

THE CORPORATION OF THE TOWN OF MINTO

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

THE CORPORATION OF THE TOWN OF MINTO

December 31, 2017

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	6-26
Schedules	
Schedule of Supplementary Segmented Disclosure	27 - 28
Schedule of Tangible Capital Assets	29 - 30
Trust Funds	
Independent Auditor's Report	31
Trust Funds - Statement of Continuity	32
- Statement of Financial Position	33
- Notes to the Financial Statements	34
- Schedule of Perpetual Care Fund Assets	35

INDEPENDENT AUDITOR'S REPORT

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

We 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, 2017 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the town'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 We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Minto as at December 31, 2017 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.

Other Matter

The financial statements of the Corporation of The Town of Minto for the year-ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on June 7, 2017.

Listowel, Ontario,

July 24, 2018

Ward & Uptigrove

Ward & Uptigrove
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF MINTO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017
(with comparative figures for 2016)

Page 2

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash (Note 1(b)(vii) and 1(d))	\$ 5,121,934	\$ 3,877,773
Receivables		
Canada	342,048	710,853
Provincial grants	323,974	142,959
Taxes receivable	1,116,434	1,029,995
Accounts receivable	885,243	1,293,640
Investments (Note 7)	4,553,639	4,498,833
Other financial assets		
- NWHC Long term receivable (Notes 5 & 14)	1,450,000	1,500,000
- Inventories for resale	25,895	17,275
TOTAL FINANCIAL ASSETS	<u>\$13,819,167</u>	<u>\$13,071,328</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued charges	\$ 2,710,544	\$ 2,149,569
Deferred revenue (Note 1(b)(iv))	1,065,675	795,421
Post employment benefits (Note 20)	60,000	80,000
Long term liabilities (Note 5 & 17)	9,089,444	10,140,106
TOTAL FINANCIAL LIABILITIES	<u>12,925,663</u>	<u>13,165,096</u>
NET FINANCIAL ASSETS	<u>893,504</u>	<u>(93,768)</u>
NON FINANCIAL ASSETS		
Tangible Capital Assets (Note 1(c)(i))	74,830,063	73,290,072
Inventories of Supplies	19,482	-
Prepaid expenses	78,283	64,914
TOTAL NON FINANCIAL ASSETS	<u>74,927,828</u>	<u>73,354,986</u>
ACCUMULATED SURPLUS (Note 19)	<u>\$75,821,332</u>	<u>\$73,261,218</u>

THE CORPORATION OF THE TOWN OF MINTO
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)

Page 3

	<u>Budget 2017</u> <u>(Note 9)</u>	<u>Actual 2017</u>	<u>Actual 2016</u>
REVENUES			
Taxation	\$4,712,575	\$4,873,616	\$4,832,795
User fees	3,711,596	5,889,108	5,386,982
Government transfers			
Province of Ontario	3,740,438	3,333,178	2,939,383
Government of Canada	463,000	-	122,491
Municipal	111,177	101,289	152,410
Investment income	33,000	175,367	122,196
Penalties and interest on taxes	160,000	140,905	144,137
Deferred revenue earned	211,000	299,000	259,000
Gain (loss) on disposal of tangible capital assets	55,000	319,369	(9,886)
Contributions from developers	-	-	30,000
Other charges	174,400	207,800	194,888
TOTAL REVENUES	<u>13,372,186</u>	<u>15,339,632</u>	<u>14,174,396</u>
EXPENSES			
General government	1,353,064	300,794	298,072
Protection to persons and property	1,305,171	1,961,357	1,673,872
Transportation services	4,230,429	4,073,950	4,569,615
Environmental services	3,103,482	3,257,613	3,336,426
Health services	162,312	262,458	139,466
Recreation and cultural services	2,339,221	2,652,180	2,541,500
Planning and development	878,507	651,166	632,969
TOTAL EXPENSES	<u>13,372,186</u>	<u>13,159,518</u>	<u>13,191,920</u>
ANNUAL SURPLUS	<u>-</u>	<u>2,180,114</u>	<u>982,476</u>
ACCUMULATED SURPLUS at beginning of year	\$ 73,261,218	\$ 73,261,218	\$72,278,742
PSAB Adjustment (Note 22)	-	380,000	-
Annual surplus	<u>-</u>	<u>2,180,114</u>	<u>982,476</u>
ACCUMULATED SURPLUS at end of year	<u>\$ 73,261,218</u>	<u>\$ 75,821,332</u>	<u>\$ 73,261,218</u>

THE CORPORATION OF THE TOWN OF MINTO
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)

Page 4

	<u>Budget 2017</u> <u>(Note 9)</u>	<u>Actual 2017</u>	<u>Actual 2016</u>
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 2,180,114	\$ 982,476
PSAB Adjustment (Note 22)	-	380,000	-
	<u>-</u>	<u>2,560,114</u>	<u>982,476</u>
(Acquisition) of tangible capital assets	(6,081,500)	(5,563,542)	(5,725,963)
Amortization of tangible capital assets	3,303,914	2,959,121	3,303,914
Capitalization of construction-in-progress	1,900,073	387,484	135,876
(Gain) loss on disposal of tangible capital assets.	-	(319,369)	9,886
Proceeds on disposal of tangible capital assets	-	930,613	222,257
	<u>(877,513)</u>	<u>(1,605,693)</u>	<u>(2,054,030)</u>
Use of (additions to) prepaid expense	0	32,851	27,622
(DECREASE) IN NET FINANCIAL ASSETS	(877,513)	987,272	(1,043,932)
NET FINANCIAL ASSETS at beginning of year	<u>(93,768)</u>	<u>(93,768)</u>	<u>950,164</u>
NET FINANCIAL ASSETS at end of year	<u>\$ (971,281)</u>	<u>\$ 893,504</u>	<u>\$ (93,768)</u>

**THE CORPORATION OF THE TOWN OF MINTO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)**

Page 5

	<u>Actual 2017</u>	<u>Actual 2016</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$2,180,114	\$982,476
PSAB Adjustment (Note 22)	380,000	-
	<u>2,560,114</u>	<u>982,476</u>
Amortization of tangible capital assets	2,959,121	3,303,914
(Gain) loss on disposal of tangible capital assets	(319,369)	9,886
	<u>2,639,752</u>	<u>3,313,800</u>
	5,199,866	4,296,276
Net changes in non-cash working capital items		
Taxes receivable	(86,439)	168,288
Accounts receivable	383,725	(584,896)
Canada grants receivable	368,805	(64,268)
Ontario grants receivable	(181,015)	258,430
Prepaid expenses	32,851	27,622
Other assets	50,000	(1,500,000)
Accounts payable and accrued liabilities	560,975	(1,046,369)
Deferred revenue	270,254	184,979
Inventories for resale	(8,620)	(3,543)
Other current liabilities	(20,000)	30,190
	<u>1,370,536</u>	<u>(2,529,567)</u>
	<u>6,570,402</u>	<u>1,766,709</u>
CASH (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(4,763,902)	(4,314,869)
Capitalization of construction-in-progress	(387,484)	(1,275,397)
	<u>(5,151,386)</u>	<u>(5,590,266)</u>
CASH (USED IN) INVESTING ACTIVITIES		
Investments	(54,806)	4,547
CASH (USED IN) FINANCING ACTIVITIES		
Proceeds on disposal of tangible capital assets	930,613	222,257
Long term debt (net)	(1,050,662)	2,350,485
	<u>(120,049)</u>	<u>2,572,742</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS for the year	1,244,161	(1,246,268)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,877,773</u>	<u>5,124,041</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$5,121,934</u></u>	<u><u>\$3,877,773</u></u>

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 6

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 in the year in which they are earned 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. Taxation revenue is recognized on the accrual basis using approved tax rates and the anticipated assessment related to the current year.

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 7

(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 \$1,065,675 (2016 - \$795,421). 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>2017</u>	<u>2016</u>
Development charges	\$ 772,405	\$ 492,507
Federal Gasoline tax	293,270	302,914
	<u>\$ 1,065,675</u>	<u>\$ 795,421</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, 2017**

Page 8

(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	Structure		
	Exterior	Roofing, Windows, Doors, Siding, Etc.	40
	Interior	Flooring, Permanent Furnishings, Etc.	40
	Site Elements	Playground Equipment, Fencing, Sheds, Etc.	40
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

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.

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 9

<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 mid 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, 2017**

Page 10

(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%.

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	\$2,313,427	\$5,605,240
Payments in lieu of taxes	-	40,325
	<u>2,313,427</u>	<u>5,645,565</u>
Requisitions	2,313,427	5,645,565
Overlevies (underlevies) for the year	<u>\$ -</u>	<u>\$ -</u>

3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

The Town was not a member of any joint boards during 2017.

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 Consolidated Statement of Operations and Accumulated Surplus. 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 2017 property taxes.

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 11

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	\$7,546,338
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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	1,450,000
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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	93,106
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LONG TERM LIABILITIES AT THE END OF THE YEAR	<u>\$9,089,444</u>
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- (b) Of the net long term liabilities, reported in (a) of this note, \$4,832,602 in principal payments are payable from 2018 to 2022 and \$2,773,342 from 2023 to 2027 and \$1,483,500 onward . All debt charges are recoverable from benefiting landowners 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 \$1,672,474 prescribed by the Ministry of Municipal Affairs.
- (d) The Town 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, 2017 is \$ 93,106 (2016 - \$ 117,778).
- (e) The Town 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, 2017 is \$1,450,000 (2016 - \$ 1,500,000).

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 12

6. TRUST FUNDS

Trust funds administered by the municipality amounting to \$505,570 (2016 - \$ 494,150) 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>2017</u>	<u>2016</u>
Common shares, Westario Power Holdings Inc.	\$1,696,046	\$1,696,046
Short-term securities	1,411,322	1,348,025
LAS One Fund Bond Fund	1,379,587	1,388,496
LAS One Fund Money Market	66,684	66,266
	<u>2,857,593</u>	<u>2,802,787</u>
	<u><u>\$4,553,639</u></u>	<u><u>\$4,498,833</u></u>

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, 2017 was \$ 2,803,106.

8. PENSION AGREEMENTS

The Town 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 2017 was \$ 499,720 (2016 -\$ 456,888) for current service.

Under the past service provisions of the OMERS agreement, the Town is obligated at December 31, 2017 for an amount of approximately NIL as established for the plan. No provision for past service liability has been made.

9. 2017 BUDGET

The 2017 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 2017 budget figures have not been reviewed or audited. The 2017 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, 2017**

Page 13

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	1,000,000
	<u>\$6,450,000</u>

#5	
Town of Minto	\$2,125,000
County of Wellington	1,600,000
Puslinch	1,000,000
Wellington North	2,000,000
	<u>\$6,725,000</u>

#6	
Town of Minto	\$615,000
County of Wellington	5,319,000
Township c	2,066,000
Wellington North	2,500,000
	<u>\$10,500,000</u>

#7	
Town of Minto	\$1,840,000
Twp of Mapleton	1,304,000
	<u>\$3,144,000</u>

#8	
Town of Minto	\$1,120,000
County of Wellington	1,200,000
Twp of Guelph-Eramosa	4,047,000
Town of Erin	2,546,200
	<u>\$8,913,200</u>

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Page 14

(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>	Interest	SEMI-ANNUAL INTEREST		Total Annual
		<u>Rate</u>	<u>Apr. 5</u>	<u>Oct. 5</u>	<u>Payment</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	167,000.00	4.850	4,049.75	4,049.75	8,099.50
Total	<u>\$1,900,000.00</u>		<u>\$386,420.75</u>	<u>\$386,420.75</u>	<u>\$772,841.50</u>

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, 2017

Page 15

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

(i) \$1,200,000 - 10 year issue					
Year	Principal	Interest	SEMI-ANNUAL INTEREST		Total Annual Payment
		Rate	Jan. 2	July 2	
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	143,000.00	5.000	3,575.00	3,575.00	150,150.00
Total	<u>\$1,200,000.00</u>		<u>\$165,177.50</u>	<u>\$165,177.50</u>	<u>\$1,530,355.00</u>

The effective interest rate of the debenture is 4.83%.

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

Year	Principal	Interest	SEMI-ANNUAL INTEREST		Total Annual Payment
		Rate	Jan. 2	July 2	
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
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	600,000.00	5.000	15,000.00	15,000.00	630,000.00
Total	<u>\$925,000.00</u>		<u>\$189,000.25</u>	<u>\$189,000.25</u>	<u>\$1,303,000.50</u>

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:

Year	Principal	Interest	SEMI-ANNUAL INTEREST		Total Annual Payment
		Rate	June 3	Dec. 3	
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	73,000.00	4.850	1,770.25	-	74,770.25
Total	<u>\$615,000.00</u>		<u>\$76,169.25</u>	<u>\$76,169.25</u>	<u>\$767,338.50</u>

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, 2017

Page 16

(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>	<u>Interest</u>	<u>SEMI-ANNUAL INTEREST</u>		<u>Total Annual</u>
		<u>Rate</u>	<u>04-May</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	203,000.00	2.850	2,892.75	2,892.75	208,785.50
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>	<u>Interest</u>	<u>SEMI-ANNUAL INTEREST</u>		<u>Total Annual</u>
		<u>Rate</u>	<u>30-May</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	1.800	6,245.75	6,245.75	124,491.50
2023	114,000.00	2.000	5,237.75	5,237.75	124,475.50
2024	116,000.00	2.150	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	121,000.00	2.450	1,482.25	1,482.25	123,964.50
Total	<u>\$1,120,000.00</u>		<u>\$63,010.25</u>	<u>\$63,010.25</u>	<u>\$1,246,020.50</u>

The effective interest rate of the debenture is 2.116%

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 17

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>	Principal	ANNUAL INTEREST	Total Annual
	<u>Nov. 1</u>	<u>Nov. 1</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
2024	202,650.58	8,085.76	210,736.34
	<u>\$2,344,688.00</u>	<u>\$816,357.80</u>	<u>\$3,161,045.80</u>

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Page 18

12. 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
12/15/25	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
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	12,743.79	12,500.00	243.79	
Total	\$699,502.38	\$500,000.00	\$199,502.38	

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 19

13. 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 installation of water meters. 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>
02/04/16	\$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	277,500.00
08/04/22	49,878.31	46,250.00	3,628.31	231,250.00
02/04/23	49,411.52	46,250.00	3,161.52	185,000.00
08/04/23	48,841.65	46,250.00	2,591.65	138,750.00
02/04/24	48,357.68	46,250.00	2,107.68	92,500.00
08/04/24	47,813.58	46,250.00	1,563.58	50,000.00
02/04/25	47,303.84	46,250.00	1,053.84	46,250.00
08/04/25	46,768.33	46,250.00	518.33	-
Total	<u><u>\$1,034,888.71</u></u>	<u><u>\$925,000.00</u></u>	<u><u>\$109,988.71</u></u>	

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 20

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

The Town of Minto has received authority to borrow \$1,500,000 to assist North Wellington Health Care Corporation (NWHC) with the financing of the Minto Rural Health Centre in 2015. Construction financing advances were made in early 2016, totaling \$1,500,000. NWHC is responsible to reimburse 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

Continued on next page

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 21

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	25,357.04	25,000.00	357.04	-
Total	<u>\$ 2,159,289.22</u>	<u>\$ 1,500,000.00</u>	<u>\$ 659,289.22</u>	

THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Page 22

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

The Town of Minto has borrowed \$660,000 at a rate of 2.88% over ten years to assist with installation of water and wastewater infrastructure.

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>
12/01/17	\$26,427.12	\$16,500.00	\$9,927.12	\$643,500.00
06/01/18	26,126.05	16,500.00	9,626.05	627,000.00
12/01/18	25,930.77	16,500.00	9,430.77	610,500.00
06/01/19	25,632.41	16,500.00	9,132.41	594,000.00
12/01/19	25,434.41	16,500.00	8,934.41	577,500.00
06/01/20	25,186.23	16,500.00	8,686.23	561,000.00
12/01/20	24,938.05	16,500.00	8,438.05	544,500.00
06/01/21	24,645.12	16,500.00	8,145.12	528,000.00
12/01/21	24,441.70	16,500.00	7,941.70	511,500.00
06/01/22	24,151.48	16,500.00	7,651.48	495,000.00
12/01/22	23,945.34	16,500.00	7,445.34	478,500.00
06/01/23	23,657.84	16,500.00	7,157.84	462,000.00
12/01/23	23,448.99	16,500.00	6,948.99	445,500.00
06/01/24	23,200.81	16,500.00	6,700.81	429,000.00
12/01/24	22,952.63	16,500.00	6,452.63	412,500.00
06/01/25	22,670.55	16,500.00	6,170.55	396,000.00
12/01/25	22,456.27	16,500.00	5,956.27	379,500.00
06/01/26	22,176.90	16,500.00	5,676.90	363,000.00
12/01/26	21,959.92	16,500.00	5,459.92	346,500.00
06/01/27	21,683.26	16,500.00	5,183.26	330,000.00
12/01/27	21,463.56	16,500.00	4,963.56	313,500.00
06/01/28	21,215.38	16,500.00	4,715.38	297,000.00
12/01/28	20,967.21	16,500.00	4,467.21	280,500.00
06/01/29	20,695.97	16,500.00	4,195.97	264,000.00
12/01/29	20,470.85	16,500.00	3,970.85	247,500.00
06/01/30	20,202.33	16,500.00	3,702.33	231,000.00
12/01/30	19,974.49	16,500.00	3,474.49	214,500.00
06/01/31	19,708.68	16,500.00	3,208.68	198,000.00
12/01/31	19,478.14	16,500.00	\$2,978.14	181,500.00
06/01/32	19,229.96	16,500.00	2,729.96	165,000.00
12/01/32	18,981.78	16,500.00	2,481.78	148,500.00
06/01/33	18,721.40	16,500.00	2,221.40	132,000.00
12/01/33	18,485.42	16,500.00	1,985.42	115,500.00
06/01/34	18,227.75	16,500.00	1,727.75	99,000.00
12/01/34	17,989.07	16,500.00	1,489.07	82,500.00
06/01/35	17,734.11	16,500.00	1,234.11	66,000.00
12/01/35	17,492.71	16,500.00	992.71	49,500.00
06/01/36	17,244.53	16,500.00	744.53	33,000.00
12/01/36	16,996.36	16,500.00	496.36	16,500.00
06/01/37	16,746.82	16,500.00	246.82	0.00
Total	<u>\$863,092.37</u>	<u>\$660,000.00</u>	<u>\$203,092.37</u>	

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 23

16. 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 on 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 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	56,564.10	54,500.54	2,063.56	-
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, 2017

Page 24

17. LONG-TERM DEBT SUMMARY

		<u>2017</u>	<u>2016</u>
Wellington County #4	(Note 10 b)	\$623,000	\$763,000
Wellington County #5	(Note 10 c)	743,000	922,000
Wellington County #6	(Note 10 d)	211,000	275,000
Wellington County #7	(Note 10 e)	1,495,000	1,668,000
Wellington County #8	(Note 10 f)	1,015,000	1,120,000
CMHC	(Note 11)	1,265,319	1,419,421
Infrastructure Ontario #1	(Note 12)	400,000	425,000
Infrastructure Ontario #2	(Note 13)	740,000	832,500
Infrastructure Ontario #3	(Note 14)	1,450,000	1,500,000
Infrastructure Ontario #4	(Note 15)	643,500	660,000
RealTerm Energy	(Note 16)	410,519	437,407
Tile Drainage Loans		93,106	117,778
		<u>\$9,089,444</u>	<u>\$10,140,106</u>

18. FINANCIAL INSTRUMENTS

The Town is exposed to various financial risks through transactions in financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party for failing to discharge an obligation. The Town's main credit risk relates to its Receivables. There is the possibility of non-collection of its Receivables. The majority of the Town's receivables are from ratepayers and government entities. To mitigate this risk, the Town carries out evaluations on a continuing basis. For amounts considered doubtful or uncollectible, an impairment allowance is set up.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Town is not exposed to currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town is not exposed to interest rate risk.

(d) Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting obligations associated with its financial liabilities. The Town is not exposed to liquidity risk.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. The Town's investments in publicly traded securities expose the Town to other price risk as these investments are subject to price changes in the open market.

**THE CORPORATION OF THE TOWN OF MINTO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 25

19. ACCUMULATED SURPLUS

	<u>2017</u>	<u>2016</u>
SURPLUS		
Invested in Tangible Capital Assets	<u>\$74,830,063</u>	<u>\$73,290,072</u>
RESERVE FUNDS		
Insurance	61,068	70,258
WSIB	18,603	62,879
Administration	224,779	237,296
Fire	60,148	7,619
Roadways	1,131,387	592,740
Wastewater	3,651,028	3,475,661
Waterworks	1,930,239	1,841,230
Cemeteries	4,274	13,467
Recreation	292,544	377,975
Economic Development	106,515	22,251
Planning and Zoning	<u>178,739</u>	<u>137,687</u>
	<u>7,659,324</u>	<u>6,839,063</u>
RESERVES		
Working Capital	1,134,000	1,080,000
General Government	18,000	6,000
Public Works	12,243	24,129
Protection Services		
Recreation Facilities	19,495	17,495
Parks	5,000	5,000
Economic Development	37,615	16,086
Planning and Zoning	<u>88,000</u>	<u>88,000</u>
	<u>1,314,353</u>	<u>1,236,710</u>
LONG TERM DEBT		
Amount to be recovered	<u>(9,089,444)</u>	<u>(10,140,106)</u>
OTHER ASSETS AND LIABILITIES	<u>1,107,036</u>	<u>2,035,479</u>
ACCUMULATED SURPLUS, at end of year	<u><u>\$75,821,332</u></u>	<u><u>\$73,261,218</u></u>

20. 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, 2017**

Page 26

21 TAXATION

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

	<u>2017</u>	<u>2016</u>
Property Tax Levy	\$ 4,868,153	\$ 4,817,505
Supplementary & Omitted Taxes	94,260	82,203
Payment in Lieu of Taxes	67,352	53,701
	<u>5,029,765</u>	<u>4,953,409</u>
Less:		
Property Taxes Written off as Uncollectible	(49,953)	(34,670)
Provision for Assessment at Risk	(106,196)	(85,944)
	<u>(156,149)</u>	<u>(120,614)</u>
Tax Revenue Recognized	<u>\$ 4,873,616</u>	<u>\$ 4,832,795</u>

22. PSAB ADJUSTMENT

This adjustment was necessary to correct certain tangible capital assets and accumulated amortization relating to previous years. The fixed asset net book value per the Financial Statements are in agreement with the sub ledgers as at December 31, 2017. This adjustment has been made prospectively with an increase to Tangible Capital Assets of \$380,000 and an increase to Accumulated Surplus of \$380,000.

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

THE CORPORATION OF THE TOWN OF MINTO
SCHEDULE OF SUPPLEMENTARY SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)

Page 27

	<u>General Government</u>	<u>Protection Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>
REVENUES				
Sales of Services	\$116,290	\$291,394	\$215,598	\$3,407,512
Other Municipalities	-	81,289	-	-
Grants- operating	15,000	-	15,000	10,000
Other	-	-	541,939	-
	<u>\$131,290</u>	<u>\$372,683</u>	<u>\$772,537</u>	<u>\$3,417,512</u>
EXPENSES				
Salaries and benefits	138,380	676,558	818,430	871,018
Materials	76,136	763,217	2,062,113	1,084,243
Contracted services	-	69,492	93,127	29,771
Rents and financial expenses	-	-	-	448
Interest on long term debt	1,863	-	90,722	153,471
Amortization	35,786	316,981	1,009,558	1,118,662
External transfers	48,629	135,109	-	-
Other	-	-	-	-
	<u>\$ 300,794</u>	<u>\$ 1,961,357</u>	<u>\$ 4,073,950</u>	<u>\$ 3,257,613</u>

THE CORPORATION OF THE TOWN OF MINTO
SCHEDULE OF SUPPLEMENTARY SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)

Page 28

<u>Health Services</u>	<u>Recreation Services</u>	<u>Planning & Development</u>	<u>Total 2017</u>	<u>Total 2016</u>
\$107,000	\$1,045,673	\$163,702	5,347,169	4,930,229
		10,000	91,289	115,835
			40,000	69,754
	-	-	541,939	456,753
<u>\$107,000</u>	<u>\$1,045,673</u>	<u>\$173,702</u>	<u>\$6,020,397</u>	<u>\$5,572,571</u>
40,385	995,121	222,226	3,762,118	3,501,376
134,484	1,223,359	308,451	5,652,003	5,608,074
6,464	1,256		200,110	234,274
18,317	24,141	-	42,906	61,071
42,843	21,658	37,290	347,847	296,087
8,290	386,645	83,199	2,959,121	3,303,914
11,675	-	-	195,413	187,324
-	-	-	-	-
<u>262,458</u>	<u>2,652,180</u>	<u>651,166</u>	<u>13,159,518</u>	<u>13,192,120</u>

**THE CORPORATION OF THE TOWN OF MINTO
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)**

Page 29

	<u>Land & Land Improvements</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>
COST				
Balance, beginning of year	\$5,773,391	\$21,974,662	\$6,146,066	\$3,904,229
Additions/adjustments during the year	176,917	217,815	494,318	443,839
Disposals during the year	329,297	-	384,531	-
Balance, end of year	<u>5,621,011</u>	<u>22,192,477</u>	<u>6,255,853</u>	<u>4,348,068</u>
 ACCUMULATED AMORTIZATION				
Balance, beginning of year	739,166	9,630,027	3,500,269	2,639,440
Amortization	130,681	506,366	380,449	286,030
Accumulated amortization on disposals	20,600	-	533,525	44,284
Balance, end of year	<u>849,247</u>	<u>10,136,393</u>	<u>3,347,193</u>	<u>2,881,186</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS *	<u>\$4,771,764</u>	<u>\$12,056,084</u>	<u>\$2,908,660</u>	<u>\$1,466,882</u>

THE CORPORATION OF THE TOWN OF MINTO
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)

Page 30

	<u>Infrastructure:</u> <u>Transportation</u>	<u>Infrastructure:</u> <u>Environmental -</u> <u>Water</u>	<u>Infrastructure:</u> <u>Environmental -</u> <u>Wastewater</u>	<u>Total 2017</u>
COST				
Balance, beginning of year	\$51,508,623	\$20,176,006	\$22,107,316	\$131,590,292
Additions/adjustments during the year	2,612,683	425,234	732,066	5,102,872
Disposals during the year	<u>468,164</u>	<u>23,502</u>	<u>6,770</u>	<u>1,212,264</u>
Balance, end of year	<u>53,653,142</u>	<u>20,577,738</u>	<u>22,832,612</u>	<u>135,480,900</u>
ACCUMULATED AMORTIZATION				
Balance, beginning of year	29,906,311	5,586,961	8,198,119	60,200,293
Amortization	1,253,410	355,213	426,972	3,339,121
Accumulated amortization on disposals	<u>2,611</u>	<u>-</u>	<u>-</u>	<u>601,020</u>
Balance, end of year	<u>31,157,110</u>	<u>5,942,174</u>	<u>8,625,091</u>	<u>62,938,394</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS *	<u>\$22,496,032</u>	<u>\$14,635,564</u>	<u>\$14,207,521</u>	<u>\$72,542,506</u>

* Excludes construction in progress of \$ 2,287,557.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the trust funds of the Corporation of the Town of Minto, which comprise the statement of continuity and statement of financial position as at December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the Town of Minto as at December 31, 2017 and the continuity of trust funds for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of the trust funds of the Corporation of The Town of Minto for the year-ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on June 7, 2017.

Listowel, Ontario,

July 24, 2018

Ward & Uptigrove

Ward & Uptigrove
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

**THE CORPORATION OF THE TOWN OF MINTO
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)**

Page 32

	<u>2017</u>	
	<u>Perpetual Care Fund</u>	<u>Total</u>
Balance, at beginning of year	\$ 494,150	\$ 494,150
Capital receipts	<u>11,420</u>	<u>11,420</u>
Balance, at end of year	<u><u>\$ 505,570</u></u>	<u><u>\$ 505,570</u></u>
	<u>2016</u>	
Balance, at beginning of year	<u>\$ 481,830</u>	<u>\$ 481,830</u>
Capital receipts	<u>12,320</u>	<u>12,320</u>
Balance, at end of year	<u><u>\$ 494,150</u></u>	<u><u>\$ 494,150</u></u>

THE CORPORATION OF THE TOWN OF MINTO
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative figures for 2016)

Page 33

	<u>2017</u>	
	<u>Perpetual Care Fund</u>	<u>Total</u>
ASSETS		
Cash (Note 3)	\$ 12,871	\$ 12,871
Investments (Note 2)	492,699	492,699
	<u>\$ 505,570</u>	<u>\$ 505,570</u>
LIABILITIES	\$ -	\$ -
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	<u>\$ 505,570</u>	<u>\$505,570</u>
	<u>2016</u>	
ASSETS		
Cash (Note 3)	\$ 14,245	\$ 14,245
Investments (Note 2)	479,905	479,905
	<u>\$ 494,150</u>	<u>\$ 494,150</u>
LIABILITIES	\$ -	\$ -
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	<u>\$ 494,150</u>	<u>\$ 494,150</u>

**THE CORPORATION OF THE TOWN OF MINTO
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 34

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 \$ 492,699 (2016 - \$ 479,905) recorded on the "Statement of Financial Position" at cost, have a market value of \$ 492,699 (2016 - \$479,905) 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, 2017**

Page 35

<u>Description</u>	<u>Rate of Interest</u>	<u>Date of Maturity</u>	<u>Cost</u>
McCan Mortgage Corporation	2.45%	January 25, 2018	\$ 30,000
B2B Bank	1.85%	March 18, 2018	45,000
Community Trust	1.90%	September 12, 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
McCan Mortgage Corporation	1.90%	March 23, 2020	25,000
Home Trust	2.21%	September 10, 2020	30,000
Home Bank	1.91%	March 22, 2021	35,000
McCan Mortgage Corporation	2.25%	March 23, 2021	25,000
			<hr/> 375,000
One Fund Bond Fund			117,699
Cash			<hr/> 12,871
			<hr/> \$505,570 <hr/>