

## MANAGEMENT REPORT

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

The accompanying consolidated financial statements of **UNITED TOWNSHIPS OF HEAD, CLARA & MARIA** are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township'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 the consolidated financial statements. These systems are monitored and evaluated by management.

The Township's Council 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 the Council's approval of the financial statements.


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

Clerk



Melinda Reith

Mayor



Jim Gibson

April 21, 2017



## MANAGEMENT REPORT

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

The accompanying financial statements of the **CORPORATION OF THE UNITED TOWNSHIPS OF HEAD, CLARA & MARIA LIBRARY BOARD** are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, 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 the financial statements. These systems are monitored and evaluated by management.

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

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

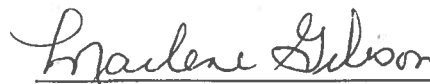
Clerk



---

Melinda Reith

Chair of the Board



---

Marlene Gibson

April 21, 2017



# **UNITED TOWNSHIPS OF HEAD, CLARA & MARIA**

15 Township Hall Road  
Stonecliffe, ON  
K0J 2K0

April 21, 2017

Welch LLP  
270 Lake Street  
P.O. Box 757  
Pembroke, ON  
K8A 6X9

Dear Sirs:

We are providing this letter in connection with your audit of the consolidated financial statements of United Townships of Head, Clara & Maria as of December 31, 2016 and for the year then ended, for the purpose of expressing an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of United Townships of Head, Clara & Maria in accordance with Canadian public sector accounting standards.

We acknowledge that we are responsible for the fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards and for the design and implementation of internal controls to prevent and detect fraud and error.

We acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express an opinion on the consolidated financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the consolidated financial statements would influence the decision of a reasonable person relying on the consolidated financial statements.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 8, 2015, for the preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards; in particular, the consolidated financial statements are fairly presented in accordance therewith.
2. The significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

## **Information Provided**

1. We have provided you with:
  - (a) Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - (b) Additional information that you have requested from us for the purpose of the audit; and
  - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have assessed this risk as low.
4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - (a) Management;
  - (b) Employees who have significant roles in internal control; or
  - (c) Others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
7. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

### **Taxes and Accounts Receivable**

1. Taxes and accounts receivable represent valid claims relating to transactions made before the end of the fiscal year and do not include any amount relating to goods shipped on consignment. Adequate provision has been made for losses which may be sustained in the collection of receivables.

### **Financial Instruments**

1. We confirm that the municipality has identified all its financial assets and liabilities and has classified them correctly in accordance with their characteristics.

### **Capital Assets**

1. All charges to capital asset accounts during the year represent actual additions to and no expenditures of a capital nature were charged to the operations of the organization during the year.
2. All capital assets sold or dismantled have been properly accounted for in the books of the organization.
3. Appropriate rates have been used to amortize the assets over their estimated useful lives and the provisions were calculated on a basis consistent with that of the previous year.
4. The organization has good title to the properties represented by the balance carried on the capital asset accounts, and there are no liens, mortgages or other charges against any of the capital assets shown on the books of the organization.
5. Where the value of any capital assets has been impaired, this fact has been disclosed to you.

### **Liabilities and Commitments**

1. At the year end, with the exception of relatively immaterial obligations for which invoices had not been received or which otherwise could not readily be determined or estimated, all known liabilities of the organization are included and fairly stated on the statement of financial position.
2. At the year end there were no contingent liabilities (e.g., discounted receivables or drafts, guarantees, pending or unsettled suits, matters in dispute), except as disclosed in the notes to the consolidated financial statements.
3. The organization has complied with all aspects of contractual agreements that could have a material effect on the consolidated financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

4. At the year end, the organization had no unusual commitments or contractual obligations of any sort that were not in the ordinary course of business or that might have an adverse effect upon the organization.
5. All claims outstanding against the organization or possible claims have been disclosed to you and, where appropriate, reflected in the consolidated financial statements or notes thereto.
6. We understand that any illegal or possibly illegal act could damage the organization or its reputation or give rise to a claim or claims against the organization. We are not aware of any violations or possible violations of law or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis for recording a contingent loss.
7. At the year-end we are not aware of any contaminated sites owned by the municipality other than the three landfill sites owned by the municipality.

### **Statement of Operations**

1. All of the revenues of the organization for the year has been recorded in the books of account and disclosed in the consolidated financial statements.
2. The statement of operations contains no extraordinary or non-recurring items of material amount except as shown thereon.

### **Restrictions**

1. All restrictions on the use of the municipality's funds or assets, as well as all requirements or conditions imposed by third parties, have been brought to your attention and are appropriately disclosed in the consolidated financial statements. The municipality complied with all restrictions, requirements or conditions which, in the event of non-compliance could have a significant effect on the consolidated financial statements.
2. All assets subject to a lien, pledged or assigned as security or guarantee for liabilities were brought to your attention and are appropriately disclosed in the consolidated financial statements.

### **Council Minutes**

The minute books of the organization contain an accurate record of all of the business transacted at meetings and committees of Council up to the date of this letter.

### **Controlled and Related Entities**

1. All subsidiaries and controlled not-for-profit organizations have been accurately reflected in the consolidated financial statements.



2. All enterprises and not-for-profit organizations where the municipality has joint control, exerts significant influence or has an economic interest have been appropriately reflected in the consolidated financial statements.

### **Related Party Transactions**

1. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards
2. There have been no exchanges of goods or services with any related parties for which appropriate accounting recognition and financial statement disclosure has not been given.

### **Recognition, Measurement and Disclosure**

1. Significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the consolidated financial statements are reasonable and appropriate in the circumstances.
2. The organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.
3. The nature of all material measurement uncertainties has been appropriately disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.

### **Going Concern**

We confirm that we have assessed the entity's ability to continue as a going concern, taking into account all information which is at least twelve months from the year end date, and we conclude that the entity is able to continue as a going concern for the foreseeable future.


### **General**

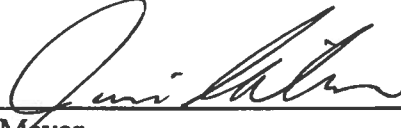
1. We are unaware of any frauds or possible frauds having been committed by the organization, its employees or any of its directors and officers and we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
2. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's consolidated financial statements.
3. We acknowledge that we are responsible for the implementation and operation of internal controls that are designed to prevent and detect fraud and error.

4. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
5. In the course of your audit of our consolidated financial statements for the year ended December 31, 2016, you have recommended certain journal entries and adjustments to our books and records as attached to this letter. We hereby acknowledge that we understand, agree with and approve of the attached journal entries which have been considered necessary to present fairly the financial position and operating results of our organization.

Yours very truly,

UNITED TOWNSHIPS OF HEAD, CLARA & MARIA

Per:   
Melinda Reith - Clerk

Per:   
Jim Gibson - Mayor

**United Townships of Head, Clara & Maria**

Year End: December 31, 2016

Adjusting Journal entries

Date: 1/01/2016 To 12/31/2016

Number	Date	Name	Account No	Debit	Credit
1	12/31/2016	Proper tax receivable - transfer of	01-00-000-1008	11.24	
1	12/31/2016	Property Tax Adjustments Receivable	01-00-000-1011		40.96
1	12/31/2016	A/R -- Other	01-00-000-1025	14.00	
1	12/31/2016	Miscellaneous Receivable	01-00-000-1035		6.00
1	12/31/2016	Due from Ontario	01-00-000-1055		0.38
1	12/31/2016	Office Supplies	01-01-01A-5130	22.10	
		To write off immaterial transactions			
2	12/31/2016	Miscellaneous Receivable	01-00-000-1035		7,879.69
2	12/31/2016	Miscellaneous Revenue	01-01-000-4195	7,879.69	
		To reverse recording of 2017 as a receivable for 2016 ***REVERSE Jan 1, 2017***			
3	12/31/2016	Miscellaneous Receivable	01-00-000-1035		462.42
3	12/31/2016	Treasury Account Interest	01-01-000-4180	462.42	
		To reverse accrued interest receivable at December 31, 2015			
4	12/31/2016	Miscellaneous Receivable	01-00-000-1035	233.70	
4	12/31/2016	Treasury Account Interest	01-01-000-4180		233.70
		To record accrued interest receivable at December 31, 2016 ***Reverse Jan 1, 2017***			
5	12/31/2016	Prepaid Expenses	01-00-000-1020		15,173.00
5	12/31/2016	Insurance	01-01-01A-5220	15,173.00	
		To reverse prepaid expenses at December 31, 2015			
6	12/31/2016	Accrued Payables	01-00-000-2005	2,175.49	
6	12/31/2016	Due to County of Renfrew	01-00-000-2065	2,087.66	
6	12/31/2016	EHT Employer Expense	01-01-01A-5106		335.91
6	12/31/2016	HST	01-01-01A-5110		170.15
6	12/31/2016	Office Supplies	01-01-01A-5130		12.88
6	12/31/2016	Associations - Membership Fees	01-01-01A-5140		26.29
6	12/31/2016	Resource Materials' Fee	01-01-01A-5145		260.20
6	12/31/2016	Office Telephone/Fax	01-01-01A-5170		207.72
6	12/31/2016	Office Telephone/Fax	01-01-01A-5170		69.94
6	12/31/2016	911 Agreement - County	01-02-02F-5365		2,087.66
6	12/31/2016	Gravel Pits	01-03-03R-5640		1,042.40
6	12/31/2016	Hall Fundraising Expenses	01-06-06P-5570		50.00
		To reverse 2015 additional payables			

**United Townships of Head, Clara & Maria**

**Year End: December 31, 2016**

**Adjusting journal entries**

**Date: 1/01/2016 To 12/31/2016**

Number	Date	Name	Account No	Debit	Credit
7	12/31/2016	Accrued Payables	01-00-000-2005	7,687.50	
7	12/31/2016	Miscellaneous Revenue	01-01-000-4195		7,687.50
To reverse prepaid rent from 2015					
8	12/31/2016	Accrued Payables	01-00-000-2005	12,500.00	
8	12/31/2016	Audit Fees	01-01-01A-5150		12,500.00
To reverse accrued audit fees for 2015					
9	12/31/2016	Accrued Payables	01-00-000-2005	503.81	
9	12/31/2016	Tax Sale	01-01-01A-5195		503.81
To reverse accrued payable from 2015 related to Superior Court					
10	12/31/2016	Property Tax Adjustments Receivable	01-00-000-1011	2,006.44	
10	12/31/2016	Due to County of Renfrew	01-00-000-2065		884.42
10	12/31/2016	Due to Boards' of Education - Main Account	01-00-000-2069		481.37
10	12/31/2016	Taxation Revenue	01-01-000-4115		640.65
To accrue November supplemental not billed in year ***Reverse Jan 1'2017***					
11	12/31/2016	Due to Cty/HCM/Edu Shares - Industrial	01-00-000-2068		1,350,243.14
11	12/31/2016	Due to Boards' of Education - Main Account	01-00-000-2069	1,350,243.14	
To net accounts - there was a wrong gl posting					
12	12/31/2016	Property Taxes Receivable	01-00-000-1010	442.15	
12	12/31/2016	Prepaid Taxes	01-00-000-2040	23.02	
12	12/31/2016	Penalty & Interest - Property Taxes	01-01-000-4190		465.17
To adjust taxes receivable balance at December 31, 2016					
13	12/31/2016	Parks & Recreation Fund	01-00-000-3040		3,500.00
13	12/31/2016	Transfer from Reserves	01-01-000-4120	3,500.00	
To correct entry regarding the Seniors progmn defered balance from 2015 - ending balance was \$4,103.92 not \$7,603.92					
14	12/31/2016	Deferred Revenue - Obligatory	01-00-000-2020		17,790.27
14	12/31/2016	Trandfer from deferred revenue	01-01-000-4121	10,645.52	

**United Townships of Head, Clara & Maria**

Year End: December 31, 2016

Adjusting Journal entries

Date: 1/01/2016 To 12/31/2016

Number	Date	Name	Account No	Debit	Credit
14	12/31/2016	Gas Tax	01-01-000-4200	7,144.75	
		To defer gas tax revenue per October resolution - it will be used in 2017 for the office reovation			
15	12/31/2016	Disposal Sites - Maintenance/Replacement Func	01-00-000-3060		1,500.00
15	12/31/2016	Transfer to Reserve Funds	01-08-08R-5905	1,500.00	
		To record transfer to the Disposal site reserve per the budget (Bear Fence)			
16	12/31/2016	IT - Office Technology Fund	01-00-000-3035		6,000.00
16	12/31/2016	Transfer to Reserve Funds	01-08-08R-5905	6,000.00	
		To record transfer back to IT reserve per October minutes			
18	12/31/2016	A/P - Sub Ledger	01-00-000-2010		667.32
18	12/31/2016	Vacation Payable	01-00-000-2110	1,661.91	
18	12/31/2016	EI Payable	01-00-000-2115		74.98
18	12/31/2016	CPP Payable	01-00-000-2120		43.14
18	12/31/2016	Income Tax Payable	01-00-000-2125		177.45
18	12/31/2016	EHT Payable	01-00-000-2135		22.34
18	12/31/2016	WSIB Payable	01-00-000-2140		45.03
18	12/31/2016	Payroll Taxes	01-01-01A-5103	65.31	
18	12/31/2016	WSIB Employer Expense	01-01-01A-5105	45.03	
18	12/31/2016	EHT Employer Expense	01-01-01A-5106	22.34	
18	12/31/2016	HST	01-01-01A-5110		7.01
18	12/31/2016	Internet	01-01-01A-5165		53.95
18	12/31/2016	Office Telephone/Fax	01-01-01A-5170		12.72
18	12/31/2016	Bank Charges	01-01-01A-5280		55.25
18	12/31/2016	Hall Fundraising Expenses	01-06-06P-5570		2.50
18	12/31/2016	Seniors program	01-06-06P-5571		632.90
		To reverse/correct journal postings to trade payble account			
19	12/31/2016	Vacation Payable	01-00-000-2110	252.52	
19	12/31/2016	Vacation Pay Employer Expense	01-01-01A-5107		252.52
		To correct posting of Gayle Watters vacation pay			
20	12/31/2016	Vacation Payable	01-00-000-2110	960.58	
20	12/31/2016	Vacation Pay Employer Expense	01-01-01A-5107		960.58
		To reverse accrual by system of C Fischers vacation pay - she gets time off.			

**United Townships of Head, Clara & Maria**

Year End: December 31, 2016

Adjusting Journal entries

Date: 1/01/2016 To 12/31/2016

Number	Date	Name	Account No	Debit	Credit
21	12/31/2016	Due from Ontario	01-00-000-1055	2,057.77	
21	12/31/2016	Recycling Grants	01-04-000-4140		2,057.77
		To accrue Stewardship Ontario 4th quarter funding			
22	12/31/2016	Accounts Receivable	01-00-000-1030	48.01	
22	12/31/2016	Bank Charges	01-01-01A-5280		48.01
		To adjust trade accounts receivable to balance per list			
23	12/31/2016	HST	01-01-01A-5110		1,476.48
23	12/31/2016	Insurance	01-01-01A-5220	1,476.48	
		To correct posting of PST on insurance			
24	12/31/2016	Prepaid Expenses	01-00-000-1020	15,263.00	
24	12/31/2016	Insurance	01-01-01A-5220		15,263.00
		To record prepaid insurance			
25	12/31/2016	Cost of goods purchased	01-00-000-2011	3,215.75	
25	12/31/2016	Hall Fundraising Expenses	01-06-06P-5570		3,215.75
		To reverse internal postings			
26	12/31/2016	Accrued Payables	01-00-000-2005		8,784.77
26	12/31/2016	Due to Ontario	01-00-000-2060		377.47
26	12/31/2016	Due to County of Renfrew	01-00-000-2065		2,115.63
26	12/31/2016	EHT Employer Expense	01-01-01A-5106	377.47	
26	12/31/2016	Office Supplies	01-01-01A-5130	1,324.24	
26	12/31/2016	Office Supplies	01-01-01A-5130	246.14	
26	12/31/2016	Office Telephone/Fax	01-01-01A-5170	107.35	
26	12/31/2016	Computer Software	01-01-01A-5230	427.70	
26	12/31/2016	Miscellaneous	01-01-01A-5275	157.64	
26	12/31/2016	Library expenses	01-01-01A-5276	89.87	
26	12/31/2016	Library expenses	01-01-01A-5276	701.96	
26	12/31/2016	CBO Mileage	01-02-02B-5125	398.75	
26	12/31/2016	911 Agreement - County	01-02-02F-5365	2,115.63	
26	12/31/2016	Roadsuper - Cell Phone	01-03-03R-5175	55.00	
26	12/31/2016	Twp Garage Utilities	01-03-03R-5180	115.45	
26	12/31/2016	Truck Repairs	01-03-03R-5616	369.22	
26	12/31/2016	Gravel Pits	01-03-03R-5640	937.66	
26	12/31/2016	Tools & Supplies	01-03-03R-5665	170.79	
26	12/31/2016	Tools & Supplies	01-03-03R-5665	8.59	

**United Townships of Head, Clara & Maria**

Year End: December 31, 2016

Adjusting Journal entries

Date: 1/01/2016 To 12/31/2016

Number	Date	Name	Account No	Debit	Credit
26	12/31/2016	Truck Expense	01-04-04W-5615	193.62	
26	12/31/2016	Recycling	01-04-04W-5740	610.56	
26	12/31/2016	Hall Supplies	01-06-06P-5130	207.31	
26	12/31/2016	Hall Telephone	01-06-06P-5170	20.00	
26	12/31/2016	Hall Utilities	01-06-06P-5180	449.69	
26	12/31/2016	Hall Repairs/Maintenance	01-06-06P-5255	26.11	
26	12/31/2016	Hall Fundraising Expenses	01-06-06P-5570	1,633.85	
26	12/31/2016	Hall Fundraising Expenses	01-06-06P-5570	533.27	
To record additional payables per review of subsequent payments					
27	12/31/2016	Accrued Payables	01-00-000-2005		12,000.00
27	12/31/2016	Audit Fees	01-01-01A-5150	12,000.00	
To accrue 2016 audit fees					
29	12/31/2016	WSIB Payable	01-00-000-2140	1,125.33	
29	12/31/2016	WSIB Employer Expense	01-01-01A-5105		1,125.33
To write off balance in WSIB from previous year					
30	12/31/2016	Accrued Payables	01-00-000-2005	946.53	
30	12/31/2016	Library Re-imbursement	01-01-000-4275		946.53
To accrue amount reciverable from the Library					
32	12/31/2016	A/R -- Other	01-00-000-1025	12,877.00	
32	12/31/2016	Special Grants	01-10-000-4150		12,877.00
To accrue Canada 150 revenue					
33	12/31/2016	Deferred Revenue - Obligatory	01-00-000-2020		3,135.00
33	12/31/2016	Healthy Kids revenue	01-06-000-4280	3,135.00	
To defer health Kids playscape revenue					
34	12/31/2016	Treasury Account	01-00-000-1003		19.34
34	12/31/2016	Bank Charges	01-01-01A-5280	19.34	
To record bank service charge					
36	12/31/2016	Due from Canada	01-00-000-1050	20,778.20	

4/19/2017

4:33 PM

WS1-4

**United Townships of Head, Clara & Maria**

Year End: December 31, 2016

Adjusting Journal entries

Date: 1/01/2016 To 12/31/2016

Number	Date	Name	Account No	Debit	Credit
36	12/31/2016	HST	01-01-01A-5110		19,866.99
36	12/31/2016	Admin Mileage	01-01-01A-5125		140.44
36	12/31/2016	Council Honorariums	01-01-01C-5001		277.54
36	12/31/2016	Reeve's Mileage	01-01-01C-5003		95.85
36	12/31/2016	CBO Mileage	01-02-02B-5125		194.65
36	12/31/2016	Roads Mileage	01-03-03R-5125		21.40
36	12/31/2016	Environmental Mileage	01-04-04W-5125		181.33
To record HST receivable at Dec 31'16					
37	12/31/2016	Accrued Payables	01-00-000-2005		64.30
37	12/31/2016	Treasury Account Interest	01-01-000-4180	64.30	
To record Library share of interest					
38	12/31/2016	Elections Fund	01-00-000-3010	2,000.00	
38	12/31/2016	IT - Office Technology Fund	01-00-000-3035	350.00	
38	12/31/2016	Recreation committee reserve	01-00-000-3041		19,851.00
38	12/31/2016	Disposal Sites - Vehicle Fund	01-00-000-3061	5,000.00	
38	12/31/2016	Roads - Truck Fund	01-00-000-3071	10,000.00	
38	12/31/2016	Roads - Gravel Crushing Fund	01-00-000-3072	6,000.00	
38	12/31/2016	Garage Capital Fund - Repair/Replacement	01-00-000-3075	8,050.00	
38	12/31/2016	Garage Repair/Maintenance	01-00-000-3076	9,000.00	
38	12/31/2016	Transfer from Reserves	01-01-000-4120		40,400.00
38	12/31/2016	Transfer to Reserve Funds	01-08-08R-5905	19,851.00	
To record March 24 reserve transfers					
40	12/31/2016	Deferred Revenue - Obligatory	01-00-000-2020		40.00
40	12/31/2016	Treasury Account Interest	01-01-000-4180	40.00	
To re-allocate gas tax share of interest					
41	12/31/2016	Land Improvements	01-00-000-1210	33,585.08	
41	12/31/2016	Machinery & Equipment	01-00-000-1230	35,637.64	
41	12/31/2016	HST	01-01-01A-5110		1,197.24
41	12/31/2016	Special Projects	01-03-03R-5265		6,500.11
41	12/31/2016	Upgrade/Capital	01-04-04W-5260		15,800.00
41	12/31/2016	Special Projects	01-06-06P-5265		33,004.21
41	12/31/2016	Healthy Kids Expenses	01-06-06P-5573		12,721.16
To record tangible capital asset purchased in year					
42	12/31/2016	Land Improvements	01-00-000-1210		5,102.68



**United Townships of Head, Clara & Maria**

**Year End: December 31, 2016**

**Adjusting journal entries**

**Date: 1/01/2016 To 12/31/2016**

<b>Number</b>	<b>Date</b>	<b>Name</b>	<b>Account No</b>	<b>Debit</b>	<b>Credit</b>
42	12/31/2016	Accumulated Amortization - Building	01-00-000-1225		16,017.89
42	12/31/2016	Accumulated Amortization - Machinery & Equiptr	01-00-000-1235		5,614.00
42	12/31/2016	Accumulated Amortization - Vehicles	01-00-000-1245		5,714.23
42	12/31/2016	Accumulated Amortization - Linear Assets	01-00-000-1255		4,703.74
42	12/31/2016	Amortization Expense - General Government	01-11-000-5935	2,616.00	
42	12/31/2016	Amortization Expense - Roads	01-12-000-5940	16,096.47	
42	12/31/2016	Amortization Expense - Environment	01-13-000-5945	5,048.90	
42	12/31/2016	Amortization Expense - Recreation	01-14-000-5950	13,391.17	
		To record amortization expense for 2016			
43	12/31/2016	Landfill Closure Liability	01-00-000-2030		10,000.00
43	12/31/2016	Amounts to be Recovered	01-00-000-3210	10,000.00	
		To record change in post closure care liability			
				<b>1,694,214.16</b>	<b>1,694,214.16</b>
		<b>Net Income (Loss)</b>	<b>121,188.23</b>		



April 21, 2017

United Townships of Head, Clara & Maria  
15 Township Hall Road  
Stonecliffe, ON  
K0J 2K0

Dear Members of Council:

We have been engaged to audit the financial statements of United Townships of Head, Clara & Maria for the year ending December 31, 2016.

The purpose of this letter is to communicate with you regarding all relationships between the municipality and us that, in our professional judgement, may reasonably be thought to bear on our independence.

In determining which relationships to report, we consider relevant rules and related interpretations prescribed by the rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) economic dependence on a client; and
- (e) provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 8, 2016, the date of our last letter.

We are not aware of any relationships between United Townships of Head, Clara & Maria and us that, in our professional judgement, may reasonably be thought to bear on our independence, and that have occurred from April 8, 2016 to April 21, 2017.



We hereby confirm that we are independent with respect to United Townships of Head, Clara & Maria within the meaning of the rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of April 21, 2017.

This report is intended solely for the use of the Members of Council, management, and others within the organization and should not be used for any other purposes.

Should you wish to discuss the contents of this letter please feel free to contact us.

Yours truly,

A handwritten signature in black ink, appearing to read 'Peter Harrington', with a long, sweeping flourish extending to the right.

Peter Harrington, CPA, CA  
**Welch LLP**



April 21, 2017

United Townships of Head, Clara & Maria  
15 Township Hall Road  
Stonecliffe, ON  
K0J 2K0

**PRIVATE AND CONFIDENTIAL**

Dear Members of Council:

**Re: Audit of the December 31, 2016 Financial Statements**

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose defalcations and other irregularities and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

Please note that under Canadian generally accepted auditing standards we must report significant deficiencies to those charged with governance.

This letter is not exhaustive, and deals with the more important matters that came to our attention during the audit. Minor matters were discussed verbally with your staff. There are no significant deficiencies to report at this time.

We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from your employees.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

**Page 1 of 2**





This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Peter Harrington', with a long, sweeping horizontal stroke extending to the right.

Peter Harrington, CPA, CA  
**Welch LLP**



April 21, 2017

United Townships of Head, Clara & Maria  
15 Township Hall Road  
Stonecliffe, ON  
K0J 2K0

Dear Members of Council:

We have been engaged to audit the financial statements of United Townships of Head, Clara & Maria for the year ending December 31, 2016.

The purpose of this letter is to communicate with you regarding all relationships between the municipality and us that, in our professional judgement, may reasonably be thought to bear on our independence.

In determining which relationships to report, we consider relevant rules and related interpretations prescribed by the rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) economic dependence on a client; and
- (e) provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 8, 2016, the date of our last letter.

We are not aware of any relationships between United Townships of Head, Clara & Maria and us that, in our professional judgement, may reasonably be thought to bear on our independence, and that have occurred from April 8, 2016 to April 21, 2017.

We hereby confirm that we are independent with respect to United Townships of Head, Clara & Maria within the meaning of the rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of April 21, 2017.

This report is intended solely for the use of the Members of Council, management, and others within the organization and should not be used for any other purposes.

Should you wish to discuss the contents of this letter please feel free to contact us.

Yours truly,

A handwritten signature in black ink, appearing to be 'Peter Harrington', written over a horizontal line.

Peter Harrington, CPA, CA  
**Welch LLP**

April 21, 2017

United Townships of Head, Clara & Maria  
15 Township Hall Road  
Stonecliffe, ON  
K0J 2K0

**PRIVATE AND CONFIDENTIAL**

Dear Members of Council:

**Re: Audit of the December 31, 2016 Financial Statements**

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose defalcations and other irregularities and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

Please note that under Canadian generally accepted auditing standards we must report significant deficiencies to those charged with governance.

This letter is not exhaustive, and deals with the more important matters that came to our attention during the audit. Minor matters were discussed verbally with your staff. There are no significant deficiencies to report at this time.

We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from your employees.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Page 1 of 2

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Peter Harrington', with a long, sweeping underline that extends to the right.

Peter Harrington, CPA, CA  
Welch LLP