
	1,233,005	1,354,784
Deferred revenue recognized	(1,113,998)	(4,078,048)
Change in deferred revenue	119,007	(2,723,264)
Deferred revenue, beginning of year	(947,340)	1,775,924
Deferred revenue, end of year	\$ (828,333)	\$ (947,340)

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 9. Net long-term liabilities:

- (a) The balance of net long-term liabilities reported on the statement of financial position is made up of the following:

	2018	2017
The municipality has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by the Region of Waterloo. At the end of the year, the outstanding principal amount of this liability is	\$ 1,028,135	\$1,131,599
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges that has been assumed by individuals amounts to	(1,028,135)	(1,131,599)
Net long-term liabilities at end of year	\$ nil	\$ nil

- (b) Of the long-term liabilities reported in (a) of this note, future principal payments are summarized as follows:

	2019 to 2023	2024 and thereafter	Total
From benefiting landowners	\$ 596,793	\$ 431,342	\$ 1,028,135

- (c) The Township is contingently liable for the long-term liability with respect to tile drainage loans and the water system indebtedness. The total amount of this contingent liability outstanding at December 31, 2018 is \$1,028,135 (2017 - \$1,131,599).

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 10. Self Insurance Coverage:

The Township has an agreement with members of the Waterloo Region Municipalities Insurance Pool to purchase property damage and public liability insurance on a group basis and share a retained level of risk. The members pay an annual levy to fund insurance coverage, losses, and contribute to a surplus. The pool has purchased insurance to fund losses above a pre-determined deductible and any losses above a pre-determined total in any year.

The Township is self-insured for public liability claims up to \$10,000 (2017 - \$10,000) for any individual claim and \$10,000 (2017 - \$10,000) for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

During the year, claims amounting to \$69,902 (2017 - \$54,410) were settled and insurance premiums of \$241,559 (2017 - \$245,374) were paid. Both amounts are reported as an expenditure on the Statement of Operations and Accumulated Surplus.

The Township is from time to time, involved in legal suits of varying dollar amounts for which no provision for possible liability has been recorded in these financial statements. In the event the Township is found liable, any amounts not recoverable from Township's insurers will be adjusted against future revenues.

### 11. Other explanatory notes

#### (a) Expenditures by object

The following is a summary of the operating expenditures on the statement of financial activities by the object of expenditure:

	2018	2017
Salaries, wages and employee benefits	\$ 7,523,567	\$ 7,393,293
Materials	5,217,505	5,519,072
Amortization	6,004,180	5,994,229
Contracted services	339,303	252,770
External transfers	49,247	88,334
	\$ 19,133,802	19,247,698

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 11. Other explanatory notes: (continued)

#### (b) Budget Figures

Budget figures reported on the Statement of Operations and Accumulated Surplus are based on the 2018 operating and capital budgets, as approved by Council. Approved budget figures have been reclassified and adjusted for the purposes of these financial statements to comply with Public Sector Accounting Board (PSAB) reporting requirements. The Township has provided the following reconciliation of the PSAB reported surplus to the approved Council budget.

	2018	2017
Annual Surplus (Deficit) under PSAB	\$ (1,325,456)	\$ 1,422,166
Less:		
Grants and transfer related to capital	1,196,175	1,953,195
Deferred Revenue, net change	110,478	1,093,895
Contribution from Developers	353,037	3,454,750
Tangible capital assets additions	4,381,987	2,962,103
Increase in Government Business Enterprises	533,371	460,171
	6,575,047	9,924,114
Add:		
Amortization	6,004,180	5,994,229
Capital expenses	1,247,410	1,928,481
Loss on disposal of capital assets	648,913	579,238
	7,900,503	8,501,948
Budget Surplus, Council approved	\$ -	\$ -

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 12. Accumulated surplus

	2018	2017
<b>Reserve and Reserve Funds</b>		
Baden West Noise Wall	70,926	69,998
Elections	(13,299)	41,168
Hamilton Road Noise Wall	140,317	138,482
Heritage Lighting	5,705	5,631
Heritage Wilmot	-	1,213
Information Technology	880	868
Infrastructure Reserve - Cemetery	(51,677)	(65,850)
Infrastructure Reserve - Equipment	849,966	855,542
Infrastructure Reserve - Facilities	1,056,492	924,238
Infrastructure Reserve - Sanitary Sewers	1,860,540	1,965,323
Infrastructure Reserve - Street Lighting	(230,224)	(279,699)
Infrastructure Reserve - Transportation	983,422	1,144,505
Infrastructure Reserve - Water	2,921,139	2,641,055
Infrastructure Reserve - Water Meter	307,275	222,108
Self-Insurance	10,550	20,184
Winter Maintenance	-	116,767
Working Funds	502,139	502,139
<b>Total Reserves and Reserve Funds</b>	<b>8,414,149</b>	<b>8,303,672</b>
<b>Surplus</b>		
Invested in tangible capital assets	137,684,391	139,955,498
Operating Fund	23,424,131	22,588,957
<b>Total Surplus</b>	<b>161,108,522</b>	<b>162,544,455</b>
Accumulated Surplus	\$ 169,522,671	\$ 170,848,127

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

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### 13. Comparative Amounts

Certain comparative amounts have been re-classified to conform with the current year statement presentation.

### 14. Segmented Information

Segmented information has been identified based upon lines of service provided by the Township. Township services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service have been separately disclosed in the segmented information, along with the services they provide.

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.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 2.

(i) General Government:

The Township is responsible for the delivery of administrative services, including Council, Clerks, Finance, Information Technology, By-Law Enforcement and Human Resources.

(ii) Protection Services – Fire:

The Township is responsible for the delivery of Fire and Rescue services.

(iii) Transportation Services:

The Township is responsible for the delivery of municipal public works services related to the maintenance of roadway systems.



# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

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### 14. Segmented Information (continued):

(iv) Environmental Services:

The Township is responsible for environmental programs such as the engineering and operation of water distribution and wastewater collection systems.

(v) Health Services:

The Township is responsible for the care, maintenance and operations of the Riverside Cemetery.

(vi) Recreation and Cultural Services:

The Township is responsible for operation and rental of space in facilities such as Wilmot Recreation Complex, New Hamburg Arena/CC, Community Parks and Castle Kilbride.

(vii) Development Services:

The Township is responsible for development services which includes planning services, economic development and building permit administration.

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Financial Statements, continued

Year ended December 31, 2018

### 14. Segmented Information (continued):

Year Ended December 31, 2018	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation & Culture	Development Services	Total
<b>Revenue</b>								
Taxation	\$ 1,104,075	\$ 682,840	\$ 3,038,003	\$ -	\$ -	\$ 2,748,008	\$ 460,349	\$ 8,033,275
User fees and charges	198,201	45,814	17,573	2,144,934	63,076	1,732,676	899,186	5,101,460
Government Transfers								
Canada	50,309	-	612,271	-	-	86,165	-	748,745
Ontario	159,387	98,576	1,267,400	-	-	476,026	96,808	2,098,197
Investment income	167,904	77,358	413,079	194,662	5,724	465,898	157,087	1,481,712
Interest and penalty on taxes	194,092	-	-	-	-	-	-	194,092
Other	144,032	25,156	(383,627.00)	-	-	90,747	274,557	150,865
<b>Total Revenue</b>	<b>2,018,000</b>	<b>929,744</b>	<b>4,964,699</b>	<b>2,339,596</b>	<b>68,800</b>	<b>5,599,520</b>	<b>1,887,986</b>	<b>17,808,346</b>
<b>Expenses</b>								
Salaries, Wages, Benefits	1,473,508	859,233	1,072,037	530,002	23,439	2,989,898	575,450	7,523,567
Materials and Services	1,168,096	345,152	1,642,133	270,095	21,455	1,805,270	304,607	5,556,808
Debt Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Grants to Organizations	-	-	-	-	-	49,247	-	49,247
Amortization	132,959	234,725	3,926,966	700,173	3,273	1,001,393	4,691	6,004,180
Internal Transfers	(428,887)	11,625	(186,712)	501,662	16,517	(7,496)	93,291	-
<b>Total Expenditures</b>	<b>2,345,676</b>	<b>1,450,735</b>	<b>6,454,424</b>	<b>2,001,932</b>	<b>64,684</b>	<b>5,838,312</b>	<b>978,039</b>	<b>19,133,802</b>
<b>Annual surplus (deficit)</b>	<b>\$ (327,676)</b>	<b>\$ (520,991)</b>	<b>\$ (1,489,725)</b>	<b>\$ 337,664</b>	<b>\$ 4,116</b>	<b>\$ (238,792)</b>	<b>\$ 909,947</b>	<b>\$ (1,325,456)</b>

Year Ended December 31, 2017	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation & Culture	Development Services	Total
<b>Revenue</b>								
Taxation	\$ 977,762	\$ 670,425	\$ 2,739,115	\$ -	\$ -	\$ 2,558,784	\$ 806,540	\$ 7,752,627
User Fees and Charges	210,252	14,633	3,254	2,006,659	54,781	1,621,618	936,487	4,847,684
Government Transfers								
Canada	51,732	-	658,649	-	-	69,683	-	780,064
Ontario	172,066	117,981	1,567,452	-	-	466,900	185,206	2,509,605
Investment Income	118,512	51,931	447,973	157,878	3,520	340,613	127,680	1,248,107
Interest and Penalty on Taxes	199,976	-	-	-	-	-	-	199,976
Other	232,373	5,055	2,002,430	450,075	-	583,279	58,589	3,331,801
<b>Total Revenue</b>	<b>1,962,673</b>	<b>860,024</b>	<b>7,418,874</b>	<b>2,614,612</b>	<b>58,301</b>	<b>5,640,878</b>	<b>2,114,502</b>	<b>20,669,864</b>
<b>Expenses</b>								
Salaries, Wages, Benefits	1,495,841	944,197	953,150	525,607	19,428	2,855,252	599,818	7,393,293
Materials and Services	848,078	318,564	1,515,228	300,103	15,596	1,691,675	1,082,598	5,771,842
Debt Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Grants to Organizations	-	-	-	-	-	88,334	-	88,334
Amortization	154,841	195,634	3,611,182	1,042,300	2,777	982,804	4,691	5,994,229
Internal Transfers	(354,850)	11,625	(73,585)	327,430	15,507	(7,496)	81,369	-
<b>Total Expenditures</b>	<b>2,143,910</b>	<b>1,470,020</b>	<b>6,005,975</b>	<b>2,195,440</b>	<b>53,308</b>	<b>5,610,569</b>	<b>1,768,476</b>	<b>19,247,698</b>
<b>Annual surplus (deficit)</b>	<b>\$ (181,237)</b>	<b>\$ (609,996)</b>	<b>\$ 1,412,899</b>	<b>\$ 419,172</b>	<b>\$ 4,993</b>	<b>\$ 30,309</b>	<b>\$ 346,026</b>	<b>\$ 1,422,166</b>

Trust Funds Financial Statements of

**THE CORPORATION OF THE  
TOWNSHIP OF WILMOT**

Year ended December 31, 2018

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of  
**The Corporation of the Township of Wilmot**

### Opinion

We have audited the accompanying financial statements of the **Trust Funds of The Corporation of the Township of Wilmot** (the Township), which comprise the statement of financial position as at December 31, 2018, and the statement continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds of the Township as at December 31, 2018, and its financial performance for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the ability of the trust funds of the Township to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the trust funds of the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the trust funds of the Township.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust funds of the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the trust funds of the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario  
April 29, 2019

Chartered Professional Accountants, authorized to practise public  
accounting by the Chartered Professional Accountants of Ontario

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Trust Funds Statement of Continuity

Year ended December 31, 2018

	Riverside Cemetery	Castle Kilbride	WRC Youth Ctr	WRC Adult Ctr	Baden Comm Ctr	Financial Assistance	Fairmont Cemetery	Festival of Lights	Wilmot Fire Service	Trail System	Wilmot Splash Pad	TOTALS	
												2018	2017
Opening Balance	342,947	33,367	21,642	16,902	18,730	9,766	35,454	2,230	1,164	29,101	79,748	591,051	587,771
Receipts:													
Donations		2,054	700			122	400		50	500,000		503,326	9,169
Care & Maintenance	13,823											13,823	11,533
Transfer from Revenue Fund						500						500	658
Investment Income	7,475	727	472	366	406	209	767	48	25	2,441	1,729	14,665	7,021
	21,298	2,781	1,172	366	406	831	1,167	48	75	502,441	1,729	532,314	28,381
Expenditures:													
Transfer to Revenue Fund	7,475	-							-		-	7,475	10,074
Transfer to Others						1,497	418			-		1,915	15,027
	7,475	-	-	-	-	1,497	418	-	-	-	-	9,390	25,101
Ending Balance	356,770	36,148	22,814	17,268	19,136	9,100	36,203	2,278	1,239	531,542	81,477	1,113,975	591,051

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Trust Funds Statement of Financial Position

December 31, 2018

	Riverside Cemetery	Castle Kilbride	WRC Youth Ctr	WRC Adult Ctr	Baden Comm Ctr	Financial Assistance	Fairmont Cemetery	Festival of Lights	Wilmot Fire Service	Trail System	Wilmot Splash Pad	TOTALS	
												2018	2017
Assets													
Cash	356,770	36,148	22,814	17,268	19,136	9,100	36,203	2,278	1,239	531,542	81,477	1,113,975	\$ 591,051
	356,770	36,148	22,814	17,268	19,136	9,100	36,203	2,278	1,239	531,542	81,477	\$ 1,113,975	\$ 591,051
Liabilities and Fund Balances													
Fund Balance	356,770	36,148	22,814	17,268	19,136	9,100	36,203	2,278	1,239	531,542	81,477	1,113,975	591,051
	356,770	36,148	22,814	17,268	19,136	9,100	36,203	2,278	1,239	531,542	81,477	\$ 1,113,975	\$ 591,051

See accompanying notes to financial statements

# THE CORPORATION OF THE TOWNSHIP OF WILMOT

## Notes to Trust Funds Financial Statements

Year ended December 31, 2018

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### 1. Accounting Policies

The financial statements of The Trust Funds of the Corporation of the Township of Wilmot are the representation of management prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### (a) Basis of Accounting

Donation receipts are reported on the cash basis of accounting. Investment income is reported on the accrual basis of accounting.

Expenditures, including transfers to the operating fund, are reported on the cash basis of accounting.

#### (b) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. These estimates and assumptions are based on management's best information and judgement and may differ significantly from future actual results.