

**THE CORPORATION OF THE TOWN OF MINTO
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

THE CORPORATION OF THE TOWN OF MINTO

December 31, 2016

Contents

	<u>Page</u>
Independent Auditor's Report	1
Consolidated Financial Statements	
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations and Accumulated Surplus	3
Consolidated Statement of Change in Net Financial Assets	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6 - 27
Schedules	
Schedule of Supplementary Segmented Disclosure	28 - 29
Schedule of Tangible Capital Assets	30 - 31
Trust Funds	
Independent Auditor's Report	32
Trust Funds - Statement of Continuity	33
- Statement of Financial Position	34
- Notes to the Financial Statements	35
- Schedule of Perpetual Care Fund Assets	36

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Minto.

I have audited the accompanying consolidated financial statements of the Corporation of the Town of Minto, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

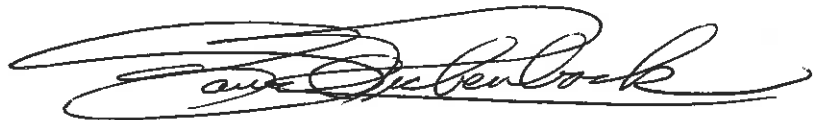
My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable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

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

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Minto as at December 31, 2016 and the results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Harriston, Ontario,
 June 7, 2017
 Licence No. 1183

CHARTERED PROFESSIONAL ACCOUNTANT
 Licensed Public Accountant

THE CORPORATION OF THE TOWN OF MINTO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016
(with comparative figures for 2015)

2

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash (Note 1(b)(vii) and 1(d))	\$ 3,877,773	\$ 5,124,041
Receivables		
Canada	710,853	646,585
Provincial grants	142,959	401,389
Municipal	-	1,206
Taxes receivable	1,029,995	1,198,283
Accounts receivable	1,293,640	707,538
Investments (Note 7)	4,498,833	4,503,380
Other financial assets		
- NWHC Long term receivable (Notes 5 & 15)	1,500,000	-
- Inventories for resale	<u>17,275</u>	<u>13,732</u>
	<u>13,071,328</u>	<u>12,596,154</u>
LIABILITIES		
Accounts payable and accrued charges	2,149,569	3,196,118
Deferred revenue (Note 1(b)(iv))	795,421	610,442
Post employment benefits (Note 21)	80,000	49,810
Long term liabilities (Note 5, 15 & 18)	<u>10,140,106</u>	<u>7,789,620</u>
	<u>13,165,096</u>	<u>11,645,990</u>
NET FINANCIAL ASSETS	<u>(93,768)</u>	<u>950,164</u>
NON FINANCIAL ASSETS		
Tangible Capital Assets (Note 1(c)(i))	73,290,072	71,236,042
Prepaid expenses	<u>64,914</u>	<u>92,536</u>
	<u>73,354,986</u>	<u>71,328,578</u>
ACCUMULATED SURPLUS (Note 20)	<u>\$ 73,261,218</u>	<u>\$ 72,278,742</u>

The Above Statement Should Be Read In
Conjunction With The Attached Notes

THE CORPORATION OF THE TOWN OF MINTO

3

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2016

(with comparative figures for 2015)

	<u>Budget 2016</u> <u>(Note 9)</u>	<u>Actual 2016</u>	<u>Actual 2015</u>
REVENUES			
Taxation	\$ 4,579,101	\$ 4,832,795	\$ 4,802,112
User fees	5,260,004	5,386,982	5,426,579
Government transfers	-	-	-
Province of Ontario	3,555,600	2,939,383	2,675,828
Government of Canada	120,900	122,491	429,136
Municipal	104,838	152,410	109,213
Investment income	23,000	122,196	175,930
Penalties and interest on taxes	160,000	144,137	156,111
Deferred revenue earned	203,000	259,000	187,000
Gain (loss) on disposal of tangible capital assets	95,000	(9,886)	123,695
Contributions from developers	-	30,000	-
Other charges	<u>172,280</u>	<u>194,888</u>	<u>210,843</u>
TOTAL REVENUES	<u>14,273,723</u>	<u>14,174,396</u>	<u>14,296,447</u>
EXPENSES			
General government	1,347,565	298,072	276,846
Protection to persons and property	1,214,650	1,673,872	1,605,577
Transportation services	3,992,157	4,569,615	3,909,342
Environmental services	4,159,651	3,336,426	3,153,530
Health services	156,286	139,466	151,834
Recreation and cultural services	2,254,764	2,541,500	2,475,809
Planning and development	<u>1,148,650</u>	<u>632,969</u>	<u>630,247</u>
TOTAL EXPENSES	<u>14,273,723</u>	<u>13,191,920</u>	<u>12,203,185</u>
ANNUAL SURPLUS	<u>\$ -</u>	<u>\$ 982,476</u>	<u>\$ 2,093,262</u>
ACCUMULATED SURPLUS at beginning of year	\$ 72,278,742	\$72,278,742	\$70,185,480
Annual surplus	<u>-</u>	<u>982,476</u>	<u>2,093,262</u>
ACCUMULATED SURPLUS at end of year	<u>\$ 72,278,742</u>	<u>\$73,261,218</u>	<u>\$72,278,742</u>

The Above Statement Should Be Read In
Conjunction With The Attached Notes

THE CORPORATION OF THE TOWN OF MINTO
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	<u>Budget 2016</u>		
	<u>(Note 9)</u>	<u>Actual 2016</u>	<u>Actual 2015</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>-</u>	\$ <u>982,476</u>	\$ <u>2,093,262</u>
(Acquisition) of tangible capital assets	(7,300,700)	(5,725,963)	(5,609,559)
Amortization of tangible capital assets	2,750,000	3,303,914	2,674,825
Capitalization of construction-in-progress	608,384	135,876	20,692
(Gain) loss on disposal of tangible capital assets.	-	9,886	(123,695)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>222,257</u>	<u>244,266</u>
	<u>(3,942,316)</u>	<u>(2,054,030)</u>	<u>(2,793,471)</u>
Use of (additions to) prepaid expense	<u>-</u>	<u>27,622</u>	<u>3,732</u>
(DECREASE) IN NET FINANCIAL ASSETS	(3,942,316)	(1,043,932)	(696,477)
NET FINANCIAL ASSETS at beginning of year	<u>950,164</u>	<u>950,164</u>	<u>1,646,641</u>
NET FINANCIAL ASSETS at end of year	\$ <u>(2,992,152)</u>	\$ <u>(93,768)</u>	\$ <u>950,164</u>

The Above Statement Should Be Read In
Conjunction With The Attached Notes

**THE CORPORATION OF THE TOWN OF MINTO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)**

	<u>Actual 2016</u>	<u>Actual 2015</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ <u>982,476</u>	\$ <u>2,093,262</u>
Amortization of tangible capital assets	3,303,914	2,674,825
(Gain) loss on disposal of tangible capital assets	<u>9,886</u>	<u>(123,695)</u>
	<u>3,313,800</u>	<u>2,551,130</u>
	<u>4,296,276</u>	<u>4,644,392</u>
Net changes in non-cash working capital items		
Taxes receivable	168,288	16,499
Accounts receivable	(584,896)	284,655
Canada grants receivable	(64,268)	(241,393)
Ontario grants receivable	258,430	(299,400)
Prepaid expenses	27,622	3,732
Other assets	(1,500,000)	-
Accounts payable and accrued liabilities	(1,046,369)	1,680,714
Deferred revenue	184,979	199,540
Inventories for resale	(3,543)	1,753
Other current liabilities	<u>30,190</u>	<u>(10,190)</u>
	<u>(2,529,567)</u>	<u>1,635,910</u>
	<u>1,766,709</u>	<u>6,280,302</u>
CASH (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(4,314,869)	(6,260,408)
Capitalization of construction-in-progress	<u>(1,275,397)</u>	<u>671,541</u>
	<u>(5,590,266)</u>	<u>(5,588,867)</u>
CASH (USED IN) INVESTING ACTIVITIES		
Investments	<u>4,547</u>	<u>(56,881)</u>
CASH (USED IN) FINANCING ACTIVITIES		
Proceeds on disposal of tangible capital assets	222,257	244,266
Long term debt (net)	<u>2,350,485</u>	<u>1,703,612</u>
	<u>2,572,742</u>	<u>1,947,878</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS for the year	(1,246,268)	2,582,432
CASH AND CASH EQUIVALENTS, beginning of year	<u>5,124,041</u>	<u>2,541,609</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,877,773</u>	<u>\$ 5,124,041</u>

The Above Statement Should Be Read In
Conjunction With The Attached Notes

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of the Town of Minto are the representation and responsibility of management prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation of the Town of Minto are as follows:

(a) Basis of Consolidation

(i) Consolidated Entities

These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures including the revenue fund, capital fund, reserve funds and reserves including the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Minto Cemetery

Minto Waterworks Department

Minto Sewer Department

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

(ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Wellington are not reflected in the municipal fund balances of these financial statements.

(iii) Trust Funds

Trust funds and their related operations administered by the Town are not consolidated but are reported separately on the "Trust Funds Statement of Continuity and Financial Position".

(b) Basis of Accounting

(i) Sources of Financing

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of interest charges on the long term liabilities which are charged against operations in the periods in which they are paid.

(ii) Accrual Basis of Accounting

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

(iii) Investments

Investments are recorded at book value. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss. Discounts and premiums arising on the purchase of bonds and debentures are amortized over the term of the investments.

(iv) Deferred Revenue

In accordance with PSAB requirements, obligatory reserve funds are reported as a component of deferred revenue. The Town has obligatory reserve funds in the amount of \$795,421 (2015 - \$610,442). These funds have been set aside, as required by legislation. Revenue recognition occurs after the funds have been collected and when the Town has incurred the qualifying expenditures.

Deferred revenue is as follows:

	<u>2016</u>	<u>2015</u>
Development charges	\$ 492,507	\$ 358,752
Federal Gasoline tax	<u>302,914</u>	<u>251,690</u>
	<u>\$ 795,421</u>	<u>\$ 610,442</u>
	=====	=====

(v) Government Transfers

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

(vi) 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 period.

In addition, the Town's implementation of the Public Sector Accounting Handbook Section 3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

(vii) Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

(c) 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 revenues over expenses, provides the consolidated change in net financial assets for the year.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their useful lives as follows:

<u>Category</u>	<u>Sub Category</u>	<u>Component</u>	<u>Estimated Useful Life</u>
Land	Not Applicable	Not Applicable	N/A
Buildings		Note: Building components will be treated as betterments to the building structure and these betterments will be capitalized upon completion. A review of the remaining years of estimated useful life of the building structure will be reviewed/updated at that time	
	Structure		40
	Exterior	Roofing, Windows, Doors, Siding, Etc.	
	Interior	Flooring, Permanent Furnishings, Etc.	
	Site Elements	Playground Equipment, Fencing, Sheds, Etc.	
Infrastructure	Bridge	Structure	50
		Deck Surface	20
	Culverts		50
	Asphalt/Concrete Road	Surface	20
		Base	50
	Gravel Road	Surface	10
		Base	50
		Traffic Signals	20
		Street Signs	20

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Category</u>	<u>Sub Category</u>	<u>Component</u>	<u>Estimated Useful Life</u>
Vehicles & Machinery	Licensed Vehicles		7
	Unlicensed Vehicles		15
Furniture & Fixtures	Office Furniture		15
	Shelving Storage		
	Fixtures		15
Technology /Communications	Hardware		5
	Software		5
	Radio Equipment		5

If new information regarding past acquisitions of Tangible Capital Assets becomes available, any necessary changes will be treated as Prior Period Adjustments. The existing policies for condition ratings and useful life estimates will be updated as part of the Asset Management Road Map project which commenced in 2016 and is to be completed in late 2017 or early 2018.

(ii) Contribution of Tangible Capital Assets

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

(iii) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements

(iv) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(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 expenses in a future fiscal period.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

(d) Cash

The Corporation of The Town of Minto has overdrawn credit facilities of \$ 1,500,000 for operating purposes. Interest is calculated at CIBC bank prime plus 1.0%.

(e) Change in accounting policy

Adoption of new accounting policy:

The Town of Minto adopted Public Sector Accounting Board Standard PS 3260 Liability for Contaminated Sites effective April 1, 2015. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The Town adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

2. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF WELLINGTON

Further to note 1(a)(ii), the taxation, other revenues, expenditures of the school boards and the County of Wellington are comprised of the following:

	<u>School Boards</u>	<u>County</u>
Taxation	\$ 2,309,382	\$ 5,346,787
Payments in lieu of taxes	<u> -</u>	<u> 29,644</u>
	2,309,382	5,376,431
Requisitions	<u>2,309,382</u>	<u>5,376,431</u>
Overlevies (underlevies) for the year	\$ -	\$ -
	=====	=====

3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

The Town was not a member of any joint boards during 2016.

4. TAXATION

Taxation of all tax classes including Residential, Multi-Residential, Managed Forest, Farmland, Commercial, Industrial and Pipelines are included in the revenue section of the Statement of Current Fund Financial Activities. The calculations of changes in assessment on properties are governed by Provincial Legislation. The related effects on taxation are reflected in these financial statements as adjustments to 2016 property taxes.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

5. LONG-TERM DEBT

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

Total long-term liabilities incurred by the Municipality including those incurred on behalf of the school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to \$ 8,522,328

In addition to the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by North Wellington Health Care Corporation. At the end of the year, the outstanding principal amount of the liability is 1,500,000

In addition to the long term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage loans has been assumed by individuals. At the end of the year the outstanding principal amount of this liability is 117,778

LONG TERM LIABILITIES AT THE END OF THE YEAR **\$ 10,140,106**
=====

- (b) Of the net long term liabilities, reported in (a) of this note, \$3,810,968 in principal payments are payable from 2017 to 2021 and \$2,237,385 from 2022 to 2026 and \$4,091,753 onward . All debt charges are recoverable from benefiting landowners, NWHC Corp. and general revenue.
- (c) The long term liabilities in (a) issued in the name of the municipality have received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit of \$1,365,244 prescribed by the Ministry of Municipal Affairs.
- (d) The Municipality is contingently liable for long term liabilities with respect to tile drainage loans, and for those for which the responsibility for the payment of principal and interest has been assumed by other municipalities, school boards and unconsolidated local boards, municipal enterprises and utilities. The total amount outstanding as at December 31, 2016 is \$ 117,778 (2015 - \$ 152,313) and is not recorded on the Statement of Financial Position.
- (e) The Municipality is contingently liable for long term liabilities with respect to a loan borrowed on behalf of North Wellington Health Care Corporation(NWHC) to assist with the construction of a medical centre. The municipality provided NWHC with a grant to fund this construction. Under the terms of a Grant/Loan Agreement dated November 6, 2015, NWHC is obligated to repay the Grant by paying to Minto one Business Day prior to the due dates for principal and interest payments in respect of the Debentures. The total amount outstanding as at December 31, 2016 is \$ 1,500,000 (2015 - NIL) and is recorded on the Statement of Financial Position.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

6. TRUST FUNDS

Trust funds administered by the municipality amounting to \$494,150 (2015 - \$ 481,830) have not been included in the Statement of Financial Position nor have their operations been included in the Statements of Operations.

7. INVESTMENTS, at cost	<u>2016</u>	<u>2015</u>
Common shares, Westario Power Holdings Inc.	<u>\$ 1,696,046</u>	<u>\$ 1,696,046</u>
Short-term securities	1,348,025	1,391,959
LAS One Fund Bond Fund	1,388,496	1,347,494
LAS One Fund Money Market	<u>66,266</u>	<u>67,881</u>
	<u>2,802,787</u>	<u>2,807,334</u>
	\$ 4,498,833	\$ 4,503,380
	=====	=====

The Town owns 9.284% of the outstanding common shares of Westario Power Holdings Inc., a private company incorporated under the laws of the Province of Ontario. The shares have no fixed maturity dates and are generally not exposed to interest rate risk. They are valued at cost. The fair market value of these shares is not practicable to determine in the absence of a liquid trading market for these shares. The market value of the other investments at December 31, 2016 was \$ 2,789,145.

8. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2016 was \$ 456,888 (2015 -\$ 439,605) for current service.

Under the past service provisions of the OMERS agreement, the municipality is obligated at December 31, 2016 for an amount of approximately NIL as established for the plan. No provision for past service liability has been made.

9. 2016 BUDGET

The 2016 budget figures on the consolidated statement of operations and accumulated surplus are presented for comparison purposes. These budget figures have been prepared by municipal staff and have been reclassified to conform to the current financial statement presentation. These 2016 budget figures have not been reviewed or audited. The 2016 budget figures were prepared on the cash basis of accounting and have been restated to conform with the accrual basis of accounting which has been used in the preparation of these financial statements.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

10. DEBENTURES PAYABLE

(a) The Town has participated with the County of Wellington in the issuance of five debentures totalling \$ 35,732,200. The allocation of these debentures are as follows:

#4	
Town of Minto	\$ 1,900,000
County of Wellington	3,357,000
Town of Erin	193,000
Township of Mapleton	<u>1,000,000</u>
	\$ 6,450,000
	=====
#5	
Town of Minto	\$ 2,125,000
County of Wellington	1,600,000
Puslinch	1,000,000
Wellington North	<u>2,000,000</u>
	\$ 6,725,000
	=====
#6	
Town of Minto	\$ 615,000
County of Wellington	5,319,000
Township of Guelph-Eramosa	2,066,000
Wellington North	<u>2,500,000</u>
	\$10,500,000
	=====
#7	
Town of Minto	\$ 1,840,000
Twp of Mapleton	<u>1,304,000</u>
	\$ 3,144,000
	=====
#8	
Town of Minto	\$ 1,120,000
County of Wellington	1,200,000
Twp of Guelph-Eramosa	4,047,000
Town of Erin	<u>2,546,200</u>
	\$ 8,913,200
	=====

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

(b) The Town of Minto's share of \$ 1,900,000 is payable over fifteen years as shown below:

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>SEMI-ANNUAL INTEREST</u>		<u>Total Annual Payment</u>
			<u>Apr. 5</u>	<u>Oct. 5</u>	
2007	\$ 94,000.00	4.250	\$ 43,127.00	\$ 43,127.00	\$ 86,254.00
2008	96,000.00	4.250	41,129.50	41,129.50	82,259.00
2009	100,000.00	4.250	39,089.50	39,089.50	78,179.00
2010	105,000.00	4.300	36,964.50	36,964.50	73,929.00
2011	109,000.00	4.350	34,707.00	34,707.00	69,414.00
2012	115,000.00	4.350	32,336.25	32,336.25	64,672.50
2013	121,000.00	4.400	29,835.00	29,835.00	59,670.00
2014	125,000.00	4.500	27,173.00	27,173.00	54,346.00
2015	133,000.00	4.550	24,360.50	24,360.50	48,721.00
2016	139,000.00	4.600	21,334.75	21,334.75	42,669.50
2017	140,000.00	4.650	18,137.75	18,137.75	36,275.50
2018	146,000.00	4.700	14,882.75	14,882.75	29,765.50
2019	152,000.00	4.750	11,451.75	11,451.75	22,903.50
2020	158,000.00	4.800	7,841.75	7,841.75	15,683.50
2021	<u>167,000.00</u>	4.850	<u>4,049.75</u>	<u>4,049.75</u>	<u>8,099.50</u>
Total	\$ 1,900,000.00		\$ 386,420.75	\$ 386,420.75	\$ 772,841.50
	=====		=====	=====	=====

The effective interest rate of the debenture is 4.748%.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

(c) The Town of Minto's share of \$ 2,125,000 is payable in two separate issues:

(i) \$1,200,000 - 10 year issue

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>SEMI-ANNUAL INTEREST</u>		<u>Total Annual Payment</u>
			<u>Jan. 2</u>	<u>July 2</u>	
2009	\$ 100,000.00	3.850	\$ 27,250.50	\$ 27,250.50	\$ 154,501.00
2010	103,000.00	4.000	25,325.50	25,325.50	153,651.00
2011	106,000.00	4.250	23,265.50	23,265.50	152,531.00
2012	112,000.00	4.400	21,013.00	21,013.00	154,026.00
2013	116,000.00	4.500	18,549.00	18,549.00	153,098.00
2014	121,000.00	4.600	15,939.00	15,939.00	152,878.00
2015	128,000.00	4.700	13,156.00	13,156.00	154,312.00
2016	133,000.00	4.800	10,148.00	10,148.00	153,296.00
2017	138,000.00	4.900	6,956.00	6,956.00	151,912.00
2018	<u>143,000.00</u>	5.000	<u>3,575.00</u>	<u>3,575.00</u>	<u>150,150.00</u>
Total	\$ 1,200,000.00		\$ 165,177.50	\$ 165,177.50	\$ 1,530,355.00
	=====		=====	=====	=====

The effective interest rate of the debenture is 4.83%.

(ii) \$ 925,000 - 10 year issue with 20 year amortization

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>SEMI-ANNUAL INTEREST</u>		<u>Total Annual Payment</u>
			<u>Jan. 2</u>	<u>July 2</u>	
2009	\$ 33,000.00	3.850	\$ 22,259.25	\$ 22,259.25	\$ 77,518.50
2010	33,000.00	4.000	21,624.00	21,624.00	76,248.00
2011	34,000.00	4.250	20,964.00	20,964.00	75,928.00
2012	35,000.00	4.400	20,241.50	20,241.50	75,483.00

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2013	36,000.00	4.500	19,471.50	19,471.50	74,943.00
2014	36,000.00	4.600	18,661.50	18,661.50	73,323.00
2015	38,000.00	4.700	17,833.50	17,833.50	73,667.00
2016	39,000.00	4.800	16,940.50	16,940.50	72,881.00
2017	41,000.00	4.900	16,004.50	16,004.50	73,009.00
2018	<u>600,000.00*</u>	5.000	<u>15,000.00</u>	<u>15,000.00</u>	<u>630,000.00</u>
Total	\$ 925,000.00		\$ 189,000.25	\$ 189,000.25	\$1,303,000.50
	=====		=====	=====	=====

The effective interest rate of the debenture is 5.035%.

(d) The Town of Minto's share of \$ 615,000 is payable over ten years as shown below:

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>SEMI-ANNUAL INTEREST</u>		<u>Total Annual Payment</u>
			<u>June 3</u>	<u>Dec. 3</u>	
2010			\$ -	\$ 11,719.75	\$ 11,719.75
2011	\$ 53,000.00	1.600	11,719.75	11,295.75	76,015.50
2012	54,000.00	2.550	11,295.75	10,607.25	75,903.00
2013	55,000.00	3.150	10,607.25	9,741.00	75,348.25
2014	57,000.00	3.550	9,741.00	8,729.25	75,470.25
2015	59,000.00	3.800	8,729.25	7,608.25	75,337.50
2016	62,000.00	4.100	7,608.25	6,337.25	75,945.50
2017	64,000.00	4.350	6,337.25	4,945.25	75,282.50
2018	68,000.00	4.500	4,945.25	3,415.25	76,360.50
2019	70,000.00	4.700	3,415.25	1,770.25	75,185.50
2020	<u>73,000.00</u>	4.850	<u>1,770.25</u>	<u>-</u>	<u>74,770.25</u>
Total	\$ 615,000.00		\$ 76,169.25	\$ 76,169.25	\$767,338.50
	=====		=====	=====	=====

The effective interest rate of the debenture is 4.737%.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

(e) The Town of Minto's share of \$ 1,840,000 is payable over ten years as shown below:

<u>Year</u>	<u>Principal</u>	Interest	SEMI-ANNUAL INTEREST		Total Annual
		<u>Rate</u>	<u>May 4</u>	<u>Nov. 5</u>	<u>Payment</u>
2016	\$ 172,000.00	1.050	\$ 18,331.50	\$ 18,331.50	\$ 208,663.00
2017	173,000.00	1.150	17,428.50	17,428.50	207,857.00
2018	175,000.00	1.400	16,433.75	16,433.75	207,867.50
2019	177,000.00	1.600	15,208.75	15,208.75	207,417.50
2020	180,000.00	1.850	13,792.75	13,792.75	207,585.50
2021	184,000.00	2.100	12,127.75	12,127.75	208,255.50
2022	188,000.00	2.350	10,195.75	10,195.75	208,391.50
2023	192,000.00	2.550	7,986.75	7,986.75	207,973.50
2024	196,000.00	2.700	5,538.75	5,538.75	207,077.50
2025	<u>203,000.00</u>	2.850	<u>2,892.75</u>	<u>2,892.75</u>	<u>208,785.50</u>
Total	\$ <u>1,840,000.00</u> =====		\$ <u>119,937.00</u> =====	\$ <u>119,937.00</u> =====	\$ <u>2,079,874.00</u> =====

The effective interest rate of the debenture is 2.313%.

(f) The Town of Minto's share of \$ 1,120,000 is payable over ten years as shown below:

<u>Year</u>	<u>Principal</u>	Interest	SEMI-ANNUAL INTEREST		Total Annual
		<u>Rate</u>	<u>May 30</u>	<u>Nov.30</u>	<u>Payment</u>
2017	\$ 105,000.00	1.150	\$ 9,965.25	\$ 9,965.25	\$ 124,930.50
2018	106,000.00	1.300	9,361.50	9,361.50	124,723.00
2019	108,000.00	1.350	8,672.50	8,672.50	125,345.00
2020	109,000.00	1.450	7,943.50	7,943.50	124,887.00
2021	110,000.00	1.650	7,153.25	7,153.25	124,306.50
2022	112,000.00	2.350	6,245.75	6,245.75	124,491.50
2023	114,000.00	2.550	5,237.75	5,237.75	124,475.50

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2024	116,000.00	2.700	4,097.75	4,097.75	124,195.50
2025	119,000.00	2.300	2,850.75	2,850.75	124,701.50
2025	<u>121,000.00</u>	2.450	1,482.25	<u>1,482.25</u>	<u>123,964.50</u>
Total	\$ 1,120,000.00		\$ 63,010.25	63,010.25	\$ 1,246,020.50
	=====		=====	=====	=====

The effective interest rate of the debenture is 2.116%

11. CANADA MORTGAGE AND HOUSING CORPORATION (CMHC)

The Town has borrowed \$2,344,688 from the Canada Mortgage and Housing Corporation at a rate of 3.99% over fifteen years. The repayment schedule is shown below:

<u>Year</u>	<u>Principal</u> <u>Nov. 1</u>	<u>ANNUAL INTEREST</u> <u>Nov. 1</u>	<u>Total Annual</u> <u>Payment</u>
2010	\$ 117,183.34	\$ 93,553.05	\$ 210,736.39
2011	121,858.95	88,877.44	210,736.39
2012	126,721.13	84,015.26	210,736.39
2013	131,777.30	78,959.09	210,736.39
2014	137,035.21	73,701.18	210,736.39
2015	142,502.92	68,233.47	210,736.39
2016	148,188.78	62,547.61	210,736.39
2017	154,101.52	56,634.87	210,736.39
2018	160,250.17	50,486.22	210,736.39
2019	166,644.15	44,092.24	210,736.39
2020	173,293.25	37,443.14	210,736.39
2021	180,207.65	30,528.75	210,736.39
2022	187,397.94	23,338.44	210,736.39
2023	194,875.11	15,861.28	210,736.39

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2024	<u>202,650.58</u>	<u>8,085.76</u>	<u>210,736.34</u>
	\$ 2,344,688.00	\$ 816,357.80	\$ 3,161,045.80
	=====	=====	=====

12. ONTARIO STRATEGIC INFRASTRUCTURE FINANCING AUTHORITY (OSIFA)

The Town of Minto has received authority to borrow \$ 1,750,000 to assist with financing of certain infrastructure. An interim advance of \$ 900,000 was received in January, 2004. \$497,675.70 of this amount was converted to a long-term debenture on October 1, 2004 and was paid off in 2014.

A further \$ 1,232,883 was converted to a long-term debenture bearing interest at a rate of 2.36% on March 15, 2006.

(b)Payment <u>Date</u>	<u>Total Payment</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Principal Balance</u>
09/15/06	\$ 76,311.74	\$61,644.15	\$14,667.59	\$1,171,238.85
03/15/07	75,351.17	61,644.15	13,707.02	1,109,594.70
09/17/07	74,988.47	61,644.15	13,344.32	1,047,950.55
03/17/08	73,976.09	61,644.15	12,331.94	986,306.40
09/15/08	73,250.68	61,644.15	11,606.53	924,662.25
03/16/09	72,525.27	61,644.15	10,881.12	863,018.10
09/15/09	71,855.66	61,644.15	10,211.51	801,373.95
03/15/10	71,022.64	61,644.15	9,378.49	739,729.80
09/15/10	70,444.71	61,644.15	8,800.56	678,085.65
03/15/11	69,579.80	61,644.15	7,935.65	616,441.50
09/15/11	68,977.95	61,644.15	7,333.80	554,797.35
03/15/12	68,172.82	61,644.15	6,528.67	493,153.20
09/17/12	67,574.96	61,644.15	5,930.81	431,509.05
03/15/13	66,638.31	61,644.15	4,994.16	369,864.90
09/16/13	66,068.34	61,644.15	4,424.19	308,220.75
03/17/14	65,271.19	61,644.15	3,627.04	246,576.60
09/15/14	64,545.78	61,644.15	2,901.63	184,932.45
03/16/15	63,820.37	61,644.15	2,176.22	123,288.30
09/15/15	63,102.94	61,644.15	1,458.79	61,644.15
03/15/16	<u>62,369.56</u>	<u>61,644.15</u>	<u>725.41</u>	0.00
Total	\$ 1,385,848.45	\$ 1,232,883.00	\$152,965.45	
	=====	=====	=====	

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

13. ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC)

The Town of Minto has received authority to borrow \$ 500,000 to assist with financing of a real estate purchase. The Town has borrowed \$ 500,000 at a rate of 3.89% over twenty years. The repayment schedule is shown below:

<u>Payment Date</u>	<u>Total Payment</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Principal Balance</u>
06/16/14	\$22,198.36	\$12,500.00	\$9,698.36	\$487,500.00
12/16/14	22,007.85	12,500.00	9,507.85	475,000.00
06/16/15	21,713.44	12,500.00	9,213.44	462,500.00
12/16/15	21,520.27	12,500.00	9,020.27	450,000.00
06/16/16	21,276.48	12,500.00	8,776.48	437,500.00
12/16/16	21,032.69	12,500.00	8,532.69	425,000.00
06/16/17	20,743.60	12,500.00	8,243.60	412,500.00
12/18/17	20,633.03	12,500.00	8,133.03	400,000.00
06/18/18	20,258.68	12,500.00	7,758.68	387,500.00
12/17/18	20,016.23	12,500.00	7,516.23	375,000.00
06/17/19	19,773.77	12,500.00	7,273.77	362,500.00
12/16/19	19,531.31	12,500.00	7,031.31	350,000.00
06/16/20	19,326.15	12,500.00	6,826.15	337,500.00
12/16/20	19,082.36	12,500.00	6,582.36	325,000.00
06/16/21	18,803.93	12,500.00	6,303.93	312,500.00
12/16/21	18,594.78	12,500.00	6,094.78	300,000.00
06/16/22	18,319.01	12,500.00	5,819.01	287,500.00
12/16/22	18,107.20	12,500.00	5,607.20	275,000.00
06/16/23	17,834.10	12,500.00	5,334.10	262,500.00
12/18/23	17,675.57	12,500.00	5,175.57	250,000.00
06/17/24	17,349.18	12,500.00	4,849.18	237,500.00
12/16/24	17,106.72	12,500.00	4,606.72	225,000.00
06/16/25	16,864.26	12,500.00	4,364.26	212,500.00
12/16/25	16,644.45	12,500.00	4,144.45	200,000.00
06/16/26	16,379.34	12,500.00	3,879.34	187,500.00
12/16/26	16,156.87	12,500.00	3,656.87	175,000.00
06/16/27	15,894.42	12,500.00	3,394.42	162,500.00
12/16/27	15,669.28	12,500.00	3,169.28	150,000.00
06/16/28	15,425.49	12,500.00	2,925.49	137,500.00
12/16/28	15,211.01	12,500.00	2,711.01	125,000.00
06/18/29	14,924.59	12,500.00	2,424.59	112,500.00
12/16/29	14,682.13	12,500.00	2,182.13	100,000.00
06/17/30	14,439.67	12,500.00	1,939.67	87,500.00
12/16/30	14,197.21	12,500.00	1,697.21	75,000.00
06/16/31	13,954.75	12,500.00	1,454.75	62,500.00
12/16/31	13,718.96	12,500.00	1,218.96	50,000.00

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

06/16/32	13,475.16	12,500.00	975.16	37,500.00
12/16/32	13,231.37	12,500.00	731.37	25,000.00
06/16/33	12,984.92	12,500.00	484.92	12,500.00
12/16/33	<u>12,743.79</u>	<u>12,500.00</u>	<u>243.79</u>	0.00
Total	<u>\$ 699,502.38</u>	<u>\$ 500,000.00</u>	<u>\$199,502.38</u>	

14. ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC)- CONSTRUCTION FINANCING

The Town has borrowed \$925,000 at a rate of 2.26% over ten years to assist with the installation of water meters.

The repayment schedule is below:

<u>Payment Date</u>	<u>Total Payment</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Principal Balance</u>
02/04/16	\$ 56,788.41	\$ 46,250.00	\$ 10,538.41	\$ 878,750.00
08/04/16	56,152.67	46,250.00	9,902.67	832,500.00
02/04/17	55,734.57	46,250.00	9,484.57	786,250.00
08/04/17	55,061.60	46,250.00	8,811.60	740,000.00
02/04/18	54,680.73	46,250.00	8,430.73	693,750.00
08/04/18	54,024.94	46,250.00	7,774.94	647,500.00
02/04/19	53,626.89	46,250.00	7,376.89	601,250.00
08/04/19	52,988.28	46,250.00	6,738.28	555,000.00
02/04/20	52,573.05	46,250.00	6,323.05	508,750.00
08/04/20	51,983.12	46,250.00	5,833.12	462,500.00
02/04/21	51,519.21	46,250.00	5,269.21	416,250.00
08/04/21	50,914.97	46,250.00	4,664.97	370,000.00
02/04/22	50,465.36	46,250.00	4,215.36	323,750.00
08/04/22	49,878.31	46,250.00	3,628.31	277,500.00
02/04/23	49,411.52	46,250.00	3,161.52	231,250.00
08/04/23	48,841.65	46,250.00	2,591.65	185,000.00
02/04/24	48,357.68	46,250.00	2,107.68	138,750.00
08/04/24	47,813.58	46,250.00	1,563.58	92,500.00
02/04/25	47,303.84	46,250.00	1,053.84	46,250.00
08/04/25	<u>46,768.33</u>	<u>46,250.00</u>	<u>518.33</u>	0.00
Total	<u>\$1,034,888.71</u>	<u>\$925,000.00</u>	<u>\$109,988.71</u>	

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

15. ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC)- CONSTRUCTION FINANCING - NWHC

The Town of Minto had received authority to borrow \$ 1,500,000 to assist North Wellington Health Care Corporation (NWHC) with the financing of the Minto Rural Health Center in 2015. Construction financing advances were made in 2016, totalling \$1,500,000. NWHC is responsible to re-imburse the Town of Minto for both principal and interest payments on this loan.

The Town has borrowed \$ 1,500,000 at a rate of 2.88% over thirty years to assist with construction of a medical centre.

The repayment schedule is shown below:

<u>Payment Date</u>	<u>Total Payment</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Principal Balance</u>
02/02/17	\$ 46,777.53	\$ 25,000.00	\$ 21,777.53	\$1,475,000.00
08/02/17	46,065.42	25,000.00	21,065.42	1,450,000.00
02/02/18	46,051.62	25,000.00	21,051.62	1,425,000.00
08/02/18	45,351.34	25,000.00	20,351.34	1,400,000.00
02/02/19	45,325.70	25,000.00	20,325.70	1,375,000.00
08/02/19	44,637.26	25,000.00	19,637.26	1,350,000.00
02/02/20	44,599.78	25,000.00	19,599.78	1,325,000.00
08/02/20	44,027.73	25,000.00	19,027.73	1,300,000.00
02/02/21	43,873.86	25,000.00	18,873.86	1,275,000.00
08/02/21	43,209.10	25,000.00	18,209.10	1,250,000.00
02/02/22	43,147.95	25,000.00	18,147.95	1,225,000.00
08/02/22	42,495.01	25,000.00	17,495.01	1,200,000.00
02/02/23	42,422.03	25,000.00	17,422.03	1,175,000.00
08/02/23	41,780.93	25,000.00	16,780.93	1,150,000.00
02/02/24	41,696.11	25,000.00	16,696.11	1,125,000.00
08/02/24	41,155.62	25,000.00	16,155.62	1,100,000.00
02/02/25	40,970.19	25,000.00	15,970.19	1,075,000.00
08/02/25	40,352.77	25,000.00	15,352.77	1,050,000.00
02/02/26	40,244.27	25,000.00	15,244.27	1,025,000.00
08/02/26	39,638.68	25,000.00	14,638.68	1,000,000.00
02/02/27	39,518.36	25,000.00	14,518.36	975,000.00
08/02/27	38,924.60	25,000.00	13,924.60	950,000.00
02/02/28	38,792.44	25,000.00	13,792.44	925,000.00
08/02/28	38,283.51	25,000.00	13,283.51	900,000.00
02/02/29	38,066.52	25,000.00	13,066.52	875,000.00
08/02/29	37,496.44	25,000.00	12,496.44	850,000.00
02/02/30	37,340.60	25,000.00	12,340.60	825,000.00

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

08/02/30	36,782.36	25,000.00	11,782.36	800,000.00
02/02/31	36,614.68	25,000.00	11,614.68	775,000.00
08/24/31	36,068.27	25,000.00	11,068.27	750,000.00
02/02/32	35,888.77	25,000.00	10,888.77	725,000.00
08/02/32	35,411.40	25,000.00	10,411.40	700,000.00
02/02/33	35,162.85	25,000.00	10,162.85	675,000.00
08/02/33	34,640.11	25,000.00	9,640.11	650,000.00
02/02/34	34,436.93	25,000.00	9,436.93	625,000.00
08/02/34	33,926.03	25,000.00	8,926.03	600,000.00
02/02/35	33,711.01	25,000.00	8,711.01	575,000.00
08/02/35	33,211.95	25,000.00	8,211.95	550,000.00
02/02/36	32,985.10	25,000.00	7,985.10	525,000.00
08/02/36	32,539.29	25,000.00	7,539.29	500,000.00
02/02/37	32,259.18	25,000.00	7,259.18	475,000.00
08/02/37	31,783.78	25,000.00	6,783.78	450,000.00
02/02/38	31,533.26	25,000.00	6,533.26	425,000.00
08/02/38	31,069.70	25,000.00	6,069.70	400,000.00
02/02/39	30,807.34	25,000.00	5,807.34	375,000.00
08/24/39	30,355.62	25,000.00	5,355.62	350,000.00
02/02/40	30,081.42	25,000.00	5,081.42	325,000.00
08/02/40	29,667.18	25,000.00	4,667.18	300,000.00
02/02/41	29,355.51	25,000.00	4,355.51	275,000.00
08/02/41	28,927.45	25,000.00	3,927.45	250,000.00
02/02/42	28,629.59	25,000.00	3,629.59	225,000.00
08/02/42	28,213.37	25,000.00	3,213.37	200,000.00
02/02/43	27,903.67	25,000.00	2,903.67	175,000.00
08/02/43	27,499.29	25,000.00	2,499.29	150,000.00
02/02/44	27,177.75	25,000.00	2,177.75	125,000.00
08/02/44	26,795.07	25,000.00	1,795.07	100,000.00
02/02/45	26,451.84	25,000.00	1,451.84	75,000.00
08/02/45	26,071.12	25,000.00	1,071.12	50,000.00
02/02/46	25,725.92	25,000.00	725.92	25,000.00
08/02/46	<u>25,357.04</u>	<u>25,000.00</u>	<u>357.04</u>	<u>0.00</u>
Total	\$2,159,289.22 =====	\$1,500,000.00 =====	\$659,289.22 =====	

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

16. ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC)- CONSTRUCTION FINANCING- WATER AND WASTEWATER

The Town of Minto has received authority to borrow \$ 660,000 in 2015 to finance certain water and wastewater projects. Due to a late start of construction, no advances were made through this financing in 2015. Construction was completed in 2016 and the related construction advances amounting to \$ 660,000 were made during the year. Conversion to a fixed term debenture took place in May 2017.

17. REALTERM ENERGY CORP - LED STREET LIGHTING FINANCING

The Town of Minto, through Local Authority Services has completed a project which replaced most traditional street lights with efficient LED units. This will result in considerable savings of the cost of electricity. To finance this project, the Town utilized a leasing arrangement with RealTerm Energy Corp. whereby the Town did not incur any upfront costs on for the capital costs of the installation. Savings realized from the reduced electricity costs will be used to pay the amount borrowed for these costs. RealTerm Energy Corp. is also responsible for the maintenance of these lights over the ten years, estimated to be \$133,473.60. The interest costs of the financing will be partially offset by the Town's 13.2% share of energy savings. This amount is estimated to be approximately \$78,000 over the term of the agreement. The estimated savings in maintenance costs over ten years is estimated at \$47,000. The principal amount of \$461,793.83 will be repaid as follows:

<u>Payment Date</u>	<u>Total Payment</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Principal Balance</u>
2015	5,588.54	1,740.26	3,848.28	460,053.57
2016	67,652.35	22,646.84	45,005.51	437,406.73
2017	69,438.20	26,887.72	42,550.48	410,519.01
2018	71,272.78	31,623.70	39,649.08	378,895.31
2019	73,157.52	36,908.08	36,249.44	341,987.23
2020	75,094.10	42,800.10	32,294.00	299,187.13
2021	77,083.10	49,363.95	27,719.15	249,823.18
2022	79,126.21	56,671.77	22,454.44	193,151.41
2023	81,225.43	64,803.54	16,421.89	128,347.87
2024	83,382.45	73,847.33	9,535.12	54,500.54
2025	<u>56,564.10</u>	<u>54,500.54</u>	<u>2,063.56</u>	0.00
Total	<u>\$739,584.78</u>	<u>\$461,793.83</u>	<u>\$277,790.95</u>	

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

18. LONG-TERM DEBT SUMMARY

	<u>2016</u>	<u>2015</u>
Wellington County #4 (Note 10)	\$ 763,000	\$ 902,000
Wellington County #5 (Note 10)	922,000	1,094,000
Wellington County #6 (Note 10)	275,000	337,000
Wellington County #7 (Note 10)	1,668,000	1,840,000
Wellington County #8	1,120,000	-
OSIFA (Note 12)	-	61,644
CMHC (Note 11)	1,419,421	1,567,609
Infrastructure Ontario #1(Note 13)	425,000	450,000
Infrastructure Ontario #2(Note 14)	832,500	925,000
Infrastructure Ontario #3(Note 15)	1,500,000	-
Infrastructure Ontario #4(Note 16)	660,000	-
Tile Drainage Loans	117,778	152,313
RealTerm Energy	<u>437,407</u>	<u>460,054</u>
	<u>\$10,140,106</u>	<u>\$ 7,789,620</u>
	=====	=====

19. FINANCIAL INSTRUMENTS

The municipality's financial instruments consist of cash, taxes receivable, accounts receivable, other current assets, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the municipality is not exposed to any significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

20. ACCUMULATED SURPLUS

	<u>2016</u>	<u>2015</u>
SURPLUS		
Invested in Tangible Capital Assets	<u>\$ 73,290,072</u>	<u>\$ 71,236,042</u>
RESERVE FUNDS		
Insurance	70,258	70,024
WSIB	62,879	107,518
Administration	237,296	291,604
Fire	7,619	176,028
Roadways	592,740	411,362
Wastewater	3,475,661	3,896,125
Waterworks	1,841,230	1,887,945
Cemeteries	13,467	13,422
Recreation	377,975	442,499
Economic Development Planning and Zoning	22,251	12,000
	<u>137,687</u>	<u>97,361</u>
	<u>6,839,063</u>	<u>7,405,888</u>
RESERVES		
Working Capital	1,080,000	1,060,000
General Government	6,000	3,000
Public Works	24,129	24,129
Protection Services	-	49,348
Recreation Facilities	17,495	16,901
Parks	5,000	16,420
Economic Development	16,086	6,512
Planning and Zoning	88,000	74,000
	<u>1,236,710</u>	<u>1,250,310</u>
LONG TERM DEBT		
Amount to be recovered	<u>(10,140,106)</u>	<u>(7,789,620)</u>
OTHER ASSETS AND LIABILITIES	<u>2,035,479</u>	<u>176,122</u>
ACCUMULATED SURPLUS, at end of year	<u>\$73,261,218</u>	<u>\$72,278,742</u>

21. POST EMPLOYMENT BENEFITS

The Town provided for post employment benefits to retired employees from their dates of retirement until they reach the age of 65 at which time benefits will cease.

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

22 TAXATION

Under PS3510, taxes receivable and tax revenue are recognised when they meet the definition of an asset, the tax is authorized and the taxable event has occurred.

	<u>2016</u>	<u>2015</u>
Property Tax Levy	\$ 4,817,505	\$ 4,695,508
Supplementary & Omitted Taxes	82,203	101,562
Payment in Lieu of Taxes	<u>53,701</u>	<u>50,765</u>
	<u>4,953,409</u>	<u>4,847,835</u>
Less:		
Property Taxes Written off as Uncollectible	(34,670)	(18,163)
Provision for Assessment at Risk	<u>(85,944)</u>	<u>(27,560)</u>
	<u>(120,614)</u>	<u>(45,723)</u>
Tax Revenue Recognized	<u>\$ 4,832,795</u>	<u>\$ 4,802,112</u>

23. COMPARATIVE FIGURES

Certain comparative figures on the consolidated statement of operations and accumulated depreciation have been restated to agree with the current presentation.

THE CORPORATION OF THE TOWN OF MINTO
SCHEDULE OF SUPPLEMENTARY SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	<u>General Government</u>	<u>Protection Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>
REVENUES				
Sales of Services	\$ 116,010	\$ 210,045	\$ 211,109	\$ 3,215,840
Other				
Municipalities	-	100,635	-	
Grants- operating	5,000	27,046	10,000	12,000
Other	-	-	456,753	-
	<u>\$ 121,010</u>	<u>\$ 337,726</u>	<u>\$ 677,862</u>	<u>\$ 3,227,840</u>
EXPENSES				
Salaries and benefits	130,520	673,658	766,737	799,432
Materials	86,572	528,350	2,312,270	1,094,424
Contracted services	-	53,852	111,875	58,004
Rents and financial expenses	-	-	-	1,487
Interest on long term debt	3,863	-	80,612	144,527
Amortization	30,264	288,166	1,298,121	1,238,552
External transfers	47,053	129,846	-	-
Other	-	-	-	-
	<u>\$ 298,272</u>	<u>\$ 1,673,872</u>	<u>\$ 4,569,615</u>	<u>\$ 3,336,426</u>

THE CORPORATION OF THE TOWN OF MINTO
SCHEDULE OF SUPPLEMENTARY SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

<u>Health Services</u>	<u>Recreation Services</u>	<u>Planning & Development</u>	<u>Total 2015</u>	<u>Total 2014</u>
\$ 50,270	\$ 986,986	\$ 139,969	4,930,229	4,927,185
-	200	15,000	115,835	99,213
-	9,729	5,979	69,754	141,766
-	-	-	456,753	499,394
<u>\$ 50,270</u>	<u>\$ 996,915</u>	<u>\$ 160,948</u>	<u>\$ 5,572,571</u>	<u>\$ 5,667,558</u>
15,987	931,574	183,468	3,501,376	3,372,790
63,769	1,191,304	331,385	5,608,074	5,444,854
5,543	5,000	-	234,274	205,250
35,800	23,784	-	61,071	60,851
-	24,983	42,102	296,087	247,298
7,942	364,855	76,014	3,303,914	2,674,825
10,425	-	-	187,324	179,687
-	-	-	-	-
<u>\$ 139,466</u>	<u>\$ 2,541,500</u>	<u>\$ 632,969</u>	<u>\$ 13,192,120</u>	<u>\$ 12,185,555</u>

The Above Statement Should Be Read In
Conjunction With The Attached Notes

THE CORPORATION OF THE TOWN OF MINTO
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	<u>Land & Land Improvements</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>
COST				
Balance, beginning of year	\$ 5,778,470	\$ 21,737,255	\$ 5,701,092	\$ 3,655,964
Additions/adjustments during the year	192,921	237,407	709,936	248,265
Disposals during the year	<u>198,000</u>	<u>-</u>	<u>264,962</u>	<u>-</u>
Balance, end of year	<u>5,773,391</u>	<u>21,974,662</u>	<u>6,146,066</u>	<u>3,904,229</u>
 ACCUMULATED AMORTIZATION				
Balance, beginning of year	612,904	9,149,180	3,347,054	2,344,875
Amortization	126,262	480,847	384,034	294,565
Accumulated amortization on disposals	<u>-</u>	<u>-</u>	<u>230,819</u>	<u>-</u>
Balance, end of year	<u>739,166</u>	<u>9,630,027</u>	<u>3,500,269</u>	<u>2,639,440</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS *	<u>\$ 5,034,225</u>	<u>\$ 12,344,635</u>	<u>\$ 2,645,797</u>	<u>\$ 1,264,789</u>

The Above Statement Should Be Read In
Conjunction With The Attached Notes

THE CORPORATION OF THE TOWN OF MINTO
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	<u>Infrastructure:</u> <u>Transportation</u>	<u>Infrastructure:</u> <u>Enviromental-</u> <u>Water</u>	<u>Infrastructure:</u> <u>Enviromental-</u> <u>Wastewater</u>	<u>Total 2016</u>
COST				
Balance, beginning of year	\$ 50,569,507	\$ 19,258,038	\$ 21,038,239	\$127,738,564
Additions/adjustments during the year	939,116	917,968	1,069,077	4,314,690
Disposals during the year	-	-	-	<u>462,962</u>
Balance, end of year	<u>51,508,623</u>	<u>20,176,006</u>	<u>22,107,316</u>	<u>131,590,292</u>
ACCUMULATED AMORTIZATION				
Balance, beginning of year	28,786,535	5,278,824	7,607,826	57,127,198
Amortization	1,119,776	308,137	590,293	3,303,914
Accumulated amortization on disposals	-	-	-	<u>230,819</u>
Balance, end of year	<u>29,906,311</u>	<u>5,586,961</u>	<u>8,198,119</u>	<u>60,200,293</u>
Other				
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS *	<u>\$ 21,602,312</u>	<u>\$ 14,589,045</u>	<u>\$ 13,909,197</u>	<u>\$ 71,389,999</u>

* Excludes construction in progress of \$ 1,900,073.

The Above Statement Should Be Read In
Conjunction With The Attached Notes

P.O. Box 340
Harriston ON
N0G 1Z0
Phone (519) 338-3737
Fax (519) 338-3434

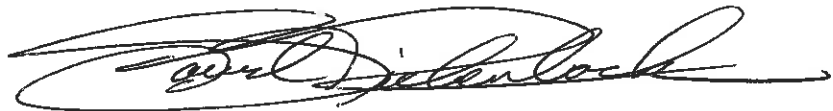
INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Minto.

I have audited the statement of financial position of the trust funds of the Corporation of the Town of Minto as at December 31, 2016 and the statement of continuity of trust funds for the year then ended. These financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of the Town as at December 31, 2016 and the continuity of trust funds for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.



Harriston, Ontario,
June 7, 2017.
Licence No. 1183.

CHARTERED PROFESSIONAL ACCOUNTANT
Licensed Public Accountant

THE CORPORATION OF THE TOWN OF MINTO
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2016
 (with comparative figures for 2015)

2016

	<u>Perpetual Care Fund</u>	<u>Total</u>
Balance, at beginning of year	\$ 481,830	\$ 481,830
Capital receipts	<u>12,320</u>	<u>12,320</u>
Balance, at end of year	<u>\$ 494,150</u>	<u>\$ 494,150</u>

2015

Balance, at beginning of year	\$ <u>473,190</u>	\$ <u>473,190</u>
Capital receipts	<u>8,640</u>	<u>8,640</u>
Balance, at end of year	<u>\$ 481,830</u>	<u>\$ 481,830</u>

THE CORPORATION OF THE TOWN OF MINTO
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	<u>2016</u>	
	<u>Perpetual Care Fund</u>	<u>Total</u>
ASSETS		
Cash (Note 3)	\$ 14,245	\$ 14,245
Investments (Note 2)	<u>479,905</u>	<u>479,905</u>
	<u>\$ 494,150</u>	<u>\$ 494,150</u>
LIABILITIES		
Balance - capital	<u>494,150</u>	<u>494,150</u>
	<u>\$ 494,150</u>	<u>\$ 494,150</u>
<u>2015</u>		
ASSETS		
Cash	\$ 17,196	\$ 17,196
Investments (Note 2)	<u>464,634</u>	<u>464,634</u>
	<u>-</u>	<u>\$ 481,830</u>
LIABILITIES		
Balance - capital	<u>481,830</u>	<u>481,830</u>
	<u>\$ 481,830</u>	<u>\$ 481,830</u>

The Above Statement Should Be Read In
Conjunction With The Attached Notes

**THE CORPORATION OF THE TOWN OF MINTO
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. ACCOUNTING POLICIES

Basis of Accounting

Capital receipts are reported on the accrual basis of accounting.

Expenditures are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

2. INVESTMENTS

The total investments of \$ 479,905 (2015 - \$ 464,634) recorded on the "Statement of Financial Position" at cost, has a market value of \$ 479,905 (2015 - \$464,634) as at the end of the year.

3. CASH

Cash is comprised of cash on deposit at a chartered bank.

**THE CORPORATION OF THE TOWN OF MINTO
 CEMETERY DEPARTMENT
 SCHEDULE OF PERPETUAL CARE FUND ASSETS
 AS AT DECEMBER 31, 2016**

<u>Description</u>	<u>Rate of Interest</u>	<u>Date of Maturity</u>	<u>Cost</u>
Home Trust	2.25%	March 20, 2017	\$ 50,000
Laurentian Bank	2.60%	September 11, 2017	45,000
McCan Mortgage Corporation	2.45%	January 25, 2018	30,000
B2B Bank	1.85%	March 18,2018	45,000
Laurentian Bank	1.81%	March 23, 2019	50,000
Community Trust	2.17%	September 23, 2019	50,000
B2B Bank	1.97%	March 23, 2020	40,000
Home Trust	2.21%	September 10, 2020	30,000
McCan Mortgage Corporation	2.25%	March 23, 2021	<u>25,000</u>
			365,000
One Fund Bond Fund			114,905
Cash			<u>14,245</u>
			 \$ 494,150 =====