

## **APPENDIX "A"**

### **Village of Westport Consolidated Financial Statements**

- **Consolidated Financial Statements 2015 - 2017**

**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

---

**CONTENTS**

Four Year Financial Review. . . . .	1 - 2
Management's Responsibility for the Consolidated Financial Statements. . . . .	3
Independent Auditor's Report. . . . .	4 - 5
Consolidated Statement of Financial Position. . . . .	6
Consolidated Statement of Operations. . . . .	7
Consolidated Statement of Changes in Net Debt. . . . .	8
Consolidated Statement of Cash Flows. . . . .	9
Notes to the Consolidated Financial Statements. . . . .	10 - 22
Schedule 1 ▶ Continuity of Reserves. . . . .	23
Schedule 2 ▶ Tangible Capital Assets. . . . .	24 - 25
Independent Auditor's Report ▶ Lockwood Memorial Field Trust Fund. . . . .	25 - 27
Trust Fund ▶ Statement of Financial Position and Statement of Financial Activities. . . . .	28
Trust Fund ▶ Notes to the Financial Statements. . . . .	29
Independent Auditor's Report ▶ Rideau District Museum Committee. . . . .	30 - 31
Village of Westport ▶ Rideau District Museum Committee. . . . .	32 - 36
Independent Auditor's Report ▶ Water and Wastewater Systems. . . . .	37 - 38
Village of Westport ▶ Water and Wastewater Systems. . . . .	39 - 47
Village of Westport Public Library Board . . . . .	48 - 60

---

**Village of Westport  
Consolidated  
Financial Statements  
December 31, 2015**

**Village of Westport**  
**Four Year Financial Review**  
(not subject to audit)

December 31	2015	2014	2013	2012
<b>Population (Municipal)</b>	594	594	594	594
<b>Number of Households (Municipal)</b>	363	363	363	363
<hr/>				
<b>Taxable Assessment (000's)</b>	\$	\$	\$	\$
Residential and farm	71,926	68,055	65,850	63,482
Commercial and industrial	17,233	15,813	14,688	14,274
<b>Total</b>	<b>89,159</b>	<b>83,868</b>	<b>80,538</b>	<b>77,756</b>
Commercial, industrial as % of assessment	19.33%	18.85%	18.23%	18.36%
<hr/>				
<b>Rates of Taxation</b>				
Residential				
▸ for general municipal purposes	0.683344	0.667905	0.674068	0.679372
▸ for county purposes	0.367257	0.367257	0.373523	0.392896
▸ for school board purposes	0.195000	0.203000	0.212000	0.221000
<b>Total</b>	<b>1.245601</b>	<b>1.238162</b>	<b>1.259591</b>	<b>1.293268</b>
Multi-Residential (total)	1.245601	1.238162	1.259591	1.293268
Commercial (total)	2.758687	2.775184	2.831533	2.881057
<b>Tax Arrears</b> ▸ percentage of current levy (<10%)**	5.06%	15.61%	17.19%	11.05%
<hr/>				
<b>Taxes Transferred (000's)</b>				
▸ County	347	335	319	314
▸ School Boards	349	356	338	331
<hr/>				
<b>Revenues (000's)</b>				
▸ Taxation and payments in lieu	647	613	580	569
▸ Government transfers	835	157	151	161
▸ Fees and service charges	951	876	929	916
▸ Other	192	146	184	127
▸ Revenues related to capital assets	---	37	---	---
<b>Total</b>	<b>2,625</b>	<b>1,829</b>	<b>1,844</b>	<b>1,773</b>
<hr/>				
<b>Expenditures (000's)</b>				
▸ Operations	2,769	2,741	1,954	1,785
▸ Amortization	371	361	365	353
<hr/>				
<b>Net Financial Assets (Net Debt)</b>				
▸ % of Operating Revenue (>(20%))**	(27.34%)	(55.21)%	(19.66)%	(22.01)%
▸ % of Taxation and user charges (>(50%))**	(110.84%)	(161.47)%	(62.45)%	(68.63)%

\*\* Represents the Provincial Low Risk Indicator.  
(Note: All dollar amounts are in thousands of dollars.)

**Village of Westport**  
**Four Year Financial Review**  
(not subject to audit)

December 31	2015	2014	2013	2012
	\$	\$	\$	\$
<b>Long Term Debt</b>				
▸ Net long term debt (000's)	1,538	1,154	1,274	980
▸ Long term debt charges (000's)	208	167	118	199
▸ Total annual repayment limit (000's)	288	238	288	127
▸ Long term debt per household	4,237	3,179	3,508	2,698
▸ Debt charges (000's)				
▸ rate supported ▸ water & sewer	197	155	118	199
▸ tax supported	11	12	---	---
	208	167	118	199
<b>Municipal Equity (000's)</b>				
▸ Surplus and Reserves	267	(221)	543	511
▸ Invested in capital assets	7,786	8,428	8,610	8,842
▸ Asset consumption ratio	23.57%	20.24%	14.94%	12.35%
▸ Reserves as % of operating expenses (>20%)**	10.23%	9.96%	13.97%	15.29%
<b>Financial Indicators</b>				
▸ Sustainability				
▸ financial assets to liabilities	0.71	0.51	0.86	0.87
▸ financial assets to liabilities excluding long term debt	1.88	1.54	5.07	6.27
▸ long term debt to tangible capital assets	16.49%	12.04%	12.89%	9.97%
▸ capital reserves to accumulated amortization	6.93%	7.47%	10.47%	13.13%
▸ Flexibility				
▸ Debt charges to total operating revenue (<5%)**	7.95%	9.31%	6.39%	11.24%
▸ Total operating revenue to taxable assessment	2.94%	2.14%	2.29%	2.28%
▸ Working capital to operating expenses (>10%)**	9.65%	5.98%	53.86%	46.65%
▸ Vulnerability				
▸ Operating government transfers ▸ to operating revenue	31.82%	9.76%	8.17%	9.08%
▸ Total government transfers ▸ to total revenues	31.82%	9.49%	7.99%	9.08%



*The Corporation of  
the Village of Westport*

30 Bedford St., P.O. Box 68  
Westport, Ontario K0G 1X0  
(613) 273-2191 / Fax (613) 273-3460

[www.village.westport.on.ca](http://www.village.westport.on.ca)

---

## **Management's Responsibility for the Consolidated Financial Statements**

---

The accompanying consolidated financial statements of the Corporation of the Village of Westport are the responsibility of the Village's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of consolidated financial statements. These systems are monitored and evaluated by management.

The Corporate Services Committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Village. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

---

Scott Bryce  
Clerk-Treasurer

---

Anne-Marie Koiner  
Deputy Clerk / Deputy Treasurer



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com

## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Village of Westport:**

We have audited the accompanying consolidated financial statements of the Corporation of the Village of Westport which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statement of operations and changes in net debt 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**

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

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

**Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Village of Westport as at December 31, 2015 and its consolidated results of operations, changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script, appearing to read "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
July 4, 2016.

**Village of Westport  
Consolidated Statement of Financial Position**

December 31	2015	(Note 18) 2014
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term investments	846,116	---
Taxes receivable	67,977	203,580
Accounts receivable	284,505	136,474
Long term investments (note 4)	553,108	543,791
	1,751,706	883,845
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Bank indebtedness	---	174,579
Accounts payable and accrued liabilities	335,967	350,405
Prepaid property taxes	39,089	28,440
Deferred revenues (note 5)	556,413	8,044
Long term liabilities (note 6)	1,537,930	1,154,033
	2,469,399	1,715,501
<b>NET DEBT</b>	<b>(717,693)</b>	<b>(831,656)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 15)	9,324,573	9,582,433
Contingent Liabilities (note 12)		
<b>MUNICIPAL EQUITY (note 7)</b>	<b>8,606,880</b>	<b>8,750,777</b>

Approved On Behalf of Council:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Finance Chair

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



**Village of Westport  
Consolidated Statement of Operations**

For the year ended December 31	(Note 17) Budget	2015	(Note 18) 2014
	\$	\$	\$
<b>REVENUES</b>			
Taxation ▶ residential	493,378	492,942	452,969
▶ commercial	170,994	154,541	160,299
User charges ▶ sewer and water	601,000	684,858	639,470
▶ recreation and culture	233,000	236,202	215,063
▶ general government	7,000	3,089	3,477
▶ other	10,082	26,748	17,974
Government transfers	234,214	835,449	156,844
Licences and permits	51,000	39,463	4,479
Investment income	3,000	7,405	4,382
Penalties and interest on taxes	25,000	26,715	30,985
Government business enterprises	15,000	25,183	31,593
Other	54,000	92,812	74,547
	1,897,668	2,625,407	1,792,082
<b>EXPENDITURES</b>			
General government	412,231	405,483	380,402
Protection to persons and property	182,367	181,325	190,963
Transportation services	169,927	238,236	274,122
Environmental services	648,600	1,472,611	1,515,775
Recreation and cultural services	284,024	403,824	331,709
Planning and development	65,423	67,825	47,777
<b>TOTAL EXPENDITURES</b>	1,762,572	2,769,304	2,740,748
<b>NET (EXPENDITURES FROM OPERATIONS)</b>	135,096	(143,897)	(948,666)
<b>OTHER</b>			
Grants and transfers related to capital			
Government transfers	---	---	18,184
Adjustment to investments (note 4)	---	---	18,848
	---	---	37,032
<b>ANNUAL (DEFICIT) SURPLUS</b>	135,096	(143,897)	(911,634)
<b>MUNICIPAL EQUITY, BEGINNING OF YEAR</b>	8,750,777	8,750,777	9,662,411
<b>MUNICIPAL EQUITY, END OF YEAR</b>	8,885,873	8,606,880	8,750,777

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

**Village of Westport**  
**Consolidated Statement of Changes in Net Debt**

For the year ended December 31	(Note 17) Budget	2015	(Note 18) 2014
	\$	\$	\$
<b>ANNUAL (DEFICIT) SURPLUS</b>	135,096	(143,897)	(911,634)
Amortization of tangible capital assets	3,000	371,497	361,491
Acquisition of tangible capital assets	(25,000)	(113,637)	(60,361)
	(22,000)	257,860	301,130
<b>DECREASE (INCREASE) IN NET DEBT</b>	113,096	113,963	(610,504)
<b>NET DEBT, BEGINNING OF YEAR</b>	(831,656)	(831,656)	(221,152)
<b>NET DEBT, END OF YEAR</b>	(718,560)	(717,693)	(831,656)

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

**Village of Westport**  
**Consolidated Statement of Cash Flows**

For the year ended December 31	2015	(Note 18) 2014
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit for the year	(143,897)	(911,634)
Amortization	371,497	361,491
	<b>227,600</b>	<b>(550,143)</b>
Net Change in Non-Cash Working Capital Balances		
Taxes receivable	135,603	9,077
Accounts receivable	(148,031)	(43,243)
Long term investments	(9,317)	(34,575)
Accounts payable and accrued liabilities	(14,438)	106,472
Prepaid property taxes	10,649	28,440
Deferred revenues	548,369	(6,342)
	<b>522,835</b>	<b>59,829</b>
<b>Working Capital from Operations</b>	<b>750,435</b>	<b>(490,314)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(113,637)	(60,361)
<b>Net investment in tangible capital assets</b>	<b>(113,637)</b>	<b>(60,361)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds of long term debt	539,000	---
Repayment of long term debt	(155,103)	(119,513)
<b>Net increase (decrease) in cash from financing activities</b>	<b>383,897</b>	<b>(119,513)</b>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>1,020,695</b>	<b>(670,188)</b>
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<b>(174,579)</b>	<b>495,609</b>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<b>846,116</b>	<b>(174,579)</b>
<b>CASH AND EQUIVALENTS REPRESENTED BY:</b>		
Cash	846,116	---
Bank indebtedness	---	(174,579)
	<b>846,116</b>	<b>(174,579)</b>

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

---

# Village of Westport

## Notes to the Consolidated Financial Statements

December 31, 2015

---

### 1. Status of the Village of Westport

The Village of Westport (the 'Village') was established in 1904 and assumed its responsibilities under the authority of the Provincial Secretary. The Village operates as a lower tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

---

### 2. Significant Accounting Policies

The consolidated financial statements of the Corporation of the Village of Westport are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Village are as follows:

#### Reporting Entity

- (i) The consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Village. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Village and which are owned or controlled by the Village. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:
  - ▶ Rideau District Museum
  - ▶ Water and Wastewater Systems
  - ▶ Westport Public Library Board
- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards or the United Counties of Leeds and Grenville are not reflected in the municipal fund balances of these consolidated financial statements.

#### Basis of Accounting

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not 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 of revenues over expenses, provides the change in net financial assets for the year.
- (iii) Trust funds and their related operations administered by the Village are not included in these consolidated financial statements but are reported separately on the Trust Funds Statement of Financial Activities and Financial Position.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

---

**2. Significant Accounting Policies / continued**

**Tangible Capital Assets**

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

Land	
Land Improvements	10, 20 & 25 years
Buildings	45 years
Equipment	15 years
Vehicles	20 years
Water and Waste Plants and Networks	
Water Distribution	50 years
Sewage Collection	50 years
Linear Assets	
Roads	40 years
Sidewalks	25 years

One half of the annual amortization is charged in the year of acquisition and in the years of disposal.

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Village has a capitalization threshold of \$5,000 for vehicles and equipment and \$20,000 for linear assets and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Village's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

**Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of 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.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

---

**2. Significant Accounting Policies / continued**

**Inventories**

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

**Employee Future Benefit Obligations**

The Village accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Village's policy. Sick leave benefits and vacation entitlements are not permitted to be carried forward from year to year.

**Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the consolidated financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Village defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes and recreational land collected under the Planning Act are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Village receives restricted contributions under the authority of Federal and Provincial legislation and Village by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Village has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

**Investments**

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

---

**2. Significant Accounting Policies / continued**

**Investments / continued**

Investment income earned on available current funds and reserve funds (other than obligatory funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balance.

**Landfill Closure and Post-Closure Liabilities**

The Village accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management.

Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. The Village has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Village classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the consolidated financial statements in the period in which they become known.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**3. Operations of the School Boards and United Counties of Leeds & Grenville**

During 2015, the Village collected and made property tax transfers including payments in lieu of property taxes, to the United Counties of Leeds & Grenville and School Boards as follows:

	School Boards \$	United Counties of Leeds and Grenville \$
Property taxes	348,891	344,824
Taxation from other governments	385	2,306
Amounts requisitioned and paid	349,276	347,130

**4. Investment in Rideau St. Lawrence Holdings Inc. (RSL)**

Rideau St. Lawrence Holdings Inc., a government business enterprise, is accounted for on the modified equity basis by the Village for its proportionate share of ownership. The Village owns approximately 9.92% of the company. The principal business of RSL is to distribute electric power to four communities including the Village of Westport.

During the year RSL underwent a change in accounting policy resulting in an adjustment to the consolidated net investment amount.

The following tables present condensed supplementary financial information for the entity for the year ended December 31.

	2015		2014	
	100.00%	9.92%	100.00%	9.92%
	\$	\$	\$	\$
<b>Financial Position</b>				
Current assets	4,577,078	454,046	4,756,725	471,867
Capital assets	6,875,202	682,020	6,273,084	622,290
Regulatory assets	575,960	57,135	425,802	42,240
	<b>12,028,240</b>	<b>1,193,201</b>	<b>11,455,611</b>	<b>1,136,397</b>
Current liabilities	4,773,135	473,456	4,639,616	460,202
Long term debt	1,090,169	108,145	958,240	95,057
Long term portion of customer deposits	297,283	29,490	180,557	17,911
Regulatory liabilities	292,358	29,002	195,831	19,436
	<b>6,452,945</b>	<b>640,093</b>	<b>5,974,244</b>	<b>592,606</b>
<b>Net Assets</b>	<b>5,575,295</b>	<b>553,108</b>	<b>5,481,367</b>	<b>543,791</b>



**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**4. Investment in Rideau St. Lawrence Holdings Inc. (RSL) / continued**

Rideau St. Lawrence Holdings Inc.	2015		2014	
	100.00%	9.92%	100.00%	9.92%
	\$	\$	\$	\$
<b>Result of Operations</b>				
Revenues	16,630,827	1,649,771	15,459,065	1,533,539
Expenses	16,376,899	1,624,588	15,140,588	1,501,946
<b>Net Income for the Year</b>	<b>253,928</b>	<b>25,183</b>	318,477	31,593
Less: dividends paid during the year	(160,000)	(15,866)	(160,000)	(15,866)
<b>Net Changes in Accumulated Income</b>	<b>93,928</b>	<b>9,317</b>	158,477	15,727

**5. Deferred Revenues**

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded.

The transactions for the year are summarized below:

	OCIF Grant	Recreational Land	Total
	\$	\$	\$
January 1, 2015	---	8,044	<b>8,044</b>
Government grant	1,089,000	---	<b>1,089,000</b>
Contributions from developers	---	6,856	<b>6,856</b>
Transfer to operating fund	(547,487)	---	<b>(547,487)</b>
<b>December 31, 2015</b>	<b>541,513</b>	14,900	<b>556,413</b>

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**6. Long Term Liabilities**

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

	2015	2014
	\$	\$
Bank loan (3.28%), repayable in blended monthly instalments of \$3,705, due 2017.	79,487	127,596
Bank loan (3.96%), repayable in blended monthly instalments of \$2,894, due February 2015.	299,077	321,347
Bank loan (4.86%), repayable in monthly instalments of \$2,321, due February 2016.	4,609	31,534
Bank loan (prime + 1.00%), repayable in blended monthly instalments of \$2,503 due 2026.	288,724	313,556
Bank loan (3.95%), repayable in monthly instalments of \$750 due 2018.	207,000	216,000
Bank loan (3.95%), repayable in monthly principal instalments of \$750, due 2038.	138,000	144,000
Bank loan (3.20%), repayable in blended monthly instalments of \$2,246, due 2040.	521,033	---
	<b>1,537,930</b>	<b>1,154,033</b>

- (b) Principal payments fall due as follows:

	User Charges	General Revenues	Total
	\$	\$	\$
2016	106,193	6,000	112,193
2017	97,015	6,000	103,015
2018	61,057	6,000	67,057
2019	62,105	6,000	68,105
2020	63,189	6,000	69,189
2021 to 2025	333,591	30,000	363,591
2026 and thereafter	676,780	78,000	754,780
	<b>1,399,930</b>	<b>138,000</b>	<b>1,537,930</b>

- (c) Interest expense on long term liabilities in 2015 amounted to \$53,513 (2014 \$47,523).

- (d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**7. Municipal Equity**

Municipality equity consists of:

	2015	2014
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	9,324,573	9,582,433
Long term liabilities	(1,537,930)	(1,154,033)
	7,786,643	8,428,400
Unrestricted (deficit) surplus	(16,046)	(494,314)
Equity		
Rideau St. Lawrence Holdings Inc. (RSL)	553,108	543,791
Reserves (Schedule 1)	283,175	272,900
<b>Total Municipal Equity</b>	<b>8,606,880</b>	<b>8,750,777</b>

**8. Pension Contributions**

The Village makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Village does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS was \$26,935 (2014 \$24,914) for current services and is included as an expenditure on the Consolidated Statement of Operations classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

**9. Trust Funds**

Trust funds administered by the Village amounting to \$1,721 (2014 \$283) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the Village for the benefit of others, they are not presented as part of the Village's financial position or financial activities.

---

## Village of Westport

### Notes to the Consolidated Financial Statements

December 31, 2015

---

#### 10. Provincial Offences Administration (POA)

The United Counties of Leeds and Grenville has assumed the administration of the Provincial Offences office for all County of Leeds and Grenville resident municipalities. The transfer of administration from the Ministry of the Attorney General to the Village was a result of the Provincial Offences Act (POA) 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

The Village's share of net revenues arising from operation of the POA office have been consolidated with these consolidated financial statements. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in the County court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

The Village of Westport shares net POA revenues based on weighted assessment.

---

#### 11. Contractual Obligations

There is no contract for policing services. The Village is provided police services by the Ontario Provincial Police under Section 5.1 of the Police Services Act. The annual charges are determined based on level of service and are reconciled to actual costs in the following year. The amount paid in 2015 for police service usage was \$122,720 less \$63 (2014 - \$112,436 less \$6,527) paid in reimbursement funds.

The Village has negotiated a long term contract with Morris Charby for the provision of household waste and recyclables collection. The contract ends April 2017. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2015 were approximately \$40,021 (2014 \$39,692).

The Village has negotiated a long term contract with Mr. Younge for the provision of Care and maintenance of The Village. The contract ends October 2015. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2015 were approximately \$13,016 (2014 \$12,889).

The Village has negotiated a long term contract with Morris Charby for the provision of snow removal services. The contract ends April 2017. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2015 were approximately \$33,150 (2014 \$32,684).

The Village has negotiated a contract with Eastern Utilities for periodic inspections of the Village's water and wastewater treatment system. The contract ends February 2015, with an option of extension for one year on consent in writing by both parties. Annual charges under the contract are determined by a combination of a set amount per month, plus an hourly rate for additional time by request and an amount paid for mileage. Payments made under the contract for the year 2015 were \$Nil (2014 \$19,654).

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

---

**12. Contingent Liabilities**

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2015, management believes that the Village has valid defences and appropriate insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the consolidated financial statements.

---

**13. Landfill Closure and Post Closure Liability**

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites and is in accordance with the Village's accounting policy. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

The Village currently has one inactive landfill site that it owns with the Township of Rideau Lakes. The site is a transfer site and has been rendered inactive. Hydrogeological samples are taken semi-annually to test the surface and ground water. Annual site monitoring costs are estimated at \$24,150 per annum. These costs are shared with the Township of Rideau Lakes.

---

**14. Risk Management**

In the normal course of operations, the Village is exposed to a variety of financial risks which are actively managed by the Village.

The Village's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. The fair values of cash, investments and accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Village's exposure to and management of risk has not changed materially from December 31, 2014.

**Credit Risk**

Credit risk arises from the possibility that the entities to which the Village provides services to may experience difficulty and be unable to fulfill their obligations. The Village is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Village does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

---

**14. Risk Management / continued**

**Interest Rate Risk**

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Village is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Village's operating results.

**Liquidity Risk**

Liquidity risk is the risk that the Village will not be able to meet its obligations as they fall due. The Village requires working capital to meet day-to-day operating activities. Management expects that the Village's cash flows from operating activities will be sufficient to meet these requirements.

---

**15. Tangible Capital Assets**

	2015	2014
	\$	\$
Land	9	9
Land Improvements	225,274	244,879
Buildings	3,165,060	3,312,064
Equipment	88,192	94,826
Vehicles	87,108	99,708
Water and Waste Plants and Networks		
Water Distribution	1,136,225	1,067,549
Sewage Collection	1,734,425	1,759,640
Linear Assets		
Roads	1,907,476	1,969,052
Sidewalks	980,804	1,034,706
	<b>9,324,573</b>	<b>9,582,433</b>

---

For additional information, see Schedule 2 ▶ Tangible Capital Assets.

---

**16. Segmented Information**

The Village is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the consolidated statement of financial activities.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2015**

**16. Segmented Information / continued**

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

2015	Salaries, Wages & Employee Benefits	Debt Interest	Materials & Services	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$
<b>General Government</b>						
Governance	30,395	---	8,546	---	---	38,941
Corporate Management & Program Support	264,428	---	93,297	---	28,817	366,542
<b>Protection to Persons and Property</b>						
Fire	---	---	10,689	34,539	8,002	53,230
Police	---	---	122,461	---	---	122,461
Conservation Authority	---	---	---	5,634	---	5,634
<b>Transportation</b>						
Roadways	---	5,362	32,856	---	144,694	182,912
Winter Control	---	---	33,150	---	---	33,150
Street Lighting	---	---	22,174	---	---	22,174
<b>Environmental</b>						
Wastewater treatment & disposal	117,321	48,151	1,106,569	---	125,122	1,397,163
Solid waste disposal	---	---	75,448	---	---	75,448
<b>Recreation and Cultural Services</b>						
Recreation Facilities & Programs	72,808	---	210,826	---	62,221	345,855
Libraries	23,029	---	10,619	---	2,641	36,289
Museums	14,834	---	6,846	---	---	21,680
<b>Planning and Development</b>						
Planning & Zoning	24,425	---	39,900	3,500	---	67,825
<b>2015</b>	<b>547,240</b>	<b>53,513</b>	<b>1,753,381</b>	<b>43,673</b>	<b>371,497</b>	<b>2,769,304</b>

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2015

**16. Segmented Information / continued**

2014	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$
<b>General Government</b>						
Governance	28,838	---	4,640	---	---	33,478
Corporate Management & Program Support	258,883	---	59,224	---	28,817	346,924
<b>Protection to Persons and Property</b>						
Fire	---	---	39,422	32,123	8,002	79,547
Police	---	---	105,909	---	---	105,909
Conservation Authority	---	---	---	5,507	---	5,507
<b>Transportation</b>						
Roadways	---	5,701	58,677	---	136,563	200,941
Winter Control	---	---	45,513	---	---	45,513
Street Lighting	---	---	27,668	---	---	27,668
<b>Environmental</b>						
Wastewater treatment & disposal	67,722	41,822	1,168,969	---	122,371	1,400,884
Solid waste collection	---	---	---	---	---	---
Solid waste disposal	---	---	101,231	13,660	---	114,891
<b>Recreation and Cultural Services</b>						
Parks	---	---	---	---	---	---
Recreation Facilities & Programs	59,232	---	150,083	2,000	62,221	273,536
Libraries	18,447	---	12,516	---	3,517	34,480
Museums	14,227	---	9,466	---	---	23,693
<b>Planning and Development</b>						
Planning & Zoning	9,900	---	33,377	4,500	---	47,777
<b>2014</b>	<b>457,249</b>	<b>47,523</b>	<b>1,816,695</b>	<b>57,790</b>	<b>361,491</b>	<b>2,740,748</b>

**17. Budget Figures**

The operating budget approved by Village Council, for 2015 is reflected on the Consolidated Statement of Operations. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Village does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

**18. Comparative Figures**

Some reclassification of prior year's figures was necessary in order to conform to this year's presentation.



**Village of Westport**  
**Schedule 1 ▶ Continuity of Reserves and Reserve Funds**

For the year ended December 31	(Note 17) Budget	2015	2014
	\$	\$	\$
<b>Net Transfers From / (To) Other Funds</b>			
Transfers from operations	---	10,275	---
Transfers to capital acquisitions	(25,000)	---	---
<b>Total Net Transfers</b>	(25,000)	10,275	---
<b>Reserves and Reserve Fund Balances, Change in Year</b>	(25,000)	10,275	---
<b>Reserves and Reserve Fund Balances, Beginning of Year</b>	272,900	272,900	272,900
<b>Reserves and Reserve Fund Balances, End of Year</b>	247,900	283,175	272,900

**Composition of Reserves**

For the year ended December 31	2015	2014
	\$	\$
<b>Reserves set aside for specific purposes by Council:</b>		
▶ for working capital	83,950	83,950
<b>For Capital Purposes</b>		
▶ for acquisition of capital assets	122,752	122,752
▶ for roads capital	20,000	20,000
▶ for harbour improvements	7,300	7,300
▶ for water and sewer	38,898	38,898
▶ for recreation	10,275	---
<b>Total Reserves</b>	283,175	272,900

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

**Village of Westport**  
**Schedule 2 ▶ 2015 Tangible Capital Assets**

Asset Class	Cost 01/01/15	Additions	(Disposals)	Cost 31/12/15
	\$	\$	\$	\$
Land	9	---	---	9
Land Improvements	368,778	---	---	368,778
Buildings	4,326,987	---	---	4,326,987
Equipment	151,381	3,587	(9,700)	145,268
Vehicles	241,996	---	---	241,996
Water & Waste Plants & Networks				
Water Distribution	1,267,796	110,050	---	1,377,846
Sewage Collection	1,969,289	---	---	1,969,289
Linear Assets				
Roads	2,359,394	---	---	2,359,394
Sidewalks	1,409,908	---	---	1,409,908
	<b>12,095,538</b>	<b>113,637</b>	<b>(9,700)</b>	<b>12,199,475</b>

Asset Class	Accumulated Amortization 01/01/15	Amortization	(Disposals)	Accumulated Amortization 31/12/15	Net Book Value 31/12/15
	\$	\$	\$	\$	\$
Land	---	---	---	---	9
Land Improvements	123,899	19,605	---	143,504	225,274
Buildings	1,014,923	147,004	---	1,161,927	3,165,060
Equipment	56,555	10,221	(9,700)	57,076	88,192
Vehicles	142,288	12,600	---	154,888	87,108
Water & Waste Plants & Networks					
Water Distribution	200,247	41,374	---	241,621	1,136,225
Sewage Collection	209,649	25,215	---	234,864	1,734,425
Linear Assets					
Roads	390,342	61,576	---	451,918	1,907,476
Sidewalks	375,202	53,902	---	429,104	980,804
	<b>2,513,105</b>	<b>371,497</b>	<b>(9,700)</b>	<b>2,874,902</b>	<b>9,324,573</b>

The accompany notes are an integral part of these consolidated financial statements.

**Village of Westport**  
**Schedule 2 ▶ 2014 Tangible Capital Assets**

Asset Class	Cost 01/01/14	Additions	(Disposals)	Cost 31/12/14
	\$	\$	\$	\$
Land	9	---	---	9
Land Improvements	368,778	---	---	368,778
Buildings	4,314,851	12,136	---	4,326,987
Equipment	120,804	30,577	---	151,381
Vehicles	241,996	---	---	241,996
Water & Waste Plants & Networks				
Water Distribution	1,267,796	---	---	1,267,796
Sewage Collection	1,969,289	---	---	1,969,289
Linear Assets				
Roads	2,359,354	40	---	2,359,394
Sidewalks	1,392,300	17,608	---	1,409,908
	12,035,177	60,361	---	12,095,538

Asset Class	Accumulated Amortization 01/01/14	Amortization	(Disposals)	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$
Land	---	---	---	---	9
Land Improvements	104,294	19,605	---	123,899	244,879
Buildings	867,922	147,001	---	1,014,923	3,312,064
Equipment	53,586	2,969	---	56,555	94,826
Vehicles	129,688	12,600	---	142,288	99,708
Water & Waste Plants & Networks					
Water Distribution	161,624	38,623	---	200,247	1,067,549
Sewage Collection	184,434	25,215	---	209,649	1,759,640
Linear Assets					
Roads	328,766	61,576	---	390,342	1,969,052
Sidewalks	321,300	53,902	---	375,202	1,034,706
	2,151,614	361,491	---	2,513,105	9,582,433

The accompany notes are an integral part of these consolidated financial statements.



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com

## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Village of Westport:**

We have audited the accompanying statement of financial position of the Lockwood Memorial Trust Fund of the Corporation of the Village of Westport as at December 31, 2015 and the statement of financial activities of the Lockwood Memorial Trust Fund for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

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

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Lockwood Memorial Trust Fund of the Corporation of the Village of Westport as at December 31, 2015 and the financial activities for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
July 4, 2016.

**Village of Westport  
Lockwood Memorial Field Trust Fund  
Statement of Financial Position**

December 31	2015	2014
	\$	\$
<b>ASSETS</b>		
Cash	1,721	283
<b>LIABILITIES</b>		
Due to Village Fund balance	10,031 (8,310)	1,761 (1,478)
	1,721	283

**Statement of Financial Activities**

For the year ended December 31	2015	2014
	\$	\$
<b>REVENUES</b>		
Interest	---	3
Donations	12,000	12,000
Village	---	2,000
	12,000	14,003
<b>EXPENDITURES</b>		
Insurance	2,610	1,115
Lighting	631	494
Maintenance	14,982	13,026
Administration	609	477
	18,832	15,112
<b>NET EXPENDITURES FOR THE YEAR</b>	<b>(6,832)</b>	<b>(1,109)</b>
<b>BALANCE AT THE BEGINNING OF THE YEAR</b>	<b>(1,478)</b>	<b>(369)</b>
<b>BALANCE AT THE END OF THE YEAR</b>	<b>(8,310)</b>	<b>(1,478)</b>

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

---

**Village of Westport  
Lockwood Memorial Trust Fund  
Notes to the Financial Statements**

**December 31, 2015**

---

**1. Significant Accounting Policies**

**Reporting Entity**

Perpetual care receipts are reported on the cash basis of accounting and interest income is reported on the accrual basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which 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.

---



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com



## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the Board Members, Inhabitants and Ratepayers of the Village of Westport - Rideau District Museum Committee:**

We have audited the accompanying financial statements of the Village of Westport - Rideau District Museum Committee as at December 31, 2015 which comprise the statement of financial position and the statement of operations, 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 Financial Statements**

The Village of Westport - Rideau District Museum Committee's 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 whether the financial statements are free of 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.





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

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Westport - Rideau District Museum Committee as at December 31, 2015 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script, appearing to read "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
July 4, 2016.

**Village of Westport  
Rideau District Museum Committee  
Statement of Financial Position**

December 31	2015	2014
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term deposits	11,515	14,814
Accounts receivable	864	1,310
	<b>12,379</b>	<b>16,124</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,100	1,100
<b>NET ASSETS</b>	<b>11,279</b>	<b>15,024</b>
<b>ACCUMULATED SURPLUS (note 3)</b>	<b>11,279</b>	<b>15,024</b>

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

**Village of Westport  
Rideau District Museum Committee  
Statement of Operations**

For the year ended December 31	(Note 4) Budget	2015	2014
	\$	\$	\$
<b>REVENUES</b>			
Government grants	---	3,394	3,492
Municipal contribution	3,000	3,000	3,000
Admissions, souvenirs, sales	2,700	2,361	3,172
Donations	3,300	3,645	2,436
Investment income	---	61	181
Fundraising	8,450	4,949	1,762
<b>TOTAL REVENUES</b>	17,450	17,410	14,043
<b>EXPENDITURES</b>			
Administration	650	924	2,032
Utilities	3,100	3,244	2,917
Maintenance and supplies	2,700	2,152	1,938
Salaries and benefits	11,000	14,835	14,227
<b>TOTAL EXPENDITURES</b>	17,450	21,155	21,114
<b>NET EXPENDITURES FROM OPERATIONS</b>	---	(3,745)	(7,071)
<b>ANNUAL DEFICIT</b>	---	(3,745)	(7,071)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	15,024	15,024	22,095
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	15,024	11,279	15,024

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

**Village of Westport  
Rideau District Museum Committee  
Statement of Changes in Net Assets**

For the year ended December 31	2015	2014
	\$	\$
<b>ANNUAL DEFICIT</b>	<b>(3,745)</b>	<b>(7,071)</b>
<b>DECREASE IN NET ASSETS</b>	<b>(3,745)</b>	<b>(7,071)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>15,024</b>	<b>22,095</b>
<b>NET ASSETS, END OF YEAR</b>	<b>11,279</b>	<b>15,024</b>

**Statement of Cash Flows**

For the year ended December 31	2015	(Note 5) 2014
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(3,745)	(7,071)
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts receivable	446	(433)
Accounts payable and accrued liabilities	---	1,100
<b>Working Capital from Operations</b>	<b>446</b>	<b>667</b>
<b>NET DECREASE IN CASH</b>	<b>(3,299)</b>	<b>(6,404)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>14,814</b>	<b>21,218</b>
<b>CASH, END OF YEAR</b>	<b>11,515</b>	<b>14,814</b>

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

---

**Village of Westport  
Rideau District Museum Committee  
Notes to the Financial Statements**

**December 31, 2015**

---

**1. Status of the Committee**

During the year the Rideau District Museum Board became a Committee of Council.

---

**2. Significant Accounting Policies**

The financial statements of the Rideau District Museum Committee are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards for local governments. Significant aspects of the accounting policies by the Committee are as follows:

**Reporting Entity**

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Committee.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

**Cash and Cash Equivalents**

The Committee considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Committee defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the statement of financial position. The Committee has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

---

**Village of Westport  
Rideau District Museum Committee  
Notes to the Financial Statements**

**December 31, 2015**

---

**2. Significant Accounting Policies / continued**

**Financial Instruments / continued**

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Committee classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

---

**3. Accumulated Surplus**

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2015	2014
	\$	\$
<b>Surplus</b>		
General revenues	11,279	15,024
<b>Accumulated Surplus</b>	<b>11,279</b>	<b>15,024</b>

---

**4. Budget Figures**

Rideau District Museum Committee reviews its operating and capital budgets each year. The approved operating budget for 2015 is included in the budget figures presented in the Consolidated Statement of Operations.

---



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com



## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the Board Members, Inhabitants and Ratepayers of the Village of Westport - Water and Wastewater Systems:**

We have audited the accompanying financial statements of the Village of Westport - Water and Wastewater Systems which comprise the statement of financial position as at December 31, 2015 and the statement of operations, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Village of Westport - Water and Wastewater Systems's 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 whether the financial statements are free of 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Westport - Water and Wastewater Systems as at December 31, 2015 and the results of its operations, net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script, appearing to read "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
July 4, 2016.



**Village of Westport  
Water and Wastewater Systems  
Statement of Financial Position**

December 31	2015	2014
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	246,195	---
Accounts receivable	188,727	147,717
Due from Village	227,197	---
	<b>662,219</b>	<b>147,717</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank indebtedness	---	280,992
Accounts payable and accrued liabilities	184,004	213,951
Deferred revenues	541,513	---
Due to Village	---	175,645
	<b>725,517</b>	<b>670,588</b>
<b>Long Term Debt</b> (note 3)	<b>1,399,930</b>	<b>1,010,033</b>
<b>NET DEBT</b>	<b>(1,463,328)</b>	<b>(1,532,904)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	4,285,368	4,300,440
<b>ACCUMULATED SURPLUS</b> (note 4)	<b>2,822,040</b>	<b>2,767,536</b>

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

**Village of Westport  
Water and Wastewater Systems  
Statement of Operations**

For the year ended December 31	(Note 5) Budget	2015	2014
	\$	\$	\$
<b>REVENUES</b>			
Water and sewer service fees	597,000	677,288	618,492
Government grants	50,000	719,572	29,718
Miscellaneous revenues	4,000	7,570	20,978
<b>TOTAL REVENUES</b>	<b>651,000</b>	<b>1,404,430</b>	<b>669,188</b>
<b>EXPENDITURES</b>			
Salaries	---	117,321	67,722
Water and sewer operations	240,000	818,321	684,012
Professional services	174,100	173,975	325,676
Maintenance and repairs	19,500	22,917	85,074
Interest on long term debt	60,000	53,513	41,822
Administration	13,500	25,697	62,872
Municipal taxes	8,000	13,060	11,335
Amortization	---	125,122	122,371
<b>TOTAL EXPENDITURES</b>	<b>515,100</b>	<b>1,349,926</b>	<b>1,400,884</b>
<b>NET REVENUES (EXPENDITURES) FROM OPERATIONS</b>	<b>135,900</b>	<b>54,504</b>	<b>(731,696)</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>135,900</b>	<b>54,504</b>	<b>(731,696)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>2,767,536</b>	<b>2,767,536</b>	<b>3,499,232</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>2,903,436</b>	<b>2,822,040</b>	<b>2,767,536</b>

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

**Village of Westport  
Water and Wastewater Systems  
Statement of Changes in Net Debt**

For the year ended December 31	(Note 5) Budget	2015	(Note 6) 2014
	\$	\$	\$
<b>ANNUAL SURPLUS (DEFICIT)</b>	135,900	54,504	(731,696)
Acquisition of tangible capital assets	---	(110,050)	(2,000)
Amortization of tangible capital assets	---	125,122	122,371
Other	---	---	---
	---	15,072	120,371
<b>DECREASE (INCREASE) IN NET DEBT</b>	135,900	69,576	(611,325)
<b>NET DEBT, BEGINNING OF YEAR</b>	(1,532,904)	(1,532,904)	(921,579)
<b>NET DEBT, END OF YEAR</b>	(1,397,004)	(1,463,328)	(1,532,904)

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

**Village of Westport  
Water and Wastewater Systems  
Statement of Cash Flows**

For the year ended December 31	2015	2014
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	54,504	(731,696)
Amortization	125,122	122,371
	179,626	(609,325)
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts receivable	(41,010)	(104,235)
Accounts payable and accrued liabilities	(29,947)	307,245
Deferred revenues	541,513	---
Due to Village	(402,842)	---
	67,714	203,010
<b>Working Capital from Operations</b>	<b>247,340</b>	<b>(406,315)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(110,050)	(2,000)
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(149,103)	(113,513)
Proceeds of long term debt	539,000	---
	389,897	(113,513)
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>527,187</b>	<b>(521,828)</b>
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<b>(280,992)</b>	<b>240,836</b>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<b>246,195</b>	<b>(280,992)</b>
<b>CASH AND EQUIVALENTS REPRESENTED BY:</b>		
Cash	246,195	---
Bank indebtedness	---	(280,992)
	246,195	(280,992)

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

---

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2015**

---

**1. Significant Accounting Policies**

The financial statements of the Village of Westport Waste and Wastewater Systems are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Village are as follows:

**Reporting Entity**

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Village.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

**Tangible Capital Assets**

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

<b>Assets</b>	<b>Estimated Useful Life</b>
Structures	20 to 45 years
Water and Waste Plants and Networks:	
Water Distribution System	40 years
Sewage Collection System	40 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

---

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2015**

---

**2. Significant Accounting Policies / continued**

**Tangible Capital Assets / continued**

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

**Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Village defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Village receives restricted contributions under the authority of Federal and Provincial legislation and Village by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Village has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the statement of financial position. The Village has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2015**

**2. Significant Accounting Policies / continued**

**Financial Instruments / continued**

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Village classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

**3. Long Term Liabilities**

	2015	2014
	\$	\$
Bank loan (3.28%), repayable in blended monthly instalments of \$3,705, due 2017.	79,487	127,596
Bank loan (3.96%), repayable in blended monthly instalments of \$2,894, due February 2015.	299,077	321,347
Bank loan (4.86%), repayable in monthly instalments of \$2,321, due February 2016.	4,609	31,534
Bank loan (prime + 1.00%), repayable in blended monthly instalments of \$2,503 due 2029.	288,724	313,556
Bank loan (3.95%), repayable in monthly instalments of \$750 due 2018.	207,000	216,000
Bank loan (3.20%), repayable in blended monthly instalments of \$2,246, due 2040.	521,033	---
	<b>1,399,930</b>	<b>1,010,033</b>

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2015**

**3. Long Term Liabilities / continued**

Principal payments fall due as follows:

	\$
2016	106,193
2017	97,015
2018	61,057
2019	62,105
2020	63,189
2021 and thereafter	1,010,371
	1,399,930

Interest expense on long term liabilities amounted to \$47,926 (2014 \$41,822).

These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**4. Accumulated Surplus**

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2015	2014
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	4,285,368	4,300,440
Long term liabilities	(1,399,930)	(1,010,033)
	2,885,438	3,290,407
Reserves		
Water	13,078	13,078
Sewer	25,820	25,820
Current fund	(102,296)	(561,769)
Total Accumulated Surplus	2,822,040	2,767,536

**5. Budget Figures**

Village of Westport - Water and Wastewater Systems reviews its operating and capital budgets each year. The approved operating budget for 2015 is included in the budget figures presented in the Consolidated Statement of Operations.



**The Corporation of the Village of Westport  
Water and Wastewater Systems  
Schedule 1 ▶ Tangible Capital Assets**

December 31, 2015

Assets	Cost 01/01/15	Additions (Disposals)	Cost 31/12/15	Accumulated Amortization 01/01/15	Amortization 2015	Accumulated Amortization 31/12/15	Net Book Value 31/12/15
	\$	\$	\$	\$	\$	\$	\$
Land	3	---	3	---	---	---	3
Buildings	1,883,000	---	1,883,000	409,731	58,533	468,264	1,414,736
Water Distribution	1,267,796	110,050	1,377,846	200,247	41,374	241,621	1,136,225
Sewage Collection	1,971,289	---	1,971,289	211,670	25,215	236,885	1,734,404
	<b>5,122,088</b>	<b>110,050</b>	<b>5,232,138</b>	<b>821,648</b>	<b>125,122</b>	<b>946,770</b>	<b>4,285,368</b>

December 31, 2014

Assets	Cost 01/01/14	Additions (Disposals)	Cost 31/12/14	Accumulated Amortization 01/01/14	Amortization 2014	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$	\$	\$
Land	3	---	3	---	---	---	3
Buildings	1,883,000	---	1,883,000	351,198	58,533	409,731	1,473,269
Water Distribution	1,267,796	---	1,267,796	161,624	38,623	200,247	1,067,549
Sewage Collection	1,969,289	2,000	1,971,289	186,455	25,215	211,670	1,759,619
LibraryCollection	5,120,088	2,000	5,122,088	699,277	122,371	821,648	4,300,440

**The Corporation of  
the Village of Westport  
Public Library Board**

3 Spring Street  
Westport, ON K0G 1X0  
613-273-3223

**Management's Responsibility for the Financial Statements**

---

The accompanying financial statements of the Corporation of the Village of Westport Public Library Board are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to Board and Council approval of the financial statements.

The financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

---

Ruth Pedherney, Chair

---

Pamela Stuffles, Librarian

---

**The Corporation of  
the Village of Westport  
Public Library Board**

3 Spring Street  
Westport, ON K0G 1X0  
613-273-3223

**Management's Responsibility for the Financial Statements**

---

The accompanying financial statements of the Corporation of the Village of Westport Public Library Board are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to Board and Council approval of the financial statements.

The financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

---

Ruth Pedherney, Chair

---

Pamela Stuffles, Librarian



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com



## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Village of Westport Public Library Board:**

We have audited the accompanying financial statements of the Corporation of the Village of Westport Public Library Board which comprise the statement of financial position as at December 31, 2015 and the statement of operations, 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 Financial Statements**

The Corporation of the Village of Westport Public Library Board's 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 whether the financial statements are free of 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Westport Public Library Board as at December 31, 2015 and its results of operations, net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
June 23, 2016.

**The Corporation of the Village of Westport Public Library Board  
Statement of Financial Position**

December 31	2015	2014
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	3,512	4,433
Accounts receivable	2,909	332
	6,421	4,765
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	3,009	945
	3,412	3,820
<b>NET FINANCIAL ASSETS</b>		
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 5) (Schedule 1)	8,781	7,855
	12,193	11,675
<b>ACCUMULATED SURPLUS (note 4)</b>		

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

**The Corporation of the Village of Westport Public Library Board  
Statement of Operations**

For the year ended December 31	(Note 6) Budget	2015	2014
	\$	\$	\$
<b>REVENUES</b>			
Government Grants			
Municipal Grants ▶ operating grant	10,000	15,000	9,500
▶ contribution	10,652	8,215	9,944
Provincial Grants ▶ operating	4,714	5,394	1,714
Other Income			
Fundraising	4,000	2,374	1,142
Operational revenues	2,532	4,856	4,653
Donations	2,500	863	2,492
Interest	50	31	59
Other special revenues	---	96	4,295
<b>TOTAL REVENUES</b>	<b>34,448</b>	<b>36,829</b>	<b>33,799</b>
<b>EXPENDITURES</b>			
Amortization	3,000	2,641	3,517
Salaries, wages, employee benefits	19,000	23,029	18,447
Library reading materials	---	250	---
Professional fees	1,000	1,018	967
Membership and administration fees	650	700	575
Bank charges	---	30	25
Facilities			
▶ utilities	5,000	5,403	5,364
▶ insurance	1,152	954	266
▶ repairs and maintenance	4,000	840	3,347
▶ telephone and internet	1,450	1,446	1,442
<b>TOTAL EXPENDITURES</b>	<b>35,252</b>	<b>36,311</b>	<b>33,950</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(804)</b>	<b>518</b>	<b>(151)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>11,675</b>	<b>11,675</b>	<b>11,826</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>10,871</b>	<b>12,193</b>	<b>11,675</b>

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

**The Corporation of the Village of Westport Public Library Board  
Statement of Changes in Net Financial Assets**

For the year ended December 31	2015	2014
	\$	\$
<b>ANNUAL SURPLUS (DEFICIT)</b>	518	(151)
Amortization of tangible capital assets	2,641	3,517
Acquisition of tangible capital assets	(3,567)	(3,244)
	(926)	273
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	<b>(408)</b>	<b>122</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>3,820</b>	<b>3,698</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>3,412</b>	<b>3,820</b>

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



**The Corporation of the Village of Westport Public Library Board  
Statement of Cash Flows**

For the year ended December 31	2015	2014
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	518	(151)
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts receivable	(2,577)	(85)
Accounts payable and accrued liabilities	2,064	---
Deferred revenue	---	(6,999)
	(513)	(7,084)
<b>Non-cash charges to operations</b>		
Amortization	2,641	3,517
<b>Working Capital from Operations</b>	<b>2,646</b>	<b>(3,718)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,567)	(3,244)
<b>NET DECREASE IN CASH</b>	<b>(921)</b>	<b>(6,962)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>4,433</b>	<b>11,395</b>
<b>CASH, END OF YEAR</b>	<b>3,512</b>	<b>4,433</b>

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

---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2015

---

### 1. Status of the Board

The Village of Westport Public Library Board (the 'Board') was formed in February 1941 pursuant to the Public Libraries Act and the Village of Westport.

---

### 2. Significant Accounting Policies

The financial statements of the Corporation of the Village of Westport Public Library Board are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Board are as follows:

#### Reporting Entity

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

#### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

#### Tangible Capital Assets

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

Assets	Estimated Useful Life
Library Collection	7 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2015

---

### 2. Significant Accounting Policies / continued

#### Tangible Capital Assets / continued

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the statement of operations.

#### Cash and Cash Equivalents

The Board considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

#### Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which 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.

#### Deferred Revenues

The Board defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Board has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2015

---

### 2. Significant Accounting Policies / continued

#### Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Board has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Board classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

#### Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

---

### 3. Risk Management

In the normal course of operations, the Library Board is exposed to a variety of financial risks which are actively managed by the Library Board.

The Library Board's financial instruments consist of cash, investments, accounts receivable and accounts payable. The fair values of cash, investments and accounts payable approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Library Board's exposure to and management of risk has not changed materially from December 31, 2014.

---

# The Corporation of the Village of Westport Public Library Board Notes to the Financial Statements

December 31, 2015

---

### 3. Risk Management / continued

#### Credit Risk

Credit risk arises from the possibility that the entities to which the Library Board provides services to may experience difficulty and be unable to fulfill their obligations. The Library Board is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Library Board does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

#### Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Library Board is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Library Board's operating results.

#### Liquidity Risk

Liquidity risk is the risk that the Library Board will not be able to meet its obligations as they fall due. The Library Board requires working capital to meet day-to-day operating activities. Management expects that the Library Board's cash flows from operating activities will be sufficient to meet these requirements.

---

### 4. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2015	2014
	\$	\$
<b>Surplus</b>		
Invested in tangible capital assets	8,781	7,855
<b>Current Fund</b>	3,412	3,820
<b>Accumulated Surplus</b>	<b>12,193</b>	<b>11,675</b>

---

**The Corporation of the Village of Westport Public Library Board  
Notes to the Financial Statements**

**December 31, 2015**

---

**5. Tangible Capital Assets**

Net Book Value of Assets	2015	2014
	\$	\$
Library Collection	8,781	7,855

---

For additional information, see Schedule 1 ▶ Tangible Capital Assets.

---

**6. Budget Figures**

The Corporation of the Village of Westport Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2015 is included in the budget figures presented in the Statement of Operations.

---

**The Corporation of the Village of Westport Public Library Board  
Schedule 1 ▶ Tangible Capital Assets**

**December 31, 2015**

Assets	Cost 01/01/15	Additions	(Disposals)	Cost 31/12/15	Accumulated Amortization 01/01/15	Amortization 2015	Disposal Amortization	Accumulated Amortization 31/12/15	Net Book Value 31/12/15
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library Collection	24,618	3,567	(9,700)	18,485	16,763	2,641	(9,700)	9,704	8,781

**December 31, 2014**

Assets	Cost 01/01/14	Additions	(Disposals)	Cost 31/12/14	Accumulated Amortization 01/01/14	Amortization 2014	Disposal Amortization	Accumulated Amortization 31/12/14	Net Book Value 31/12/14
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library Collection	21,374	3,244	--	24,618	13,246	3,517	--	16,763	7,855

**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

---

**CONTENTS**

Five Year Financial Review .....	1 - 2
Management's Responsibility for the Consolidated Financial Statements .....	3
Independent Auditor's Report .....	4 - 5
Consolidated Statement of Financial Position .....	6
Consolidated Statement of Operations .....	7
Consolidated Statement of Changes in Net Debt .....	8
Consolidated Statement of Cash Flows .....	9
Notes to the Consolidated Financial Statements .....	10 - 23
Schedule 1 ▶ Continuity of Reserves and Reserve Funds .....	24
Schedule 2 ▶ Tangible Capital Assets .....	25 - 26
Independent Auditor's Report ▶ Lockwood Memorial Field Trust Fund .....	27 - 28
Trust Fund ▶ Statement of Financial Position and Statement of Financial Activities .....	29
Trust Fund ▶ Notes to the Financial Statements .....	30
Independent Auditor's Report ▶ Rideau District Museum Committee .....	31 - 32
Village of Westport ▶ Rideau District Museum Committee .....	33 - 37
Independent Auditor's Report ▶ Water and Wastewater Systems .....	38 - 39
Village of Westport ▶ Water and Wastewater Systems .....	40 - 48
Village of Westport Public Library Board .....	49 - 61

---

**Village of Westport  
Consolidated  
Financial Statements  
December 31, 2016**



**Village of Westport**  
**Five Year Financial Review**  
(not subject to audit)

December 31	2016	2015	2014	2013	2012
Population (Census)	590	594	594	594	594
Number of Households (MPAC)	388	363	363	363	363
<hr/>					
<b>Taxable Assessment (000's)</b>	\$	\$	\$	\$	\$
Residential and farm	75,205	71,926	68,055	65,850	63,482
Commercial and Industrial	18,222	17,233	15,813	14,688	14,274
<b>Total</b>	<b>93,427</b>	<b>89,159</b>	<b>83,868</b>	<b>80,538</b>	<b>77,756</b>
Commercial, Industrial as % of assessment	19.50%	19.33%	18.85%	18.23%	18.36%
<hr/>					
<b>Rates of Taxation</b>					
Residential					
▸ for general municipal purposes	0.762680	0.683344	0.667905	0.674068	0.679372
▸ for county purposes	0.363579	0.367257	0.367257	0.373523	0.392896
▸ for school board purposes	0.188000	0.195000	0.203000	0.212000	0.221000
<b>Total</b>	<b>1.314259</b>	<b>1.245601</b>	<b>1.238162</b>	<b>1.259591</b>	<b>1.293268</b>
Multi-Residential (total)	1.314259	1.245601	1.238162	1.259591	1.293268
Commercial (total)	2.825063	2.758687	2.775184	2.831533	2.881057
<hr/>					
<b>Tax Arrears</b> ▸ percentage of current levy (<10%)**	6.69%	5.06%	15.61%	17.19%	11.05%
<hr/>					
<b>Taxes Transferred (000's)</b>					
▸ County	350	347	335	319	314
▸ School Boards	332	349	356	338	331
<hr/>					
<b>Revenues (000's)</b>	\$	\$	\$	\$	\$
▸ Taxation and payments in lieu	737	647	613	580	569
▸ Government transfers	1,586	835	157	151	161
▸ Fees and service charges	910	951	876	929	916
▸ Other	274	192	146	184	127
▸ Revenues related to capital assets	---	---	37	---	---
<b>Total</b>	<b>3,507</b>	<b>2,625</b>	<b>1,829</b>	<b>1,844</b>	<b>1,773</b>
<hr/>					
<b>Expenditures (000's)</b>					
▸ Operations	3,952	2,769	2,741	1,954	1,785
▸ Amortization	376	371	361	365	353
<hr/>					
<b>Net Financial Assets (Net Debt)</b>					
▸ % of Operating Revenue (>(20%))**	(25.49%)	(27.34%)	(55.21%)	(19.66%)	(22.01%)
▸ % of Taxation and user charges (>(50%))**	(121.26%)	(110.84%)	(161.47%)	(62.45%)	(68.63%)

\*\* Represents the Provincial Low Risk Indicator.  
(Note: All dollar amounts are in thousands of dollars.)

**Village of Westport**  
**Five Year Financial Review**  
(not subject to audit)

December 31	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
<b>Long Term Debt</b>					
▸ Net long term debt (000's)	1,745	1,538	1,154	1,274	980
▸ Long term debt charges (000's)	192	208	167	118	199
▸ Total annual repayment limit (000's)	242	288	238	288	127
▸ Long term debt per household	4,497	4,237	3,179	3,508	2,698
▸ Debt charges (000's)					
▸ rate supported	135	197	155	118	199
▸ water & sewer	12	11	12	---	---
▸ tax supported					
	147	208	167	118	199
<b>Municipal Equity (000's)</b>					
▸ Surplus and Reserves	298	267	(221)	543	511
▸ Invested in capital assets	7,312	7,786	8,428	8,610	8,842
▸ Asset consumption ratio	26.33%	23.57%	20.24%	14.94%	12.35%
▸ Reserves as % of operating expenses (>20%)**	7.98%	10.23%	9.96%	13.97%	15.29%
<b>Financial Indicators</b>					
▸ Sustainability					
▸ financial assets to liabilities	0.67	0.71	0.51	0.86	0.87
▸ financial assets to liabilities excluding long term debt	1.86	1.88	1.54	5.07	6.27
▸ long term debt to tangible capital assets	19.26%	16.49%	12.04%	12.89%	9.97%
▸ capital reserves to accumulated amortization	7.15%	6.93%	7.47%	10.47%	13.13%
▸ Flexibility					
▸ Debt charges to total operating revenue (<5%)**	5.47%	7.95%	9.31%	6.39%	11.24%
▸ Total operating revenue to taxable assessment	3.75%	2.94%	2.14%	2.29%	2.28%
▸ Working capital to operating expenses (>10%)**	7.55%	9.65%	5.98%	53.86%	46.65%
▸ Vulnerability					
▸ Operating government transfers ▸ to operating revenue	45.23%	31.82%	9.76%	8.17%	9.08%
▸ Total government transfers ▸ to total revenues	45.23%	31.82%	9.49%	7.99%	9.08%



The Corporation of  
the Village of Westport

30 Bedford St., P.O. Box 68  
Westport, Ontario K0G 1X0  
(613) 273-2191 / Fax (613) 273-3460  
[www.village.westport.on.ca](http://www.village.westport.on.ca)

## Management's Responsibility for the Consolidated Financial Statements

---

The accompanying consolidated financial statements of the Corporation of the Village of Westport are the responsibility of the Village's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of consolidated financial statements. These systems are monitored and evaluated by management.

The Corporate Services Committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Village. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

---

Paul Snider  
Chief Administrative Officer / Clerk

---

Anne-Marie Koiner  
Treasurer / Deputy Clerk



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com

## INDEPENDENT AUDITOR'S REPORT

---

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Village of Westport:**

We have audited the accompanying consolidated financial statements of the Corporation of the Village of Westport which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statement of operations and changes in net debt 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**

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

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

**Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Village of Westport as at December 31, 2016 and its consolidated results of operations, changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
May 23, 2017.

**Village of Westport**  
**Consolidated Statement of Financial Position**

December 31	2016	2015
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term investments	---	846,116
Taxes receivable	94,897	67,977
Accounts receivable	1,193,601	284,505
Long term investments (note 4)	552,168	553,108
	<b>1,840,666</b>	<b>1,751,706</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Bank indebtedness	18,279	----
Accounts payable and accrued liabilities	909,338	335,967
Prepaid property taxes	47,532	39,089
Deferred revenues (note 5)	14,900	556,413
Long term liabilities (note 6)	1,744,648	1,537,930
	<b>2,734,697</b>	<b>2,469,399</b>
<b>NET DEBT</b>	<b>(894,031)</b>	<b>(717,693)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 15)	9,056,620	9,324,573
Contingent Liabilities (note 12)		
<b>MUNICIPAL EQUITY (note 7)</b>	<b>8,162,589</b>	<b>8,606,880</b>

Approved On Behalf of Council:

\_\_\_\_\_  
Mayor

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

**Village of Westport  
Consolidated Statement of Operations**

For the year ended December 31	(Note 17) Budget	2016	2015
	\$	\$	\$
<b>REVENUES</b>			
Taxation ▶ residential	575,181	586,298	492,942
▶ commercial	169,531	150,983	154,541
User charges ▶ sewer and water	634,400	662,195	684,858
▶ recreation and culture	248,075	228,064	236,202
▶ general government	---	1,776	3,089
▶ other	10,400	17,634	26,748
Government transfers	1,576,004	1,586,445	835,449
Licences and permits	22,750	45,041	39,463
Investment income	3,000	3,974	7,405
Penalties and interest on taxes	16,200	18,803	26,715
Government business enterprises	15,000	14,926	25,183
Other	124,908	191,401	92,812
	3,395,449	3,507,540	2,625,407
<b>EXPENDITURES</b>			
General government	379,315	418,542	405,483
Protection to persons and property	227,309	255,960	181,325
Transportation services	124,200	272,581	238,236
Environmental services	2,422,400	2,473,433	1,472,611
Recreation and cultural services	391,750	463,564	403,824
Planning and development	55,475	67,751	67,825
<b>TOTAL EXPENDITURES</b>	3,600,449	3,951,831	2,769,304
<b>NET EXPENDITURES FROM OPERATIONS</b>	(205,000)	(444,291)	(143,897)
<b>ANNUAL DEFICIT</b>	(205,000)	(444,291)	(143,897)
<b>MUNICIPAL EQUITY, BEGINNING OF YEAR</b>	8,606,880	8,606,880	8,750,777
<b>MUNICIPAL EQUITY, END OF YEAR</b>	8,401,880	8,162,589	8,606,880

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

**Village of Westport  
Consolidated Statement of Changes in Net Debt**

For the year ended December 31	(Note 17) Budget	2016	2015
	\$	\$	\$
<b>ANNUAL DEFICIT</b>	(205,000)	(444,291)	(143,897)
Amortization of tangible capital assets	---	375,657	371,497
Acquisition of tangible capital assets	---	(107,704)	(113,637)
	---	267,953	257,860
<b>(INCREASE) DECREASE IN NET DEBT</b>	(205,000)	(176,338)	113,963
<b>NET DEBT, BEGINNING OF YEAR</b>	(717,693)	(717,693)	(831,656)
<b>NET DEBT, END OF YEAR</b>	(922,693)	(894,031)	(717,693)

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



**Village of Westport**  
**Consolidated Statement of Cash Flows**

For the year ended December 31	2016	(Note 18) 2015
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit for the year	(444,291)	(143,897)
Amortization	375,657	371,497
	(68,634)	227,600
Net Change in Non-Cash Working Capital Balances		
Taxes receivable	(26,920)	135,603
Accounts receivable	(909,096)	(148,031)
Long term investments	940	(9,317)
Accounts payable and accrued liabilities	573,371	(14,438)
Prepaid property taxes	8,443	10,649
Deferred revenues	(541,513)	548,369
	(894,775)	522,835
<b>Working Capital from Operations</b>	<b>(963,409)</b>	<b>750,435</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(107,704)	(113,637)
<b>Net investment in tangible capital assets</b>	<b>(107,704)</b>	<b>(113,637)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds of long term debt	348,000	539,000
Repayment of long term debt	(141,282)	(155,103)
<b>Net increase in cash from financing activities</b>	<b>206,718</b>	<b>383,897</b>
<b>NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS</b>	<b>(864,395)</b>	<b>1,020,695</b>
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<b>846,116</b>	<b>(174,579)</b>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<b>(18,279)</b>	<b>846,116</b>
<b>CASH AND EQUIVALENTS REPRESENTED BY:</b>		
Cash	166,858	846,116
Bank indebtedness	(185,137)	---
	(18,279)	846,116

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

---

# Village of Westport

## Notes to the Consolidated Financial Statements

December 31, 2016

---

### 1. Status of the Village of Westport

The Village of Westport (the 'Village') was established in 1904 and assumed its responsibilities under the authority of the Provincial Secretary. The Village operates as a lower tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

---

### 2. Significant Accounting Policies

The consolidated financial statements of the Corporation of the Village of Westport are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies adopted by the Village are as follows:

#### Reporting Entity

- (i) The consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Village. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Village and which are owned or controlled by the Village. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:
  - Water and Wastewater Systems
  - Westport Public Library Board
- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards or the United Counties of Leeds and Grenville are not reflected in the municipal fund balances of these consolidated financial statements.

#### Basis of Accounting

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not 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 of revenues over expenses, provides the change in net financial assets for the year.
- (iii) Trust funds and their related operations administered by the Village are not included in these consolidated financial statements but are reported separately on the Trust Funds Statement of Financial Activities and Financial Position.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2016**

---

**2. Significant Accounting Policies / continued**

**Tangible Capital Assets**

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

Land	
Land Improvements	10, 20 & 25 years
Buildings	45 years
Equipment	15 years
Vehicles	20 years
Water and Waste Plants and Networks	
Water Distribution	50 years
Sewage Collection	50 years
Linear Assets	
Roads	40 years
Sidewalks	25 years

One half of the annual amortization is charged in the year of acquisition and in the years of disposal.

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Village has a capitalization threshold of \$5,000 for vehicles and equipment and \$20,000 for linear assets and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Village's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

**Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of 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.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2016**

---

**2. Significant Accounting Policies / continued**

**Inventories**

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

**Employee Future Benefit Obligations**

The Village accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Village's policy. Sick leave benefits and vacation entitlements are not permitted to be carried forward from year to year.

**Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the consolidated financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Village defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes and recreational land collected under the Planning Act are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Village receives restricted contributions under the authority of Federal and Provincial legislation and Village by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Village has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

**Investments**

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2016**

---

**2. Significant Accounting Policies / continued**

**Investments / continued**

Investment income earned on available current funds and reserve funds (other than obligatory funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balance.

**Landfill Closure and Post-Closure Liabilities**

The Village accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management.

Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

**Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the Village:
  - (i) is directly responsible; or
  - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of cost of pos-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. The Village has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2016

---

**2. Significant Accounting Policies / continued**

**Financial Instruments / continued**

The Village classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the consolidated financial statements in the period in which they become known.

---

**3. Operations of the School Boards and United Counties of Leeds & Grenville**

During 2016, the Village collected and made property tax transfers including payments in lieu of property taxes, to the United Counties of Leeds & Grenville and School Boards as follows:

	School Boards	United Counties of Leeds and Grenville
	\$	\$
Property taxes	331,786	347,417
Taxation from other governments	---	2,624
<b>Amounts requisitioned and paid</b>	<b>331,786</b>	<b>350,041</b>

---

**4. Investment in Rideau St. Lawrence Holdings Inc. (RSL)**

Rideau St. Lawrence Holdings Inc., a government business enterprise, is accounted for on the modified equity basis by the Village for its proportionate share of ownership. The Village owns approximately 9.92% of the company. The principal business of RSL is to distribute electric power to four communities including the Village of Westport.

During the year RSL underwent a change in accounting policy resulting in an adjustment to the consolidated net investment amount.

The following tables present condensed supplementary financial information for the entity for the year ended December 31.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2016

4. Investment in Rideau St. Lawrence Holdings Inc. (RSL) / continued

	2016		2015	
	100.00%	9.92%	100.00%	9.92%
	\$	\$	\$	\$
<b>Financial Position</b>				
Current assets	5,341,496	529,876	4,577,078	454,046
Capital assets	7,095,357	703,859	6,875,202	682,020
Regulatory assets	321,320	31,875	575,960	57,135
	<b>12,758,173</b>	<b>1,265,610</b>	<b>12,028,240</b>	<b>1,193,201</b>
Current liabilities	5,331,914	528,880	4,773,135	473,456
Long term debt	984,437	97,656	1,090,169	108,145
Long term portion of customer deposits	403,768	40,054	297,283	29,490
Regulatory liabilities	472,299	46,852	292,358	29,002
	<b>7,192,418</b>	<b>713,442</b>	<b>6,452,945</b>	<b>640,093</b>
<b>Net Assets</b>	<b>5,565,755</b>	<b>552,168</b>	<b>5,575,295</b>	<b>553,108</b>
<b>Result of Operations</b>				
Revenues	17,592,637	1,745,190	16,630,827	1,649,771
Expenses	17,442,179	1,730,264	16,376,899	1,624,588
<b>Net Income for the Year</b>	<b>150,458</b>	<b>14,926</b>	<b>253,928</b>	<b>25,183</b>
<b>Less: dividends paid during the year</b>	<b>(160,000)</b>	<b>(15,866)</b>	<b>(160,000)</b>	<b>(15,866)</b>
<b>Net Changes in Accumulated Income</b>	<b>(9,542)</b>	<b>(940)</b>	<b>93,928</b>	<b>9,317</b>

5. Deferred Revenues

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded.

The transactions for the year are summarized below:

	Gas Tax	OCIF Grant	Recreational Land	Total
	\$	\$	\$	\$
January 1, 2016	---	541,513	14,900	556,413
Government grant	19,903	891,000	---	910,903
Transfer to operating fund	(19,903)	(1,432,513)	---	(1,452,416)
<b>December 31, 2016</b>	---	---	14,900	14,900

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2016

**6. Long Term Liabilities**

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

	2016	2015
	\$	\$
Bank loan (3.20%), repayable in blended monthly instalments of \$1,797, due February 2020.	499,474	521,033
Bank loan (3.00%), repayable in monthly principal instalments of \$1,160, due December 2021.	346,840	---
Bank loan (3.20%), repayable in blended monthly instalments of \$1,929, due February 2020.	275,923	299,077
Bank loan (3.20%), repayable in blended monthly instalments of \$2,893 due February 2020.	262,641	288,724
Bank loan (3.95%), repayable in monthly instalments of \$750 due December 2018.	198,000	207,000
Bank loan (3.95%), repayable in monthly principal instalments of \$500, due December 2018.	132,000	138,000
Bank loan (3.28%), repayable in blended monthly instalments of \$4,298, due July 2017.	29,770	79,487
Bank loan (4.86%), repayable in monthly instalments of \$2,321, due February 2016.	---	4,609
	<b>1,744,648</b>	<b>1,537,930</b>

- (b) Principal payments fall due as follows:

	User Charges	General Revenues	Total
	\$	\$	\$
2017	124,615	6,000	130,615
2018	95,857	6,000	101,857
2019	96,905	6,000	102,905
2020	97,989	6,000	103,989
2021	99,112	6,000	105,112
2022 to 2026	512,662	30,000	542,662
2027 and thereafter	585,508	72,000	657,508
	<b>1,612,648</b>	<b>132,000</b>	<b>1,744,648</b>

- (c) Interest expense on long term liabilities in 2016 amounted to \$50,503 (2015 \$53,513).
- (d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.



**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2016

**7. Municipal Equity**

Municipality equity consists of:

	2016	2015
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	9,056,620	9,324,573
Long term liabilities	(1,744,648)	(1,537,930)
	7,311,972	7,786,643
Unrestricted (deficit) surplus	(17,063)	(16,046)
Equity		
Rideau St. Lawrence Holdings Inc. (RSL)	552,168	553,108
Reserves (Schedule 1)	315,512	283,175
<b>Total Municipal Equity</b>	<b>8,162,589</b>	<b>8,606,880</b>

**8. Pension Contributions**

The Village makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Village does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS was \$33,213 (2015 \$26,935) for current services and is included as an expenditure on the Consolidated Statement of Operations classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

**9. Trust Funds**

Trust funds administered by the Village amounting to \$5,100 (2015 \$1,721) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the Village for the benefit of others, they are not presented as part of the Village's financial position or financial activities.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2016

---

**10. Provincial Offences Administration (POA)**

The United Counties of Leeds and Grenville has assumed the administration of the Provincial Offences office for all County of Leeds and Grenville resident municipalities. The transfer of administration from the Ministry of the Attorney General to the Village was a result of the Provincial Offences Act (POA) 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

The Village's share of net revenues arising from operation of the POA office have been consolidated with these consolidated financial statements. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in the County court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

The Village of Westport shares net POA revenues based on weighted assessment.

---

**11. Contractual Obligations**

There is no contract for policing services. The Village is provided police services by the Ontario Provincial Police under Section 5.1 of the Police Services Act. The annual charges are determined based on level of service and are reconciled to actual costs in the following year. The amount paid in 2016 for police service usage was \$144,146 less \$182 (2015 - \$122,720 less \$637) paid in reimbursement funds.

The Village has negotiated a long term contract with Mr Dan Mattice, for janitorial and maintenance services at the Canada Post Office. The contract is for a period of 2 years effective January 1, 2016 to December 31, 2017. Annual charges under the contract is a fixed price per year. Payment made under this contract for the year 2016 were approximately \$7,800.

The Village has negotiated a long term contract with Younge's Lawn Care, for summer maintenance of Lockwood Memorial Field property. The contract is for a period of 2 years effective May 1, 2016 to October 31, 2017. Annual charges under the contract is a fixed price. Payment made under this contract for the year 2016 were approximately \$6,106.

The Village has negotiated a long term contract with Murphy's Landscaping, for summer care and maintenance of Municipal Properties including Harbour Island. The contract is for a period of 2 years effective May 1, 2016 to October 31, 2017. Annual charges under the contract is a set price per year. Payment made under this contract for the year 2016 were approximately \$12,413.

The Village has negotiated a long term contract with 2443254 Ontario Ltd., for janitorial and maintenance services. The contract is for a period of 2 years effective January 1, 2016 to December 31, 2017. Annual charges under the contract is a fixed price per year for information centre washrooms, and an hourly rate for maintenance. Payment made under this contract for the year 2016 were approximately \$16,911.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2016**

---

**11. Contractual Obligations / continued**

The Village has negotiated a contract with 2443254 Ontario Ltd. effective September 3, 2016 for the provision of household waste and recyclables collection. The contract ends September 2019. Annual charges under the contract is a set price. Payments made under the contract for the year 2016 were approximately \$25,236.

The Village has negotiated a long term contract with Younge's Lawn Care, for snow plowing parking lots. The contract is for a period of 3 years effective November 3, 2016 to April 30, 2019. Annual charges under the contract is a fixed price per event and adjusted annually for inflation using the Consumer Price Index. Payment made under this contract for the year 2016 were approximately \$2,346.

The Village has negotiated a long term contract with 2443254 Ontario Ltd. for the provision of snow removal services on streets and sidewalks. The contract ends April 2019. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2016 were approximately \$8,196.

The Village has negotiated a long term contract with JT Martin Excavating, for snow plowing water and wastewater facilities. The contract is for a period of 3 years effective November 30, 2016 to April 30, 2019. Annual charges under the contract is a fixed price per event and adjusted annually for inflation using the Consumer Price Index year. Payment made under this contract for the year 2016 were approximately \$ 2,544.

The Village had negotiated a long term contract with Morris Charby for the provision of household waste and recyclables collection. The contract ended in the year. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2016 were approximately \$27,254 (2015 \$40,021).

The Village had negotiated a long term contract with Morris Charby for the provision of snow removal services. The contract ends April 2017. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2016 were approximately \$22,380 (2015 \$33,150).

---

**12. Contingent Liabilities**

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2016, management believes that the Village has valid defences and appropriate insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the consolidated financial statements.

---

**13. Landfill Closure and Post Closure Liability**

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites and is in accordance with the Village's accounting policy. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2016**

---

**13. Landfill Closure and Post Closure Liability / continued**

The Village currently has one inactive landfill site that it owns with the Township of Rideau Lakes. The site is a transfer site and has been rendered inactive. Hydrogeological samples are taken semi-annually to test the surface and ground water. Annual site monitoring costs are estimated at \$24,150 per annum. These costs are shared with the Township of Rideau Lakes.

---

**14. Risk Management**

In the normal course of operations, the Village is exposed to a variety of financial risks which are actively managed by the Village.

The Village's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. The fair values of cash, investments and accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Village's exposure to and management of risk has not changed materially from December 31, 2015.

**Credit Risk**

Credit risk arises from the possibility that the entities to which the Village provides services to may experience difficulty and be unable to fulfill their obligations. The Village is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Village does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

**Interest Rate Risk**

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Village is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Village's operating results.

**Liquidity Risk**

Liquidity risk is the risk that the Village will not be able to meet its obligations as they fall due. The Village requires working capital to meet day-to-day operating activities. Management expects that the Village's cash flows from operating activities will be sufficient to meet these requirements.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2016**

**15. Tangible Capital Assets**

	2016	2015
	\$	\$
Land	9	9
Land Improvements	235,583	225,274
Buildings	3,086,534	3,165,060
Equipment	85,855	88,192
Vehicles	74,508	87,108
Water and Waste Plants and Networks		
Water Distribution	1,092,100	1,136,225
Sewage Collection	1,709,189	1,734,425
Linear Assets		
Roads	1,845,940	1,907,476
Sidewalks	926,902	980,804
	<b>9,056,620</b>	<b>9,324,573</b>

For additional information, see Schedule 2 ▶ Tangible Capital Assets.

**16. Segmented Information**

The Village is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the consolidated statement of financial activities.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2016

16. Segmented Information / continued

2016	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$
General Government Governance	41,608	---	112,704	---	---	154,312
Corporate Management & Program Support	216,535	---	18,878	---	28,817	264,230
Protection to Persons and Property						
Fire	---	---	48,510	41,926	8,221	98,657
Police	---	---	151,353	---	---	151,353
Conservation Authority	---	---	---	5,950	---	5,950
Transportation						
Roadways	---	5,841	61,855	---	144,694	212,390
Winter Control	---	---	31,745	---	---	31,745
Street Lighting	---	---	28,446	---	---	28,446
Environmental						
Wastewater treatment & disposal	157,978	44,662	2,014,862	---	127,853	2,345,355
Solid waste disposal	---	---	128,078	---	---	128,078
Recreation and Cultural Services						
Recreation Facilities & Programs	132,108	---	196,286	14,000	63,757	406,151
Libraries	25,550	---	9,264	---	2,315	37,129
Museums	16,354	---	3,930	---	---	20,284
Planning and Development						
Planning & Zoning	---	---	65,751	2,000	---	67,751
<b>2016</b>	<b>590,133</b>	<b>50,503</b>	<b>2,871,662</b>	<b>63,876</b>	<b>375,657</b>	<b>3,951,831</b>

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2016

**16. Segmented Information / continued**

2015	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$
General Government Governance	30,395	---	8,546	---	---	38,941
Corporate Management & Program Support	264,428	---	73,297	---	28,817	366,542
Protection to Persons and Property						
Fire	---	---	10,689	34,539	8,002	53,230
Police	---	---	122,461	---	---	122,461
Conservation Authority	---	---	---	5,634	---	5,634
Transportation						
Roadways	---	5,362	32,856	---	144,694	182,912
Winter Control	---	---	33,150	---	---	33,150
Street Lighting	---	---	22,174	---	---	22,174
Environmental						
Wastewater treatment & disposal	117,321	48,151	1,059,332	---	125,122	1,349,926
Solid waste disposal	---	---	122,685	---	---	122,685
Recreation and Cultural Services						
Recreation Facilities & Programs	72,808	---	210,826	---	62,221	345,855
Libraries	23,029	---	10,619	---	2,641	36,289
Museums	14,834	---	6,846	---	---	21,680
Planning and Development						
Planning & Zoning	24,425	---	39,900	3,500	---	67,825
<b>2015</b>	<b>547,240</b>	<b>53,513</b>	<b>1,753,381</b>	<b>43,673</b>	<b>371,497</b>	<b>2,769,304</b>

**17. Budget Figures**

The operating budget approved by Village Council, for 2016 is reflected on the Consolidated Statement of Operations. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Village does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

**Village of Westport**  
**Schedule 1 ▶ Continuity of Reserves and Reserve Funds**

For the year ended December 31	(Note 17) Budget	2016	2015
	\$	\$	\$
<b>Net Transfers From / (To) Other Funds</b>			
Transfers from operations	---	32,337	10,275
Transfers to capital acquisitions	(25,000)	---	---
<b>Total Net Transfers</b>	(25,000)	32,337	10,275
<b>Reserves and Reserve Fund Balances, Change in Year</b>	(25,000)	32,337	10,275
<b>Reserves and Reserve Fund Balances, Beginning of Year</b>	283,175	283,175	272,900
<b>Reserves and Reserve Fund Balances, End of Year</b>	258,175	315,512	283,175

**Composition of Reserves and Reserve Funds**

For the year ended December 31	2016	2015
	\$	\$
<b>Reserves set aside for specific purposes by Council:</b>		
<b>For Operating Purposes</b>		
▶ for working capital	83,950	83,950
<b>For Capital Purposes</b>		
▶ for acquisition of capital assets	122,752	122,752
▶ for roads capital	20,000	20,000
▶ for harbour improvements	7,300	7,300
▶ for water and sewer	51,526	38,898
▶ for recreation	12,573	10,275
	214,151	199,225
<b>Reserve Fund</b>	17,411	---
<b>Total Reserves and Reserve Funds</b>	315,512	283,175

The accompany notes are an integral part of these consolidated financial statements.



**Village of Westport**  
**Schedule 2 ▶ 2016 Tangible Capital Assets**

Asset Class	Cost 01/01/16	Additions	(Disposals)	Cost 31/12/16
	\$	\$	\$	\$
Land	9	---	---	9
Land Improvements	368,779	30,681	---	399,460
Buildings	4,326,995	69,219	---	4,396,214
Equipment	145,247	7,804	(3,493)	149,558
Vehicles	229,396	---	---	229,396
Water & Waste Plants & Networks				
Water Distribution	1,377,846	---	---	1,377,846
Sewage Collection	1,971,289	---	---	1,971,289
Linear Assets				
Roads	2,359,434	---	---	2,359,434
Sidewalks	1,409,908	---	---	1,409,908
	<b>12,188,903</b>	<b>107,704</b>	<b>(3,493)</b>	<b>12,293,114</b>

Asset Class	Accumulated Amortization 01/01/16	Amortization	(Disposals)	Accumulated Amortization 31/12/16	Net Book Value 31/12/16
	\$	\$	\$	\$	\$
Land	---	---	---	---	9
Land Improvements	143,505	20,372	---	163,877	235,583
Buildings	1,161,927	147,763	---	1,309,680	3,086,534
Equipment	57,082	10,114	(3,493)	63,703	85,855
Vehicles	142,288	12,600	---	154,288	74,508
Water & Waste Plants & Networks					
Water Distribution	241,621	44,125	---	285,746	1,092,100
Sewage Collection	236,885	25,215	---	262,100	1,709,189
Linear Assets					
Roads	451,918	61,576	---	513,494	1,845,940
Sidewalks	429,104	53,902	---	483,006	926,902
	<b>2,864,330</b>	<b>375,657</b>	<b>(3,493)</b>	<b>3,236,494</b>	<b>9,056,620</b>

The accompany notes are an integral part of these consolidated financial statements.

**Village of Westport**  
**Schedule 2 ▶ 2015 Tangible Capital Assets**

Asset Class	Cost 01/01/15	Additions	(Disposals)	Cost 31/12/15
	\$	\$	\$	\$
Land	9	---	---	9
Land Improvements	368,779	---	---	368,779
Buildings	4,326,995	---	---	4,326,995
Equipment	151,360	3,587	(9,700)	145,247
Vehicles	229,396	---	---	229,396
Water & Waste Plants & Networks				
Water Distribution	1,267,796	110,050	---	1,377,846
Sewage Collection	1,971,289	---	---	1,971,289
Linear Assets				
Roads	2,359,434	---	---	2,359,434
Sidewalks	1,409,908	---	---	1,409,908
	<b>12,084,972</b>	<b>113,637</b>	<b>(9,700)</b>	<b>12,188,903</b>

Asset Class	Accumulated Amortization 01/01/15	Amortization	(Disposals)	Accumulated Amortization 31/12/15	Net Book Value 31/12/15
	\$	\$	\$	\$	\$
Land	---	---	---	---	9
Land Improvements	123,900	19,605	---	143,505	225,274
Buildings	1,014,923	147,004	---	1,161,927	3,165,068
Equipment	56,561	10,221	(9,700)	57,082	88,165
Vehicles	129,688	12,600	---	142,288	87,108
Water & Waste Plants & Networks					
Water Distribution	200,247	41,374	---	241,621	1,136,225
Sewage Collection	211,670	25,215	---	236,885	1,734,404
Linear Assets					
Roads	390,342	61,576	---	451,918	1,907,516
Sidewalks	375,202	53,902	---	429,104	980,804
	<b>2,502,533</b>	<b>371,497</b>	<b>(9,700)</b>	<b>2,864,330</b>	<b>9,324,673</b>

The accompany notes are an integral part of these consolidated financial statements.



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com



## INDEPENDENT AUDITOR'S REPORT

---

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Village of Westport:**

We have audited the accompanying statement of financial position of the Lockwood Memorial Trust Fund of the Corporation of the Village of Westport as at December 31, 2016 and the statement of financial activities of the Lockwood Memorial Trust Fund for the year then ended and a summary of significant accounting policies and other explanatory information.

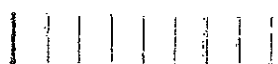
### **Management's Responsibility for the Financial Statements**

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



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

### **Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Lockwood Memorial Trust Fund of the Corporation of the Village of Westport as at December 31, 2016 and the financial activities for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script, appearing to read "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
May 23, 2017.

**Village of Westport  
Lockwood Memorial Field Trust Fund  
Statement of Financial Position**

December 31	2016	2015
	\$	\$
<b>ASSETS</b>		
Due from Village	5,100	---
Cash	---	1,721
	<b>5,100</b>	<b>1,721</b>
<b>LIABILITIES</b>		
Due to Village	---	10,031
Fund balance	5,100	(8,310)
	<b>5,100</b>	<b>1,721</b>

**Statement of Financial Activities**

For the year ended December 31	2016	2015
	\$	\$
<b>REVENUES</b>		
Donations	60,292	12,000
<b>EXPENDITURES</b>		
Fundraising	1,284	---
Insurance	3,446	2,610
Lighting	616	631
Maintenance	9,240	14,982
Administration	1,615	609
Capital	30,681	---
	<b>46,882</b>	<b>18,832</b>
<b>NET REVENUES (EXPENDITURES) FOR THE YEAR</b>	<b>13,410</b>	<b>(6,832)</b>
<b>BALANCE AT THE BEGINNING OF THE YEAR</b>	<b>(8,310)</b>	<b>(1,478)</b>
<b>BALANCE AT THE END OF THE YEAR</b>	<b>5,100</b>	<b>(8,310)</b>

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

---

**Village of Westport  
Lockwood Memorial Trust Fund  
Notes to the Financial Statements**

**December 31, 2016**

---

**1. Significant Accounting Policies**

**Reporting Entity**

Perpetual care receipts are reported on the cash basis of accounting and interest income is reported on the accrual basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which 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.

---



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com



## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the Board Members, Inhabitants and Ratepayers of the Village of Westport - Rideau District Museum Committee:**

We have audited the accompanying financial statements of the Village of Westport - Rideau District Museum Committee as at December 31, 2016 which comprise the statement of financial position and the statement of operations, 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 Financial Statements**

The Village of Westport - Rideau District Museum Committee's 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Westport - Rideau District Museum Committee as at December 31, 2016 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
May 23, 2017.



**Village of Westport  
Rideau District Museum Committee  
Statement of Financial Position**

December 31	2016	2015
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term deposits	3,987	11,515
Accounts receivable	---	864
	<b>3,987</b>	<b>12,379</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	---	1,100
<b>NET ASSETS</b>	<b>3,987</b>	<b>11,279</b>
<b>ACCUMULATED SURPLUS (note 3)</b>	<b>3,987</b>	<b>11,279</b>

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

**Village of Westport  
Rideau District Museum Committee  
Statement of Operations**

For the year ended December 31	2016	2015
	\$	\$
<b>REVENUES</b>		
Government grants	3,539	3,394
Municipal contribution	---	3,000
Admissions, souvenirs, sales	8,768	2,361
Donations	340	3,645
Investment income	---	61
Fundraising	367	4,949
<b>TOTAL REVENUES</b>	<b>13,014</b>	<b>17,410</b>
<b>EXPENDITURES</b>		
Administration	859	924
Utilities	2,597	3,244
Maintenance and supplies	2,823	2,152
Salaries and benefits	14,027	14,835
<b>TOTAL EXPENDITURES</b>	<b>20,306</b>	<b>21,155</b>
<b>NET EXPENDITURES FROM OPERATIONS</b>	<b>(7,292)</b>	<b>(3,745)</b>
<b>ANNUAL DEFICIT</b>	<b>(7,292)</b>	<b>(3,745)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>11,279</b>	<b>15,024</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>3,987</b>	<b>11,279</b>

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

**Village of Westport  
Rideau District Museum Committee  
Statement of Changes in Net Assets**

For the year ended December 31	2016	2015
	\$	\$
<b>ANNUAL DEFICIT</b>	(7,292)	(3,745)
<b>DECREASE IN NET ASSETS</b>	(7,292)	(3,745)
<b>NET ASSETS, BEGINNING OF YEAR</b>	11,279	15,024
<b>NET ASSETS, END OF YEAR</b>	3,987	11,279

**Statement of Cash Flows**

For the year ended December 31	2016	2015
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(7,292)	(3,745)
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts receivable	864	446
Accounts payable and accrued liabilities	(1,100)	----
<b>Working Capital from Operations</b>	(236)	446
<b>NET DECREASE IN CASH</b>	(7,528)	(3,299)
<b>CASH, BEGINNING OF YEAR</b>	11,515	14,814
<b>CASH, END OF YEAR</b>	3,987	11,515

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

---

**Village of Westport  
Rideau District Museum Committee  
Notes to the Financial Statements**

**December 31, 2016**

---

**1. Status of the Committee**

During the year the Rideau District Museum Board became a Committee of Council.

---

**2. Significant Accounting Policies**

The financial statements of the Rideau District Museum Committee are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards for local governments. Significant aspects of the accounting policies by the Committee are as follows:

**Reporting Entity**

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Committee.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

**Cash and Cash Equivalents**

The Committee considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Committee defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the statement of financial position. The Committee has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

---

**Village of Westport  
Rideau District Museum Committee  
Notes to the Financial Statements**

December 31, 2016

---

**2. Significant Accounting Policies / continued**

**Financial Instruments / continued**

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Committee classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

---

**3. Accumulated Surplus**

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2016	2015
	\$	\$
<b>Surplus</b>		
General revenues	3,987	11,279
<b>Accumulated Surplus</b>	<b>3,987</b>	<b>11,279</b>

---

**4. Budget Figures**

Rideau District Museum Committee reviews its operating and capital budgets each year. The approved operating budget for 2016 is included in the budget figures presented in the Consolidated Statement of Operations.

---



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6880 | Fax: 613-267-7863  
info@allanandpartners.com  
www.allanandpartners.com



## INDEPENDENT AUDITOR'S REPORT

---

### **To the Board Members, Inhabitants and Ratepayers of the Village of Westport - Water and Wastewater Systems:**

We have audited the accompanying financial statements of the Village of Westport - Water and Wastewater Systems which comprise the statement of financial position as at December 31, 2016 and the statement of operations, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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



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

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Westport - Water and Wastewater Systems as at December 31, 2016 and the results of its operations, net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
May 23, 2017.

**Village of Westport  
Water and Wastewater Systems  
Statement of Financial Position**

December 31	2016	2015
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	1,363	246,195
Accounts receivable	1,132,463	188,727
Due from Village	---	227,197
	<b>1,133,826</b>	<b>662,219</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	699,984	184,004
Deferred revenues	---	541,513
Due to Village	382,316	---
	<b>1,082,300</b>	<b>725,517</b>
<b>Long Term Debt (note 2)</b>	<b>1,612,648</b>	<b>1,399,930</b>
<b>NET DEBT</b>	<b>(1,561,122)</b>	<b>(1,463,328)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	4,157,515	4,285,368
<b>ACCUMULATED SURPLUS (note 3)</b>	<b>2,596,393</b>	<b>2,822,040</b>

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



**Village of Westport  
Water and Wastewater Systems  
Statement of Operations**

For the year ended December 31	(Note 5) Budget	2016	2015
	\$	\$	\$
<b>REVENUES</b>			
Water and sewer service fees	631,000	659,304	677,288
Government grants	1,457,000	1,457,513	719,572
Miscellaneous revenues	3,400	2,891	7,570
<b>TOTAL REVENUES</b>	<b>2,091,400</b>	<b>2,119,708</b>	<b>1,404,430</b>
<b>EXPENDITURES</b>			
Salaries	170,000	157,978	117,321
Water and sewer operations	215,650	251,616	818,321
Professional services	103,000	159,253	173,975
Maintenance and repairs	1,758,750	1,594,889	22,917
Interest on long term debt	34,000	44,662	53,513
Administration	---	---	25,697
Municipal taxes	13,000	9,104	13,060
Amortization	---	127,853	125,122
<b>TOTAL EXPENDITURES</b>	<b>2,294,400</b>	<b>2,345,355</b>	<b>1,349,926</b>
<b>NET (EXPENDITURES) REVENUES FROM OPERATIONS</b>	<b>(203,000)</b>	<b>(225,647)</b>	<b>54,504</b>
<b>ANNUAL (DEFICIT) SURPLUS</b>	<b>(203,000)</b>	<b>(225,647)</b>	<b>54,504</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>2,822,040</b>	<b>2,822,040</b>	<b>2,767,536</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>2,619,040</b>	<b>2,596,393</b>	<b>2,822,040</b>

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

**Village of Westport  
Water and Wastewater Systems  
Statement of Changes in Net Debt**

For the year ended December 31	(Note 5) Budget	2016	2015
	\$	\$	\$
<b>ANNUAL (DEFICIT) SURPLUS</b>	(203,000)	(225,647)	54,504
Acquisition of tangible capital assets	---	---	(110,050)
Amortization of tangible capital assets	---	127,853	125,122
	---	127,853	15,072
<b>(INCREASE) DECREASE IN NET DEBT</b>	(203,000)	(97,794)	69,576
<b>NET DEBT, BEGINNING OF YEAR</b>	(1,463,328)	(1,463,328)	(1,532,904)
<b>NET DEBT, END OF YEAR</b>	(1,666,328)	(1,561,122)	(1,463,328)

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

**Village of Westport  
Water and Wastewater Systems  
Statement of Cash Flows**

For the year ended December 31	2016	2015
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual (deficit) surplus	(225,647)	54,504
Amortization	127,853	125,122
	(97,794)	179,626
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts receivable	(943,736)	(41,010)
Accounts payable and accrued liabilities	515,980	(29,947)
Deferred revenues	(541,513)	541,513
Due to Village	609,513	(402,842)
	(359,756)	67,714
<b>Working Capital from Operations</b>	(457,550)	247,340
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	---	(110,050)
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(135,282)	(149,103)
Proceeds of long term debt	348,000	539,000
	212,718	389,897
<b>NET (DECREASE) INCREASE IN CASH</b>	(244,832)	527,187
<b>CASH, BEGINNING OF YEAR</b>	246,195	(280,992)
<b>CASH, END OF YEAR</b>	1,363	246,195

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

---

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

December 31, 2016

---

**1. Significant Accounting Policies**

The financial statements of the Village of Westport Waste and Wastewater Systems are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Village are as follows:

**Reporting Entity**

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Village.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

**Tangible Capital Assets**

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

<b>Assets</b>	<b>Estimated Useful Life</b>
Structures	20 to 45 years
Water and Waste Plants and Networks:	
Water Distribution System	40 years
Sewage Collection System	40 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

---

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

December 31, 2016

---

1. **Significant Accounting Policies / continued**

**Tangible Capital Assets / continued**

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

**Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Village defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Village receives restricted contributions under the authority of Federal and Provincial legislation and Village by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Village has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the statement of financial position. The Village has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2016**

**1. Significant Accounting Policies / continued**

**Financial Instruments / continued**

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Village classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

**2. Long Term Liabilities**

	2016	2015
	\$	\$
Bank loan (3.20%), repayable in blended monthly instalments of \$1,797, due February 2020.	499,474	521,033
Bank loan (3.00%), repayable in monthly principal instalments of \$1,160, due December 2021.	346,840	---
Bank loan (3.20%), repayable in blended monthly instalments of \$1,929, due February 2020.	275,923	299,077
Bank loan (3.20%), repayable in blended monthly instalments of \$2,893, due February 2020.	262,641	288,724
Bank loan (3.95%), repayable in monthly instalments of \$750, due December 2018.	198,000	207,000
Bank loan (3.28%), repayable in blended monthly instalments of \$4,298, due July 2017.	29,770	79,487
Bank loan (4.86%), repayable in monthly instalments of \$2,321, due February 2016.	---	4,609
	<b>1,612,648</b>	<b>1,399,930</b>

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2016**

**2. Long Term Liabilities / continued**

Principal payments fall due as follows:

	\$
2017	124,615
2018	95,857
2019	96,905
2020	97,989
2021	99,112
2022 and thereafter	1,098,170
	1,612,648

Interest expense on long term liabilities amounted to \$44,662 (2015 \$47,926).

These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**3. Accumulated Surplus**

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2016	2015
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	4,157,515	4,285,368
Long term liabilities	(1,612,648)	(1,399,930)
	2,544,867	2,885,438
Reserves		
Water	13,078	13,078
Sewer	38,448	25,820
Current fund	---	(102,296)
Total Accumulated Surplus	2,596,393	2,822,040

**4. Budget Figures**

Village of Westport - Water and Wastewater Systems reviews its operating and capital budgets each year. The approved operating budget for 2016 is included in the budget figures presented in the Consolidated Statement of Operations.

**The Corporation of the Village of Westport  
Water and Wastewater Systems  
Schedule 1 ▶ Tangible Capital Assets**

December 31, 2016

Assets	Cost 01/01/16	Additions (Disposals)	Cost 31/12/16	Accumulated Amortization 01/01/16	Amortization 2016	Accumulated Amortization 31/12/16	Net Book Value 31/12/16
	\$	\$	\$	\$	\$	\$	\$
Land	3	---	3	---	---	---	3
Buildings	1,883,000	---	1,883,000	468,264	58,513	526,777	1,356,223
Water Distribution	1,377,846	---	1,377,846	241,621	44,125	285,746	1,092,100
Sewage Collection	1,971,289	---	1,971,289	236,885	25,215	262,100	1,709,189
	<b>5,232,138</b>	<b>---</b>	<b>5,232,138</b>	<b>946,770</b>	<b>127,853</b>	<b>1,074,623</b>	<b>4,157,515</b>

December 31, 2015

Assets	Cost 01/01/15	Additions (Disposals)	Cost 31/12/15	Accumulated Amortization 01/01/15	Amortization 2015	Accumulated Amortization 31/12/15	Net Book Value 31/12/15
	\$	\$	\$	\$	\$	\$	\$
Land	3	---	3	---	---	---	3
Buildings	1,883,000	---	1,883,000	409,731	58,533	468,264	1,414,736
Water Distribution	1,267,796	110,050	1,377,846	200,247	41,374	241,621	1,136,225
Sewage Collection	1,971,289	---	1,971,289	211,670	25,215	236,885	1,734,404
LibraryCollection	5,122,088	110,050	5,232,138	821,648	125,122	946,770	4,285,368



**The Corporation of  
the Village of Westport  
Public Library Board**

3 Spring Street  
Westport, ON K0G 1X0  
613-273-3223

**Management's Responsibility for the Financial Statements**

---

The accompanying financial statements of the Corporation of the Village of Westport Public Library Board are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to Board and Council approval of the financial statements.

The financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

---

Ruth Pedherney, Chair

---

Pamela Stuffles, Librarian



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com



## INDEPENDENT AUDITOR'S REPORT

---

### **To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Village of Westport Public Library Board:**

We have audited the accompanying financial statements of the Corporation of the Village of Westport Public Library Board which comprise the statement of financial position as at December 31, 2016 and the statement of operations, 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 Financial Statements**

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



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

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Westport Public Library Board as at December 31, 2016 and its results of operations, net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
May 23, 2017.

**The Corporation of the Village of Westport Public Library Board  
Statement of Financial Position**

December 31	2016	2015
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	13,977	3,512
Accounts receivable	499	2,909
	<b>14,476</b>	<b>6,421</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	1,834	1,190
Deferred revenue	6,500	1,819
	<b>8,334</b>	<b>3,009</b>
<b>NET FINANCIAL ASSETS</b>	<b>6,142</b>	<b>3,412</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 5) (Schedule 1)	7,681	8,781
<b>ACCUMULATED SURPLUS (note 4)</b>	<b>13,823</b>	<b>12,193</b>

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

**The Corporation of the Village of Westport Public Library Board  
Statement of Operations**

For the year ended December 31	(Note 6) Budget	2016	2015
	\$	\$	\$
<b>REVENUES</b>			
Government Grants			
Municipal Grants ▶ operating grant	12,500	12,500	15,000
▶ contribution	7,500	9,263	8,215
Provincial Grants ▶ operating	4,214	3,534	5,394
Other Income			
Fundraising	5,000	4,922	2,374
Operational revenues	2,250	4,768	4,856
Donations	1,900	7,959	863
Interest	30	27	31
Other special revenues	---	181	96
<b>TOTAL REVENUES</b>	<b>33,394</b>	<b>43,154</b>	<b>36,829</b>
<b>EXPENDITURES</b>			
Amortization	---	2,315	2,641
Salaries, wages, employee benefits	23,118	25,550	23,029
Library reading materials	3,730	---	250
Professional fees	1,000	388	1,018
Membership and administration fees	---	1,432	700
Bank charges	---	25	30
Facilities			
▶ utilities	6,000	6,969	5,403
▶ insurance	1,400	1,270	954
▶ repairs and maintenance	1,850	2,249	840
▶ telephone and internet	1,400	1,326	1,446
<b>TOTAL EXPENDITURES</b>	<b>38,498</b>	<b>41,524</b>	<b>36,311</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(5,104)</b>	<b>1,630</b>	<b>518</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>12,193</b>	<b>12,193</b>	<b>11,675</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>7,089</b>	<b>13,823</b>	<b>12,193</b>

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

**The Corporation of the Village of Westport Public Library Board  
Statement of Changes in Net Financial Assets**

For the year ended December 31	2016	2015
	\$	\$
<b>ANNUAL SURPLUS</b>	<b>1,630</b>	<b>518</b>
Amortization of tangible capital assets	2,315	2,641
Acquisition of tangible capital assets	(1,215)	(3,567)
	<b>1,100</b>	<b>(926)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>2,730</b>	<b>(408)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>3,412</b>	<b>3,820</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>6,142</b>	<b>3,412</b>

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

**The Corporation of the Village of Westport Public Library Board  
Statement of Cash Flows**

For the year ended December 31	2016	2015
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus	1,630	518
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts receivable	2,410	(2,577)
Accounts payable and accrued liabilities	644	2,064
Deferred revenue	4,681	---
	7,735	(513)
<b>Non-cash charges to operations</b>		
Amortization	2,315	2,641
<b>Working Capital from Operations</b>	11,680	2,646
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(1,215)	(3,567)
<b>NET INCREASE (DECREASE) IN CASH</b>	10,465	(921)
<b>CASH, BEGINNING OF YEAR</b>	3,512	4,433
<b>CASH, END OF YEAR</b>	13,977	3,512

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

---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2016

---

### 1. Status of the Board

The Village of Westport Public Library Board (the 'Board') was formed in February 1941 pursuant to the Public Libraries Act and the Village of Westport.

---

### 2. Significant Accounting Policies

The financial statements of the Corporation of the Village of Westport Public Library Board are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Board are as follows:

#### Reporting Entity

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

#### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

#### Tangible Capital Assets

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

Assets	Estimated Useful Life
Library Collection	7 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.



---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2016

---

### 2. Significant Accounting Policies / continued

#### Tangible Capital Assets / continued

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the statement of operations.

#### Cash and Cash Equivalents

The Board considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

#### Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which 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.

#### Deferred Revenues

The Board defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Board has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2016

---

### 2. Significant Accounting Policies / continued

#### Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Board has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Board classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

#### Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

---

### 3. Risk Management

In the normal course of operations, the Library Board is exposed to a variety of financial risks which are actively managed by the Library Board.

The Library Board's financial instruments consist of cash, investments, accounts receivable and accounts payable. The fair values of cash, investments and accounts payable approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Library Board's exposure to and management of risk has not changed materially from December 31, 2015.

---

## The Corporation of the Village of Westport Public Library Board Notes to the Financial Statements

December 31, 2016

---

### 3. Risk Management / continued

#### Credit Risk

Credit risk arises from the possibility that the entities to which the Library Board provides services to may experience difficulty and be unable to fulfill their obligations. The Library Board is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Library Board does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

#### Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Library Board is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Library Board's operating results.

#### Liquidity Risk

Liquidity risk is the risk that the Library Board will not be able to meet its obligations as they fall due. The Library Board requires working capital to meet day-to-day operating activities. Management expects that the Library Board's cash flows from operating activities will be sufficient to meet these requirements.

---

### 4. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2016	2015
	\$	\$
<b>Surplus</b>		
Invested in tangible capital assets	7,681	8,781
<b>Current Fund</b>	6,142	3,412
<b>Accumulated Surplus</b>	<b>13,823</b>	<b>12,193</b>

---

**The Corporation of the Village of Westport Public Library Board  
Notes to the Financial Statements**

December 31, 2016

---

**5. Tangible Capital Assets**

Net Book Value of Assets	2016	2015
	\$	\$
Library Collection	7,681	8,781

---

For additional information, see Schedule 1 ▶ Tangible Capital Assets.

---

**6. Budget Figures**

The Corporation of the Village of Westport Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2016 is included in the budget figures presented in the Statement of Operations.

---

**The Corporation of the Village of Westport Public Library Board  
Schedule 1 ▶ Tangible Capital Assets**

December 31, 2016

Assets	Cost 01/01/16	Additions	(Disposals)	Cost 31/12/16	Accumulated Amortization 01/01/16	Amortization 2016	Disposal Amortization	Accumulated Amortization 31/12/16	Net Book Value 31/12/16
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library Collection	18,485	1,215	(3,493)	16,207	9,704	2,315	(3,493)	8,526	7,681

December 31, 2015

Assets	Cost 01/01/15	Additions	(Disposals)	Cost 31/12/15	Accumulated Amortization 01/01/15	Amortization 2015	Disposal Amortization	Accumulated Amortization 31/12/15	Net Book Value 31/12/15
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library Collection	24,618	3,667	(9,700)	18,485	16,763	2,641	(9,700)	9,704	8,781

**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

---

**CONTENTS**

Five Year Financial Review.....	1 - 2
Management's Responsibility for the Consolidated Financial Statements. ....	3
Independent Auditor's Report. ....	4 - 5
Consolidated Statement of Financial Position. ....	6
Consolidated Statement of Operations. ....	7
Consolidated Statement of Changes in Net Debt. ....	8
Consolidated Statement of Cash Flows. ....	9
Notes to the Consolidated Financial Statements. ....	10 - 24
Schedule 1 ▶ Continuity of Reserves and Reserve Funds. ....	25
Schedule 2 ▶ Tangible Capital Assets. ....	26 - 27
Independent Auditor's Report ▶ Water and Wastewater Systems.....	28 - 29
Village of Westport ▶ Water and Wastewater Systems. ....	30 - 38
Village of Westport Public Library Board . ....	39 - 51

---

**Village of Westport  
Consolidated  
Financial Statements  
December 31, 2017**

**Village of Westport**  
**Five Year Financial Review**  
(not subject to audit)

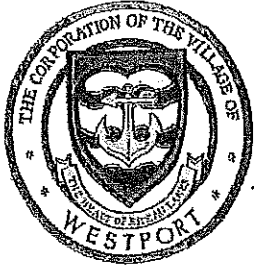
December 31	2017	2016	2015	2014	2013
<b>Population</b> (Census)	590	590	594	594	594
<b>Number of Households</b> (MPAC)	386	388	363	363	363
<hr/>					
<b>Taxable Assessment</b> (000's)	\$	\$	\$	\$	\$
Residential and farm	75,304	75,205	71,926	68,055	65,850
Commercial and industrial	17,577	18,222	17,233	15,813	14,688
<b>Total</b>	<b>92,881</b>	<b>93,427</b>	<b>89,159</b>	<b>83,868</b>	<b>80,538</b>
Commercial, Industrial as % of assessment	18.92%	19.50%	19.33%	18.85%	18.23%
<hr/>					
<b>Rates of Taxation</b>					
Residential					
▸ for general municipal purposes	0.831154	0.762680	0.683344	0.667905	0.674068
▸ for county purposes	0.370869	0.363579	0.367257	0.367257	0.373523
▸ for school board purposes	0.179000	0.188000	0.195000	0.203000	0.212000
<b>Total</b>	<b>1.381023</b>	<b>1.314259</b>	<b>1.245601</b>	<b>1.238162</b>	<b>1.259591</b>
Multi-Residential (total)	1.381023	1.314259	1.245601	1.238162	1.259591
Commercial (total)	2.927071	2.825063	2.758687	2.775184	2.831533
<hr/>					
<b>Tax Arrears</b> ▸ percentage of current levy (<10%)**	6.78%	6.69%	5.06%	15.61%	17.19%
<hr/>					
<b>Taxes Transferred</b> (000's)					
▸ County	362	350	347	335	319
▸ School Boards	336	332	349	356	338
<hr/>					
<b>Revenues</b> (000's)	\$	\$	\$	\$	\$
▸ Taxation and payments in lieu	809	737	647	613	580
▸ Government transfers	148	1,586	835	157	151
▸ Fees and service charges	997	910	951	876	929
▸ Other	235	274	192	146	184
▸ Revenues related to capital assets	69	---	---	37	---
<b>Total</b>	<b>2,258</b>	<b>3,507</b>	<b>2,625</b>	<b>1,829</b>	<b>1,844</b>
<hr/>					
<b>Expenditures</b> (000's)					
▸ Operations	2,472	3,952	2,769	2,741	1,954
▸ Amortization	379	376	371	361	365
<hr/>					
<b>Net Financial Assets (Net Debt)</b>					
▸ % of Operating Revenue (>(20%))**	(83.89%)	(25.49%)	(27.34%)	(55.21%)	(19.66%)
▸ % of Taxation and user charges (>(50%))**	(227.08%)	(121.26%)	(110.84%)	(161.47%)	(62.45%)

\*\* Represents the Provincial Low Risk Indicator.  
(Note: All dollar amounts are in thousands of dollars.)

**Village of Westport**  
**Five Year Financial Review**  
(not subject to audit)

December 31	2017	2016	2015	2014	2013
	\$	\$	\$	\$	\$
<b>Long Term Debt</b>					
▸ Net long term debt (000's)	1,615	1,745	1,538	1,154	1,274
▸ Long term debt charges (000's)	188	192	208	167	118
▸ Total annual repayment limit (000's)	237	242	288	238	288
▸ Long term debt per household	4,184	4,497	4,237	3,179	3,508
▸ Debt charges (000's)					
▸ rate supported ▸ water & sewer	177	180	197	155	118
▸ tax supported	11	12	11	12	---
	188	192	208	167	118
<b>Municipal Equity (000's)</b>					
▸ Surplus and Reserves	268	298	267	(221)	543
▸ Invested in capital assets	7,133	7,312	7,786	8,428	8,610
▸ Asset consumption ratio	23.13%	26.33%	23.57%	20.24%	14.94%
▸ Reserves as % of operating expenses (>20%)**	14.25%	7.98%	10.23%	9.96%	13.97%
<b>Financial Indicators</b>					
▸ Sustainability					
▸ financial assets to liabilities	0.26	0.67	0.71	0.51	0.86
▸ financial assets to liabilities excluding long term debt	1.16	1.86	1.88	1.54	5.07
▸ long term debt to tangible capital assets	13.46%	19.26%	16.49%	12.04%	12.89%
▸ capital reserves to accumulated amortization	7.42%	7.15%	6.93%	7.47%	10.47%
▸ Flexibility					
▸ Debt charges to total operating revenue (<5%)**	8.60%	5.47%	7.95%	9.31%	6.39%
▸ Total operating revenue to taxable assessment	2.36%	3.75%	2.94%	2.14%	2.29%
▸ Working capital to operating expenses (>10%)**	(10.11%)	34.41%	9.65%	5.98%	53.86%
▸ Vulnerability					
▸ Operating government transfers ▸ to operating revenue	6.78%	45.23%	31.82%	9.76%	8.17%
▸ Total government transfers ▸ to total revenues	9.65%	45.23%	31.82%	9.49%	7.99%





*The Corporation of  
the Village of Westport*

30 Bedford St., P.O. Box 68  
Westport, Ontario K0G 1X0  
(613) 273-2191 / Fax (613) 273-3460  
[www.village.westport.on.ca](http://www.village.westport.on.ca)

---

## **Management's Responsibility for the Consolidated Financial Statements**

---

The accompanying consolidated financial statements of the Corporation of the Village of Westport are the responsibility of the Village's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of consolidated financial statements. These systems are monitored and evaluated by management.

The Corporate Services Committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Village. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

---

Paul Snider  
Chief Administrative Officer / Clerk

---

Anne-Marie Koiner  
Treasurer / Deputy Clerk



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com

## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Village of Westport:**

We have audited the accompanying consolidated financial statements of the Corporation of the Village of Westport which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statement of operations and changes in net debt 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**

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

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

**Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Village of Westport as at December 31, 2017 and its consolidated results of operations, changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script that reads "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
October 9, 2018.

**Village of Westport  
Consolidated Statement of Financial Position**

December 31	2017	2016
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Taxes receivable	102,226	94,897
Accounts receivable	731,498	1,193,601
Long term investments (note 4)	549,173	552,168
	<b>1,382,897</b>	<b>1,840,666</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Temporary construction loan	2,204,531	---
Bank indebtedness	377,258	18,279
Accounts payable and accrued liabilities	1,156,781	909,338
Prepaid property taxes	56,345	47,532
Deferred revenues (note 5)	14,900	14,900
Long term liabilities (note 6)	1,614,526	1,744,648
	<b>5,424,341</b>	<b>2,734,697</b>
<b>NET DEBT</b>	<b>(4,041,444)</b>	<b>(894,031)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 14)	11,991,239	9,056,620
Contingent Liabilities (note 11)		
<b>MUNICIPAL EQUITY (note 7)</b>	<b>7,949,795</b>	<b>8,162,589</b>

Approved On Behalf of Council:

\_\_\_\_\_  
Mayor

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

**Village of Westport  
Consolidated Statement of Operations**

For the year ended December 31	(Note 16) Budget	2017	2016
	\$	\$	\$
<b>REVENUES</b>			
Taxation ▶ residential	639,993	<b>643,267</b>	586,298
▶ commercial	164,810	<b>165,654</b>	150,983
User charges ▶ sewer and water	725,766	<b>762,574</b>	662,195
▶ recreation and culture	241,000	<b>219,151</b>	228,064
▶ general government	750	<b>1,836</b>	1,776
▶ other	16,950	<b>13,360</b>	17,634
Government transfers	136,938	<b>148,479</b>	1,586,445
Licences and permits	43,000	<b>17,850</b>	45,041
Investment income	3,030	<b>3,938</b>	3,974
Penalties and interest on taxes	10,000	<b>18,549</b>	18,803
Government business enterprises	15,800	<b>12,871</b>	14,926
Other	86,100	<b>182,209</b>	191,401
	2,084,137	<b>2,189,738</b>	3,507,540
<b>EXPENDITURES</b>			
General government	492,745	<b>424,736</b>	418,542
Protection to persons and property	225,707	<b>259,342</b>	255,960
Transportation services	235,079	<b>278,589</b>	272,581
Environmental services	712,634	<b>975,339</b>	2,473,433
Recreation and cultural services	470,080	<b>470,189</b>	463,564
Planning and development	64,700	<b>63,768</b>	67,751
<b>TOTAL EXPENDITURES</b>	2,200,945	<b>2,471,963</b>	3,951,831
<b>NET EXPENDITURES FROM OPERATIONS</b>	(116,808)	<b>(282,225)</b>	(444,291)
<b>OTHER</b>			
Government transfers	2,025,000	<b>50,000</b>	---
Deferred revenues (note 5)	18,184	<b>19,431</b>	---
	2,043,184	<b>69,431</b>	---
<b>ANNUAL (DEFICIT) SURPLUS</b>	1,926,376	<b>(212,794)</b>	(444,291)
<b>MUNICIPAL EQUITY, BEGINNING OF YEAR</b>	8,162,589	<b>8,162,589</b>	8,606,880
<b>MUNICIPAL EQUITY, END OF YEAR</b>	10,088,965	<b>7,949,795</b>	8,162,589

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

**Village of Westport**  
**Consolidated Statement of Changes in Net Debt**

For the year ended December 31	(Note 16) Budget	2017	2016
	\$	\$	\$
<b>ANNUAL (DEFICIT) SURPLUS</b>	1,926,376	(212,794)	(444,291)
Amortization of tangible capital assets	285,303	378,560	375,657
Acquisition of tangible capital assets	(2,287,000)	(3,313,179)	(107,704)
	(2,001,697)	(2,934,619)	267,953
<b>INCREASE IN NET DEBT</b>	(75,321)	(3,147,413)	(176,338)
<b>NET DEBT, BEGINNING OF YEAR</b>	(894,031)	(894,031)	(717,693)
<b>NET DEBT, END OF YEAR</b>	(969,352)	(4,041,444)	(894,031)

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

**Village of Westport  
Consolidated Statement of Cash Flows**

For the year ended December 31	2017	2016
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit for the year	(212,794)	(444,291)
Amortization	378,560	375,657
	<b>165,766</b>	<b>(68,634)</b>
Net Change in Non-Cash Working Capital Balances		
Taxes receivable	(7,329)	(26,920)
Accounts receivable	462,103	(909,096)
Long term investments	2,995	940
Accounts payable and accrued liabilities	247,443	573,371
Prepaid property taxes	8,813	8,443
Deferred revenues	---	(541,513)
	<b>714,025</b>	<b>(894,775)</b>
<b>Working Capital from Operations</b>	<b>879,791</b>	<b>(963,409)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,313,179)	(107,704)
<b>Net investment in tangible capital assets</b>	<b>(3,313,179)</b>	<b>(107,704)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds of long term debt	---	348,000
Repayment of long term debt	(130,122)	(141,282)
Temporary construction loan	2,204,531	---
<b>Net increase in cash from financing activities</b>	<b>2,074,409</b>	<b>206,718</b>
<b>NET DECREASE IN CASH AND EQUIVALENTS</b>	<b>(358,979)</b>	<b>(864,395)</b>
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<b>(18,279)</b>	<b>846,116</b>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<b>(377,258)</b>	<b>(18,279)</b>
<b>CASH AND EQUIVALENTS REPRESENTED BY:</b>		
Bank indebtedness	(377,258)	(18,279)

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

---

# Village of Westport

## Notes to the Consolidated Financial Statements

December 31, 2017

---

### 1. Status of the Village of Westport

The Village of Westport (the 'Village') was established in 1904 and assumed its responsibilities under the authority of the Provincial Secretary. The Village operates as a lower tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

---

### 2. Significant Accounting Policies

The consolidated financial statements of the Corporation of the Village of Westport are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies adopted by the Village are as follows:

#### Reporting Entity

- (i) The consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Village. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Village and which are owned or controlled by the Village. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:
  - ▶ Water and Wastewater Systems
  - ▶ Westport Public Library Board
- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards or the United Counties of Leeds and Grenville are not reflected in the municipal fund balances of these consolidated financial statements.

#### Basis of Accounting

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not 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 of revenues over expenses, provides the change in net financial assets for the year.



---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2017

---

**2. Significant Accounting Policies / continued**

**Taxation and Related Revenues**

Property tax billings are prepared by the Village based on assessment rolls issued by the Municipal Property Assessment Corporation ('MPAC'). Tax rates are established by Village Council, incorporating amounts to be raised for local services, amounts to be raised on behalf of County of Lanark for regional services, and amounts the Village is required to collect on behalf of the Province of Ontario in respect of education taxes. Taxation revenues are recorded at the time tax billings are issued. Adjustments to taxation revenue can occur during the year related to the issuance of supplementary tax billings and/or assessment appeals. These adjustments are recorded when the amount of the adjustments can be quantified. The Village is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period in which the interest and penalties are applied.

**Tangible Capital Assets**

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

Land	
Land Improvements	10, 20 & 25 years
Buildings	45 years
Equipment	15 years
Vehicles	20 years
Water and Waste Plants and Networks	
Water Distribution	50 years
Sewage Collection	50 years
Linear Assets	
Roads	40 years
Sidewalks	25 years

One half of the annual amortization is charged in the year of acquisition and in the years of disposal.

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Village has a capitalization threshold of \$5,000 for vehicles and equipment and \$20,000 for linear assets and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

---

**2. Significant Accounting Policies / continued**

**Tangible Capital Assets / continued**

When conditions indicate that a tangible capital asset no longer contributes to the Village's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

**Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of 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.

**Inventories**

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

**Employee Future Benefit Obligations**

The Village accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Village's policy. Sick leave benefits and vacation entitlements are not permitted to be carried forward from year to year.

**Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the consolidated financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Village defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes and recreational land collected under the Planning Act are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

---

**2. Significant Accounting Policies / continued**

**Deferred Revenues / continued**

The Village receives restricted contributions under the authority of Federal and Provincial legislation and Village by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Village has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

**Investments**

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on available current funds and reserve funds (other than obligatory funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balance.

**Landfill Closure and Post-Closure Liabilities**

The Village accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management.

Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

**Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the Village:
  - (i) is directly responsible; or
  - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of cost of pos-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

**2. Significant Accounting Policies / continued**

**Financial Instruments**

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. The Village has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Village classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the consolidated financial statements in the period in which they become known.

**3. Operations of the School Boards and United Counties of Leeds & Grenville**

During 2017, the Village collected and made property tax transfers including payments in lieu of property taxes, to the United Counties of Leeds & Grenville and School Boards as follows:

	<b>School Boards</b>	<b>United Counties of Leeds and Grenville</b>
	\$	\$
Property taxes	336,060	359,680
Taxation from other governments	---	2,730
<b>Amounts requisitioned and paid</b>	<b>336,060</b>	<b>362,410</b>

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

**4. Investment in Rideau St. Lawrence Holdings Inc. (RSL)**

Rideau St. Lawrence Holdings Inc., a government business enterprise, is accounted for on the modified equity basis by the Village for its proportionate share of ownership. The Village owns approximately 9.92% of the company. The principal business of RSL is to distribute electric power to four communities including the Village of Westport.

During the year RSL underwent a change in accounting policy resulting in an adjustment to the consolidated net investment amount.

The following tables present condensed supplementary financial information for the entity for the year ended December 31.

	2017		2016	
	100.00%	9.92%	100.00%	9.92%
			\$	\$
<b>Financial Position</b>				
Current assets	4,229,988	419,615	5,341,496	529,876
Capital assets	7,743,250	768,130	7,095,357	703,859
Regulatory assets	185,916	18,443	321,320	31,875
	<b>12,159,154</b>	<b>1,206,188</b>	12,758,173	1,265,610
Current liabilities	5,378,235	533,469	5,331,914	528,880
Long term debt	523,065	51,888	984,437	97,656
Long term portion of customer deposits	275,002	27,280	403,768	40,054
Regulatory liabilities	447,357	44,378	472,299	46,852
	<b>6,623,659</b>	<b>657,015</b>	7,192,418	713,442
<b>Net Assets</b>	<b>5,535,495</b>	<b>549,173</b>	5,565,755	552,168
<b>Result of Operations</b>				
Revenues	16,335,338	1,620,466	17,592,637	1,745,190
Expenses	16,205,598	1,607,595	17,442,179	1,730,264
<b>Net Income for the Year</b>	<b>129,740</b>	<b>12,871</b>	150,458	14,926
<b>Less: dividends paid during the year</b>	<b>(160,000)</b>	<b>(15,866)</b>	(160,000)	(15,866)
<b>Net Changes in Accumulated Income</b>	<b>(30,260)</b>	<b>(2,995)</b>	(9,542)	(940)

**5. Deferred Revenues**

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

**5. Deferred Revenues / continued**

The transactions for the year are summarized below:

	Gas Tax	Recreational Land	Total
	\$	\$	\$
January 1, 2017	---	14,900	<b>14,900</b>
Government grant	19,431	---	---
Transfer to operating fund	(19,431)	---	---
December 31, 2017	---	14,900	<b>14,900</b>

**6. Long Term Liabilities**

(a) The balance of long term liabilities reported on the "Consolidated Statement of Financial Position" is comprised of the following:

	2017	2016
	\$	\$
Bank loan (3.20%), repayable in blended monthly instalments of \$1,797, due February 2020.	<b>477,913</b>	499,474
Bank loan (3.00%), repayable in monthly principal instalments of \$1,160, due December 2021.	<b>332,920</b>	346,840
Bank loan (3.20%), repayable in blended monthly instalments of \$1,929, due February 2020.	<b>252,769</b>	275,923
Bank loan (3.20%), repayable in blended monthly instalments of \$2,893 due February 2020.	<b>235,924</b>	262,641
Bank loan (3.95%), repayable in monthly instalments of \$750 due December 2018.	<b>189,000</b>	198,000
Bank loan (3.95%), repayable in monthly principal instalments of \$500, due December 2018.	<b>126,000</b>	132,000
Bank loan (3.28%), repayable in blended monthly instalments of \$4,298, due July 2017.	---	29,770
	<b>1,614,526</b>	<b>1,744,648</b>

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

**6. Long Term Liabilities / continued**

(b) Principal payments fall due as follows:

	User Charges	General Revenues	Total
	\$	\$	\$
2018	95,857	6,000	101,857
2019	96,905	6,000	102,905
2020	97,989	6,000	103,989
2021	99,112	6,000	105,112
2022	100,274	6,000	106,274
2023 to 2027	475,192	30,000	505,192
2028 and thereafter	523,197	66,000	589,197
	1,488,526	126,000	1,614,526

(c) Interest expense on long term liabilities in 2017 amounted to \$58,125 (2016 \$50,503).

(d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**7. Municipal Equity**

Municipality equity consists of:

	2017	2016
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	11,991,239	9,056,620
Long term liabilities	(1,614,526)	(1,744,648)
Unfinanced capital outlay	(3,243,868)	---
	7,132,845	7,311,972
Unrestricted (deficit) surplus		
General	(60,660)	(27,192)
Library	5,077	6,142
Water and Wastewater	(20,838)	---
Museum	(7,984)	3,987
Equity		
Rideau St. Lawrence Holdings Inc. (RSL)	549,173	552,168
Reserves (Schedule 1)	352,182	315,512
<b>Total Municipal Equity</b>	<b>7,949,795</b>	<b>8,162,589</b>

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

---

**8. Pension Contributions**

The Village makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Village does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS was \$23,970 (2016 \$33,213) for current services and is included as an expenditure on the Consolidated Statement of Operations classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

---

**9. Provincial Offences Administration (POA)**

The United Counties of Leeds and Grenville has assumed the administration of the Provincial Offences office for all County of Leeds and Grenville resident municipalities. The transfer of administration from the Ministry of the Attorney General to the Village was a result of the Provincial Offences Act (POA) 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

The Village's share of net revenues arising from operation of the POA office have been consolidated with these consolidated financial statements. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in the County court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

The Village of Westport shares net POA revenues based on weighted assessment.

---

**10. Contractual Obligations**

There is no contract for policing services. The Village is provided police services by the Ontario Provincial Police under Section 5.1 of the Police Services Act. The annual charges are determined based on level of service and are reconciled to actual costs in the following year. The amount paid in 2017 for police service usage was \$149,004 less \$192 (2016 - \$144,146 less \$182) paid in reimbursement funds.

The Village has negotiated a long term contract with Mr Dan Mattice, for janitorial and maintenance services at the Canada Post Office. The contract is for a period of 2 years effective January 1, 2016 to December 31, 2017. Annual charges under the contract is a fixed price per year. Payment made under this contract for the year 2017 were approximately \$7,800 (2016 \$7,800).



---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

---

**10. Contractual Obligations / continued**

The Village has negotiated a long term contract with Younge's Lawn Care, for summer maintenance of Lockwood Memorial Field property. The contract is for a period of 2 years effective May 1, 2016 to October 31, 2017. Annual charges under the contract is a fixed price. Payments made under this contract for the year 2017 were approximately \$6,780 (2016 \$6,106).

The Village has negotiated a long term contract with Murphy's Landscaping, for summer care and maintenance of Municipal Properties including Harbour Island. The contract is for a period of 2 years effective May 1, 2016 to October 31, 2017. Annual charges under the contract is a set price per year. Payments made under this contract for the year 2017 were approximately \$14,933,780 (2016 \$12,413).

The Village has negotiated a long term contract with 2443254 Ontario Ltd., for janitorial and maintenance services. The contract is for a period of 2 years effective January 1, 2016 to December 31, 2017. Annual charges under the contract is a fixed price per year for information centre washrooms, and an hourly rate for maintenance. Payments made under this contract for the year 2017 were approximately \$13,322 (2016 \$16,911).

The Village has negotiated a contract with 2443254 Ontario Ltd. effective September 3, 2016 for the provision of household waste and recyclables collection. The contract ends September 2019. Annual charges under the contract is a set price. Payments made under the contract for the year 2017 were approximately \$84,072 (2016 \$25,236).

The Village has negotiated a long term contract with Younge's Lawn Care, for snow plowing parking lots. The contract is for a period of 3 years effective November 3, 2016 to April 30, 2019. Annual charges under the contract is a fixed price per event and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2017 were approximately \$14,430 (2016 \$2,346).

The Village has negotiated a long term contract with 2443254 Ontario Ltd. for the provision of snow removal services on streets and sidewalks. The contract ends April 2019. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2017 were approximately \$39,163 (2016 \$8,196).

The Village has negotiated a long term contract with JT Martin Excavating, for snow plowing water and wastewater facilities. The contract is for a period of 3 years effective November 30, 2016 to April 30, 2019. Annual charges under the contract is a fixed price per event and adjusted annually for inflation using the Consumer Price Index year. Payments made under this contract for the year 2017 were approximately \$8,785 (2016 \$2,544).

The Village had negotiated a long term contract with Morris Charby for the provision of household waste and recyclables collection. The contract ended in the year. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2017 were approximately \$Nil (2016 \$27,254).

The Village had negotiated a long term contract with Morris Charby for the provision of snow removal services. The contract ends April 2017. Annual charges under the contract is a set price and adjusted annually for inflation using the Consumer Price Index. Payments made under this contract for the year 2017 were approximately \$Nil (2016 \$22,380).

---

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

**December 31, 2017**

---

**11. Contingent Liabilities**

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2017, management believes that the Village has valid defences and appropriate insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the consolidated financial statements.

---

**12. Landfill Closure and Post Closure Liability**

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites and is in accordance with the Village's accounting policy. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

The Village currently has one inactive landfill site that it owns with the Township of Rideau Lakes. The site is a transfer site and has been rendered inactive. Hydrogeological samples are taken semi-annually to test the surface and ground water. Annual site monitoring costs are estimated at \$24,150 per annum. These costs are shared with the Township of Rideau Lakes.

---

**13. Risk Management**

In the normal course of operations, the Village is exposed to a variety of financial risks which are actively managed by the Village.

The Village's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. The fair values of cash, investments and accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Village's exposure to and management of risk has not changed materially from December 31, 2016.

**Credit Risk**

Credit risk arises from the possibility that the entities to which the Village provides services to may experience difficulty and be unable to fulfill their obligations. The Village is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Village does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2017

**13. Risk Management / continued**

**Interest Rate Risk**

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Village is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Village's operating results.

**Liquidity Risk**

Liquidity risk is the risk that the Village will not be able to meet its obligations as they fall due. The Village requires working capital to meet day-to-day operating activities. Management expects that the Village's cash flows from operating activities will be sufficient to meet these requirements.

**14. Tangible Capital Assets**

	2017	2016
	\$	\$
Land	9	9
Land Improvements	253,975	235,583
Buildings	2,964,771	3,086,534
Equipment	77,395	85,855
Vehicles	61,908	74,508
Water and Waste Plants and Networks		
Water Distribution	1,047,975	1,092,100
Sewage Collection	1,683,974	1,709,189
Linear Assets		
Roads	1,784,364	1,845,940
Sidewalks	873,000	926,902
Construction in Progress	3,243,868	---
	<b>11,991,239</b>	<b>9,056,620</b>

For additional information, see Schedule 2 ▶ Tangible Capital Assets.

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2017

**15. Segmented Information**

The Village is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the consolidated statement of financial activities.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

2017	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
\$	\$	\$	\$	\$	\$	\$
<b>General Government</b>						
Governance	28,753	---	18,463	---	---	47,216
Corporate Management & Program Support	249,778	---	98,925	---	28,817	377,520
<b>Protection to Persons and Property</b>						
Fire	4,278	---	59,105	35,652	8,221	107,256
Police	---	---	145,859	---	---	145,859
Conservation Authority	---	---	---	6,227	---	6,227
<b>Transportation</b>						
Roadways	---	4,604	61,940	---	144,694	211,238
Winter Control	---	---	37,838	---	---	37,838
Street Lighting	---	---	29,513	---	---	29,513
<b>Environmental</b>						
Wastewater treatment & disposal	77,198	53,521	598,002	---	127,853	856,574
Solid waste disposal	---	---	118,765	---	---	118,765
<b>Recreation and Cultural Services</b>						
Recreation Facilities & Programs	103,309	---	218,740	20,495	66,463	409,007
Libraries	23,906	---	13,741	---	2,512	40,159
Museums	17,110	---	3,913	---	---	21,023
<b>Planning and Development</b>						
Planning & Zoning	7,800	---	55,968	---	---	63,768
<b>2017</b>	<b>512,132</b>	<b>58,125</b>	<b>1,460,772</b>	<b>62,374</b>	<b>378,560</b>	<b>2,471,963</b>

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2017

**15. Segmented Information / continued**

2016	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
\$	\$	\$	\$	\$	\$	\$
<b>General Government</b>						
Governance	41,608	---	112,704	---	---	154,312
Corporate Management & Program Support	216,535	---	18,878	---	28,817	264,230
<b>Protection to Persons and Property</b>						
Fire	---	---	48,510	41,926	8,221	98,657
Police	---	---	151,353	---	---	151,353
Conservation Authority	---	---	---	5,950	---	5,950
<b>Transportation</b>						
Roadways	---	5,841	61,855	---	144,694	212,390
Winter Control	---	---	31,745	---	---	31,745
Street Lighting	---	---	28,446	---	---	28,446
<b>Environmental</b>						
Wastewater treatment & disposal	157,978	44,662	2,014,862	---	127,853	2,345,355
Solid waste disposal	---	---	128,078	---	---	128,078
<b>Recreation and Cultural Services</b>						
Recreation Facilities & Programs	132,108	---	196,286	14,000	63,757	406,151
Libraries	25,550	---	9,264	---	2,315	37,129
Museums	16,354	---	3,930	---	---	20,284
<b>Planning and Development</b>						
Planning & Zoning	---	---	65,751	2,000	---	67,751
<b>2016</b>	<b>590,133</b>	<b>50,503</b>	<b>2,871,662</b>	<b>63,876</b>	<b>375,657</b>	<b>3,951,831</b>

**Village of Westport**  
**Notes to the Consolidated Financial Statements**

December 31, 2017

**16. Budget Figures**

The 2017 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Statement of Operations. The revenues attributable to these items continue to be included in the Statement of Operations, resulting in a significant variance. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited financial statements:

	Budget	Actual
	\$	\$
Total Revenues	2,084,137	2,189,738
Total Expenditures	(2,200,945)	(2,471,963)
Net Expenditures	(116,808)	(282,225)
Amortization	285,303	378,560
Adjusted Net Revenues	168,495	96,335
Capital Revenues	2,043,184	69,431
Funds Available	2,211,679	165,766
Capital Expenditures	(2,287,000)	(3,313,179)
Unfinanced Capital Expenditures	---	3,243,868
Principal Repayments	(128,319)	(130,122)
Net Long Term Debt Acquired	220,000	---
Increase (Decrease) in Operating Surplus	16,360	(33,667)

**Allocated as follows:**

Net Transfers from Reserves	---	36,670
General Surplus	---	(33,468)
Library Surplus	(138)	(1,065)
Water and Wastewater Surplus	16,498	(20,838)
Museum Surplus	---	(11,971)
Equity - RSL Holdings	---	(2,995)
	16,360	(33,667)

**Village of Westport**

**Schedule 1 ▶ Continuity of Reserves and Reserve Funds**

For the year ended December 31	(Note 16) Budget	2017	2016
	\$	\$	\$
<b>Net Transfers From / (To) Other Funds</b>			
Transfers from operations	---	36,670	32,337
<b>Total Net Transfers</b>	---	36,670	32,337
<b>Reserves and Reserve Fund Balances, Change in Year</b>	---	36,670	32,337
<b>Reserves and Reserve Fund Balances, Beginning of Year</b>	315,512	315,512	283,175
<b>Reserves and Reserve Fund Balances, End of Year</b>	315,512	352,182	315,512

**Composition of Reserves and Reserve Funds**

For the year ended December 31	2017	2016
	\$	\$
<b>Reserves set aside for specific purposes by Council:</b>		
<b>For Operating Purposes</b>		
▶ for working capital	83,950	83,950
<b>For Capital Purposes</b>		
▶ for acquisition of capital assets	122,752	122,752
▶ for roads capital	20,000	20,000
▶ for harbour improvements	7,300	7,300
▶ for water and sewer	51,526	51,526
▶ for recreation	49,243	12,573
<b>Total Reserves</b>	334,771	298,101
<b>Reserve Fund</b>	17,411	17,411
<b>Total Reserves and Reserve Funds</b>	352,182	315,512

The accompany notes are an integral part of these consolidated financial statements.

**Village of Westport**  
**Schedule 2 ▶ 2017 Tangible Capital Assets**

Asset Class	Cost 01/01/17	Additions	(Disposals)	Cost 31/12/17
	\$	\$	\$	\$
Land	9	---	---	9
Land Improvements	399,460	40,804	---	440,264
Buildings	4,396,214	26,656	---	4,422,870
Equipment	149,558	1,851	(473)	150,936
Vehicles	229,396	---	---	229,396
Water & Waste Plants & Networks				
Water Distribution	1,377,846	---	---	1,377,846
Sewage Collection	1,971,289	---	---	1,971,289
Linear Assets				
Roads	2,359,434	---	---	2,359,434
Sidewalks	1,409,908	---	---	1,409,908
Construction in Progress	---	3,243,868	---	3,243,868
	12,293,114	3,313,179	(473)	15,605,820

Asset Class	Accumulated Amortization 01/01/17	Amortization	(Disposals)	Accumulated Amortization 31/12/17	Net Book Value 31/12/17
	\$	\$	\$	\$	\$
Land	---	---	---	---	9
Land Improvements	163,877	22,412	---	186,289	253,975
Buildings	1,309,680	148,419	---	1,458,099	2,964,771
Equipment	63,703	10,311	(473)	73,541	77,395
Vehicles	154,888	12,600	---	167,488	61,908
Water & Waste Plants & Networks					
Water Distribution	285,746	44,125	---	329,871	1,047,975
Sewage Collection	282,100	25,215	---	287,315	1,683,974
Linear Assets					
Roads	513,494	61,576	---	575,070	1,784,364
Sidewalks	483,006	53,902	---	536,908	873,000
Construction in Progress	---	---	---	---	3,243,868
	3,236,494	378,560	(473)	3,614,581	11,991,239

The accompany notes are an integral part of these consolidated financial statements.



**Village of Westport**  
**Schedule 2 ▶ 2016 Tangible Capital Assets**

Asset Class	Cost 01/01/16	Additions	(Disposals)	Cost 31/12/16
	\$	\$	\$	\$
Land	9	---	---	9
Land Improvements	368,779	30,681	---	399,460
Buildings	4,326,995	69,219	---	4,396,214
Equipment	145,247	7,804	(3,493)	149,558
Vehicles	229,396	---	---	229,396
Water & Waste Plants & Networks				
Water Distribution	1,377,846	---	---	1,377,846
Sewage Collection	1,971,289	---	---	1,971,289
Linear Assets				
Roads	2,359,434	---	---	2,359,434
Sidewalks	1,409,908	---	---	1,409,908
	<b>12,188,903</b>	<b>107,704</b>	<b>(3,493)</b>	<b>12,293,114</b>

Asset Class	Accumulated Amortization 01/01/16	Amortization	(Disposals)	Accumulated Amortization 31/12/16	Net Book Value 31/12/16
	\$	\$	\$	\$	\$
Land	---	---	---	---	9
Land Improvements	143,505	20,372	---	163,877	235,583
Buildings	1,161,927	147,753	---	1,309,680	3,086,534
Equipment	57,082	10,114	(3,493)	63,703	85,855
Vehicles	142,288	12,600	---	154,288	74,508
Water & Waste Plants & Networks					
Water Distribution	241,621	44,125	---	285,746	1,092,100
Sewage Collection	236,885	25,215	---	262,100	1,709,189
Linear Assets					
Roads	451,918	61,576	---	513,494	1,845,940
Sidewalks	429,104	53,902	---	483,006	926,902
	<b>2,864,330</b>	<b>375,657</b>	<b>(3,493)</b>	<b>3,236,494</b>	<b>9,056,620</b>

The accompany notes are an integral part of these consolidated financial statements.



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com

## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the Board Members, Inhabitants and Ratepayers of the Village of Westport - Water and Wastewater Systems:**

We have audited the accompanying financial statements of the Village of Westport - Water and Wastewater Systems which comprise the statement of financial position as at December 31, 2017 and the statement of operations, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

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

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Westport - Water and Wastewater Systems as at December 31, 2017 and the results of its operations, net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script that reads "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
October 9, 2018.

**Village of Westport  
Water and Wastewater Systems  
Statement of Financial Position**

December 31	2017	2016
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	---	1,363
Accounts receivable	627,677	1,132,463
	<b>627,677</b>	<b>1,133,826</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Temporary construction loan	2,204,531	---
Bank indebtedness	419,202	---
Accounts payable and accrued liabilities	973,177	699,984
Due to Village	243,947	382,316
	<b>3,840,857</b>	<b>1,082,300</b>
<b>Long Term Debt</b> (note 2)	<b>1,488,526</b>	<b>1,612,648</b>
<b>NET DEBT</b>	<b>(4,701,706)</b>	<b>(1,561,122)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	7,273,530	4,157,515
<b>ACCUMULATED SURPLUS</b> (note 3)	<b>2,571,824</b>	<b>2,596,393</b>

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

**Village of Westport  
Water and Wastewater Systems  
Statement of Operations**

For the year ended December 31	(Note 5) Budget	2017	2016
	\$	\$	\$
<b>REVENUES</b>			
Water and sewer service fees	722,666	701,664	659,304
Government grants	2,043,184	69,431	1,457,513
Miscellaneous revenues	3,100	60,910	2,891
<b>TOTAL REVENUES</b>	2,768,950	832,005	2,119,708
<b>EXPENDITURES</b>			
Salaries	173,000	77,198	157,978
Water and sewer operations	220,151	242,113	251,616
Professional services	55,800	228,868	159,253
Maintenance and repairs	74,400	116,124	1,594,889
Interest on long term debt	52,282	53,521	44,662
Municipal taxes	17,500	10,897	9,104
Amortization	---	127,853	127,853
<b>TOTAL EXPENDITURES</b>	593,133	856,574	2,345,355
<b>NET (EXPENDITURES) REVENUES FROM OPERATIONS</b>	2,175,817	(24,569)	(225,647)
<b>ANNUAL (DEFICIT) SURPLUS</b>	2,175,817	(24,569)	(225,647)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	2,596,393	2,596,393	2,822,040
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	4,772,210	2,571,824	2,596,393

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

**Village of Westport  
Water and Wastewater Systems  
Statement of Changes in Net Debt**

For the year ended December 31	(Note 5) Budget	2017	2016
	\$	\$	\$
<b>ANNUAL (DEFICIT) SURPLUS</b>	2,175,817	(24,569)	(225,647)
Acquisition of tangible capital assets	(2,257,000)	(3,243,868)	---
Amortization of tangible capital assets	---	127,853	127,853
	(2,257,000)	(3,116,015)	127,853
<b>INCREASE IN NET DEBT</b>	(81,183)	(3,140,584)	(97,794)
<b>NET DEBT, BEGINNING OF YEAR</b>	(1,561,122)	(1,561,122)	(1,463,328)
<b>NET DEBT, END OF YEAR</b>	(1,642,305)	(4,701,706)	(1,561,122)

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

**Village of Westport  
Water and Wastewater Systems  
Statement of Cash Flows**

For the year ended December 31	2017	2016
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(24,569)	(225,647)
Amortization	127,853	127,853
	<b>103,284</b>	<b>(97,794)</b>
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts receivable	504,786	(943,736)
Accounts payable and accrued liabilities	273,193	515,980
Deferred revenues	---	(541,513)
Due to Village	(138,369)	609,513
	<b>639,610</b>	<b>(359,756)</b>
<b>Working Capital from Operations</b>	<b>742,894</b>	<b>(457,550)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,243,868)	---
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(124,122)	(135,282)
Proceeds of long term debt	---	348,000
Temporary construction loan	2,204,531	---
	<b>2,080,409</b>	<b>212,718</b>
<b>NET DECREASE IN CASH AND EQUIVALENTS</b>	<b>(420,565)</b>	<b>(244,832)</b>
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,363</b>	<b>246,195</b>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<b>(419,202)</b>	<b>1,363</b>
<b>CASH AND EQUIVALENTS REPRESENTED BY:</b>		
Cash	---	1,363
Bank indebtedness	(419,202)	---
	<b>(419,202)</b>	<b>1,363</b>

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

---

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2017**

---

**1. Significant Accounting Policies**

The financial statements of the Village of Westport Waste and Wastewater Systems are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Village are as follows:

**Reporting Entity**

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Village.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

**Tangible Capital Assets**

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

<b>Assets</b>	<b>Estimated Useful Life</b>
Structures	20 to 45 years
Water and Waste Plants and Networks:	
Water Distribution System	40 years
Sewage Collection System	40 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.



---

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2017**

---

**1. Significant Accounting Policies / continued**

**Tangible Capital Assets / continued**

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

**Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

**Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period in which 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.

**Deferred Revenues**

The Village defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Village receives restricted contributions under the authority of Federal and Provincial legislation and Village by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Village has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

**Financial Instruments**

All financial instruments are initially recognized at fair value on the statement of financial position. The Village has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2017**

**1. Significant Accounting Policies / continued**

**Financial Instruments / continued**

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Village classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Measurement Uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

**2. Long Term Liabilities**

	2017	2016
	\$	\$
Bank loan (3.20%), repayable in blended monthly instalments of \$1,797, due February 2020.	477,913	499,474
Bank loan (3.00%), repayable in monthly principal instalments of \$1,160, due December 2021.	332,920	346,840
Bank loan (3.20%), repayable in blended monthly instalments of \$1,929, due February 2020.	252,769	275,923
Bank loan (3.20%), repayable in blended monthly instalments of \$2,893, due February 2020.	235,924	262,641
Bank loan (3.95%), repayable in monthly instalments of \$750, due December 2018.	189,000	198,000
Bank loan (3.28%), repayable in blended monthly instalments of \$4,298, due July 2017.	---	29,770
	<b>1,488,526</b>	<b>1,612,648</b>

**Village of Westport  
Water and Wastewater Systems  
Notes to the Financial Statements**

**December 31, 2017**

**2. Long Term Liabilities / continued**

Principal payments fall due as follows:

	\$
2018	95,857
2019	96,905
2020	97,989
2021	99,112
2022	100,274
2023 to 2027	475,192
2028 and thereafter	523,197
	<b>1,488,526</b>

Interest expense on long term liabilities amounted to \$53,521 (2016 \$44,662).

These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**3. Accumulated Surplus**

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2017	2016
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	7,273,530	4,157,515
Long term liabilities	(1,488,526)	(1,612,648)
Unfinanced capital outlay	(3,243,868)	---
	2,541,136	2,544,867
Reserves		
Water	13,078	13,078
Sewer	38,448	38,448
Current fund	(20,838)	---
Total Accumulated Surplus	2,571,824	2,596,393

**4. Budget Figures**

Village of Westport - Water and Wastewater Systems reviews its operating and capital budgets each year. The approved operating budget for 2017 is included in the budget figures presented in the Consolidated Statement of Operations.

**The Corporation of the Village of Westport  
Water and Wastewater Systems  
Schedule 1 ▶ Tangible Capital Assets**

**December 31, 2017**

Assets	Cost 01/01/17	Additions (Disposals)	Cost 31/12/17	Accumulated Amortization 01/01/17	Amortization 2017	Accumulated Amortization 31/12/17	Net Book Value 31/12/17
	\$	\$	\$	\$	\$	\$	\$
Land	3	---	3	---	---	---	3
Buildings	1,883,000	---	1,883,000	526,777	58,513	585,290	1,297,710
Water Distribution	1,377,846	---	1,377,846	285,746	44,125	329,871	1,047,975
Sewage Collection	1,971,289	---	1,971,289	262,100	25,215	287,315	1,683,974
Construction in Progress	---	3,243,868	3,243,868	---	---	---	3,243,868
	<b>5,232,138</b>	<b>3,243,868</b>	<b>8,476,006</b>	<b>1,074,623</b>	<b>127,853</b>	<b>1,202,476</b>	<b>7,273,530</b>

**December 31, 2016**

Assets	Cost 01/01/16	Additions (Disposals)	Cost 31/12/16	Accumulated Amortization 01/01/16	Amortization 2016	Accumulated Amortization 31/12/16	Net Book Value 31/12/16
	\$	\$	\$	\$	\$	\$	\$
Land	3	---	3	---	---	---	3
Buildings	1,883,000	---	1,883,000	468,264	58,513	526,777	1,356,223
Water Distribution	1,377,846	---	1,377,846	241,621	44,125	285,746	1,092,100
Sewage Collection	1,971,289	---	1,971,289	236,885	25,215	262,100	1,709,189
	<b>5,232,138</b>	<b>---</b>	<b>5,232,138</b>	<b>946,770</b>	<b>127,853</b>	<b>1,074,623</b>	<b>4,157,515</b>

**The Corporation of  
the Village of Westport  
Public Library Board**

3 Spring Street  
Westport, ON K0G 1X0  
613-273-3223

**Management's Responsibility for the Financial Statements**

---

The accompanying financial statements of the Corporation of the Village of Westport Public Library Board are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to Board and Council approval of the financial statements.

The financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

---

Ruth Pedherney, Chair

---

Pamela Stuffles, Librarian



22 Wilson Street West | Perth, Ontario | K7H 2M9  
Phone: 613-267-6580 | Fax: 613-267-7563  
info@allanandpartners.com  
www.allanandpartners.com

## INDEPENDENT AUDITOR'S REPORT

---

### **To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Village of Westport Public Library Board:**

We have audited the accompanying financial statements of the Corporation of the Village of Westport Public Library Board which comprise the statement of financial position as at December 31, 2017 and the statement of operations, 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 Financial Statements**

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

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

### **Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Westport Public Library Board as at December 31, 2017 and its results of operations, net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in cursive script that reads "Allan".

Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario,  
June 20, 2018.

**The Corporation of the Village of Westport Public Library Board  
Statement of Financial Position**

December 31	2017	2016
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	19,066	13,977
Accounts receivable	1,013	499
	<b>20,079</b>	<b>14,476</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	1,295	1,834
Deferred revenue	13,707	6,500
	<b>15,002</b>	<b>8,334</b>
<b>NET FINANCIAL ASSETS</b>	<b>5,077</b>	<b>6,142</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 5) (Schedule 1)	7,020	7,681
<b>ACCUMULATED SURPLUS (note 4)</b>	<b>12,097</b>	<b>13,823</b>

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



**The Corporation of the Village of Westport Public Library Board  
Statement of Operations**

For the year ended December 31	(Note 6) Budget	2017	2016
	\$	\$	\$
<b>REVENUES</b>			
Government Grants			
Municipal Grants ▶ operating grant	15,500	15,500	12,500
▶ contribution	---	9,825	9,263
Provincial Grants ▶ operating	1,714	3,666	3,534
Other Income			
Fundraising	6,000	1,484	4,922
Operational revenues	2,450	5,107	4,768
Donations	2,150	2,741	7,959
Interest	30	41	27
Other special revenues	---	---	181
<b>TOTAL REVENUES</b>	<b>27,844</b>	<b>38,364</b>	<b>43,154</b>
<b>EXPENDITURES</b>			
Amortization	---	2,512	2,315
Salaries, wages, employee benefits	23,950	23,906	25,550
Library reading materials	1,250	---	---
Professional fees	---	500	388
Membership fees and equipment	1,300	2,466	1,432
Bank charges	30	23	25
Facilities			
▶ utilities	---	6,691	6,969
▶ insurance	---	1,288	1,270
▶ repairs and maintenance	---	1,206	2,249
▶ telephone and internet	1,450	1,498	1,326
<b>TOTAL EXPENDITURES</b>	<b>27,980</b>	<b>40,090</b>	<b>41,524</b>
<b>ANNUAL (DEFICIT) SURPLUS</b>	<b>(136)</b>	<b>(1,726)</b>	<b>1,630</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>13,823</b>	<b>13,823</b>	<b>12,193</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>13,687</b>	<b>12,097</b>	<b>13,823</b>

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

**The Corporation of the Village of Westport Public Library Board  
Statement of Changes in Net Financial Assets**

For the year ended December 31	2017	2016
	\$	\$
<b>ANNUAL (DEFICIT) SURPLUS</b>	<b>(1,726)</b>	<b>1,630</b>
Amortization of tangible capital assets	2,512	2,315
Acquisition of tangible capital assets	(1,851)	(1,215)
	<b>661</b>	<b>1,100</b>
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	<b>(1,065)</b>	<b>2,730</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>6,142</b>	<b>3,412</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>5,077</b>	<b>6,142</b>

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

**The Corporation of the Village of Westport Public Library Board  
Statement of Cash Flows**

For the year ended December 31	2017	2016
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual (deficit) surplus	(1,726)	1,630
<b>Net Change in Non-Cash Working Capital Items</b>		
Accounts receivable	(514)	2,410
Accounts payable and accrued liabilities	(539)	644
Deferred revenue	7,207	4,681
	<b>6,154</b>	<b>7,735</b>
<b>Non-cash charges to operations</b>		
Amortization	2,512	2,315
<b>Working Capital from Operations</b>	<b>6,940</b>	<b>11,680</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(1,851)	(1,215)
<b>NET INCREASE IN CASH</b>	<b>5,089</b>	<b>10,465</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>13,977</b>	<b>3,512</b>
<b>CASH, END OF YEAR</b>	<b>19,066</b>	<b>13,977</b>

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

---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2017

---

### 1. Status of the Board

The Village of Westport Public Library Board (the 'Board') was formed in February 1941 pursuant to the Public Libraries Act and the Village of Westport.

---

### 2. Significant Accounting Policies

The financial statements of the Corporation of the Village of Westport Public Library Board are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Board are as follows:

#### Reporting Entity

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

#### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

#### Tangible Capital Assets

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

Assets	Estimated Useful Life
Library Collection	7 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2017

---

### 2. Significant Accounting Policies / continued

#### Tangible Capital Assets / continued

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the statement of operations.

#### Cash and Cash Equivalents

The Board considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

#### Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which 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.

#### Deferred Revenues

The Board defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Board has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

---

# The Corporation of the Village of Westport Public Library Board

## Notes to the Financial Statements

December 31, 2017

---

### 2. Significant Accounting Policies / continued

#### Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Board has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Board classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

#### Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

---

### 3. Risk Management

In the normal course of operations, the Library Board is exposed to a variety of financial risks which are actively managed by the Library Board.

The Library Board's financial instruments consist of cash, investments, accounts receivable and accounts payable. The fair values of cash, investments and accounts payable approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Library Board's exposure to and management of risk has not changed materially from December 31, 2016.

---

**The Corporation of the Village of Westport Public Library Board  
Notes to the Financial Statements**

December 31, 2017

---

**3. Risk Management / continued**

**Credit Risk**

Credit risk arises from the possibility that the entities to which the Library Board provides services to may experience difficulty and be unable to fulfill their obligations. The Library Board is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Library Board does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

**Interest Rate Risk**

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Library Board is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Library Board's operating results.

**Liquidity Risk**

Liquidity risk is the risk that the Library Board will not be able to meet its obligations as they fall due. The Library Board requires working capital to meet day-to-day operating activities. Management expects that the Library Board's cash flows from operating activities will be sufficient to meet these requirements.

---

**4. Accumulated Surplus**

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2017	2016
	\$	\$
<b>Surplus</b>		
Invested in tangible capital assets	7,020	7,681
<b>Current Fund</b>	5,077	6,142
<b>Accumulated Surplus</b>	<b>12,097</b>	<b>13,823</b>

---

**The Corporation of the Village of Westport Public Library Board  
Notes to the Financial Statements**

**December 31, 2017**

---

**5. Tangible Capital Assets**

<b>Net Book Value of Assets</b>	<b>2017</b>	<b>2016</b>
	\$	\$
Library Collection	<b>7,020</b>	<b>7,681</b>

---

For additional information, see Schedule 1 ▶ Tangible Capital Assets.

---

**6. Budget Figures**

The Corporation of the Village of Westport Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2017 is included in the budget figures presented in the Statement of Operations.

---



**The Corporation of the Village of Westport Public Library Board  
Schedule 1 ▶ Tangible Capital Assets**

**December 31, 2017**

Assets	Cost 01/01/17	Additions	(Disposals)	Cost 31/12/17	Accumulated Amortization 01/01/17	Amortization 2017	Disposal Amortization	Accumulated Amortization 31/12/17	Net Book Value 31/12/17
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library Collection	16,207	1,851	(473)	17,585	8,526	2,512	(473)	10,565	7,020

**December 31, 2016**

Assets	Cost 01/01/16	Additions	(Disposals)	Cost 31/12/16	Accumulated Amortization 01/01/16	Amortization 2016	Disposal Amortization	Accumulated Amortization 31/12/16	Net Book Value 31/12/16
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library Collection	18,485	1,215	(3,493)	16,207	9,704	2,315	(3,493)	8,526	7,681