

**CORPORATION OF THE
MUNICIPALITY OF CENTRE HASTINGS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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MUNICIPALITY OF CENTRE HASTINGS**

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CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

For The Year Ended December 31, 2017

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Municipality of Centre Hastings are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Municipality's assets are appropriately accounted for and adequately safeguarded.

The Municipality's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

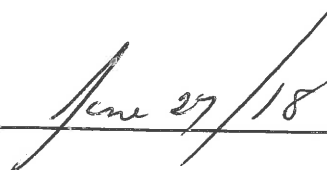
Council reviews and approves the Municipality's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Municipality of Centre Hastings. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Municipality. Collins Barrow Kawarthas LLP has full and free access to Council.

Mayor



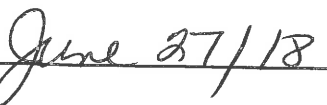
Date



CAO/Treasurer



Date



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Centre Hastings

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the Municipality of Centre Hastings and its local boards, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, change 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

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 controls as management determines are 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Municipality of Centre Hastings and its local boards as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 3, 2018

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	3,271,074	3,198,025
Investments (note 3)	901,654	907,702
Accounts receivable	739,733	519,364
Taxes receivable	805,941	693,994
TOTAL FINANCIAL ASSETS	5,718,402	5,319,085
LIABILITIES		
Accounts payable and accrued liabilities	1,182,897	738,948
Deferred revenue - obligatory reserve funds (note 7)	246,765	370,179
Deferred revenue - other (note 8)	238,602	452,074
Long term debt (note 9)	1,061,792	1,182,446
Landfill closure and post-closure liability (note 6)	168,000	165,000
TOTAL LIABILITIES	2,898,056	2,908,647
NET FINANCIAL ASSETS	2,820,346	2,410,438
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	24,736,379	24,210,169
ACCUMULATED SURPLUS (note 11)	27,556,725	26,620,607

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
REVENUES			
Property taxation	3,849,597	3,871,478	3,672,610
User charges	1,325,037	1,420,103	1,294,220
Government of Canada	54,000	69,913	47,852
Province of Ontario	3,158,390	2,355,979	1,671,978
Other municipalities	199,965	202,081	153,555
Penalties and interest	112,500	112,906	114,012
Investment income	52,000	58,919	51,572
Donations	64,400	82,978	18,752
Development charges earned	-	-	18,965
Parkland fees earned	-	-	32,087
Federal gas tax earned	509,220	457,828	332,490
TOTAL REVENUES	9,325,109	8,632,185	7,408,093
EXPENSES			
General government	808,492	839,598	804,206
Protection services	1,586,266	1,538,939	1,410,649
Transportation services	2,639,568	2,548,045	2,302,700
Environmental services	1,257,026	1,089,006	556,333
Health services	323,849	333,757	320,554
Recreation and cultural services	1,177,470	1,237,035	1,112,219
Planning and development	89,860	109,687	79,839
TOTAL EXPENSES	7,882,531	7,696,067	6,586,500
ANNUAL SURPLUS	1,442,578	936,118	821,593
ACCUMULATED SURPLUS - beginning of year		26,620,607	25,799,014
ACCUMULATED SURPLUS - end of year		27,556,725	26,620,607

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
ANNUAL SURPLUS	1,442,578	936,118	821,593
Amortization of tangible capital assets	1,348,122	1,424,460	1,348,122
Purchase of tangible capital assets	(3,170,090)	(2,013,070)	(1,087,172)
Loss/(gain) on disposal of tangible capital assets	-	17,328	(22,463)
Proceeds on sale of tangible capital assets	-	45,072	23,212
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(379,390)	409,908	1,083,292
NET FINANCIAL ASSETS - beginning of year	2,410,438	2,410,438	1,327,146
NET FINANCIAL ASSETS - end of year	2,031,048	2,820,346	2,410,438

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2017

	2017	2016
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	936,118	821,593
Items not involving cash		
Amortization of tangible capital assets	1,424,460	1,348,122
Loss/(gain) on disposal of tangible capital assets	17,328	(22,463)
Change in landfill closure and post-closure liability	3,000	(465,000)
Change in non-cash assets and liabilities		
Accounts receivable	(220,369)	193,913
Taxes receivable	(111,947)	25,850
Accounts payable and accrued liabilities	443,949	(120,393)
Deferred revenue - obligatory reserve funds	(123,414)	(46,688)
Deferred revenue - other	(213,472)	428,550
Net change in cash from operating activities	2,155,653	2,163,484
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,013,070)	(1,087,172)
Proceeds on disposal of tangible capital assets	45,072	23,212
Net change in cash from capital activities	(1,967,998)	(1,063,960)
INVESTING ACTIVITIES		
Purchase of investments	(130,500)	(184,616)
Proceeds on disposal of investments	136,548	181,822
Net change in cash from investing activities	6,048	(2,794)
FINANCING ACTIVITIES		
Debt principal repayments	(120,654)	(115,566)
NET CHANGE IN CASH	73,049	981,164
CASH - beginning of year	3,198,025	2,216,861
CASH - end of year	3,271,074	3,198,025

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

The Municipality of Centre Hastings is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned and controlled by the Municipality. These financial statements include:

- Centre Hastings Public Library Board
- Centre Hastings Recreation Centre Board

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	15-20 years
Buildings	40-60 years
Buildings improvements	20-30 years
Machinery and equipment	3-20 years
Vehicles	8-10 years
Roads and bridges	7-50 years
Water and sewer	40-50 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(c) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Municipality because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of revenues and expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Taxation

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Municipality's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Municipality is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government Funding

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

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

(e) Trust funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(f) Reserves

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the reserves when approved.

(g) Deferred revenue

Deferred revenue represents grants, 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.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Use of estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Municipality's significant estimates include:

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs; and
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2017, requisitions were made by the County of Hastings and School Boards requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes and payments in lieu requisitioned and remitted	994,300	1,255,112

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

3. INVESTMENTS

Investments, recorded at cost, consist of the following:

	Market Value \$	Cost 2017 \$	Cost 2016 \$
BMO Nesbitt Burns			
Cash	20,885	20,885	32,508
Fixed income bonds with interest rates between 1.90% and 4.85%; maturing from 2019 to 2028	895,560	880,769	875,194
	916,445	901,654	907,702

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

4. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$900,000 via an operating line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2017-02. At December 31, 2017 there was no balance outstanding (2016 - \$Nil).

5. PENSION AGREEMENTS

Certain employees of the Municipality are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2017 Annual Report disclosed total actuarial liabilities of \$94,431 million in respect of benefits accrued for service with actuarial assets of \$89,028 million indicating an actuarial deficit of \$5,403 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The Municipality's required contributions to OMERS in 2017 were \$133,997 (2016 - \$127,275).

6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$168,000 (2016 - \$165,000) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the one site the Municipality operates. The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Municipality has a landfill reserve of \$385,860 (2016 - \$343,860) and the remaining landfill closure and post-closure liability, if any, will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill. The Township's practice is to cover the landfill cells as they are utilized with material from other Township properties. The remaining capacity of the landfill site is estimated at 142,800 m³ (2016 - 144,200 m³) which is 44.8% (2016 - 45.2%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$304,388 (2016 - \$292,683) as at December 31, 2017 using a discount rate of 4% and an inflation rate of 2%. The landfill is expected to reach its capacity in 2061.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

7. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized below:

	2017	2016
	\$	\$
Parkland fees	37,546	25,446
Development charges	159,367	109,899
Federal gas tax	49,852	234,834
	246,765	370,179

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2017	2016
	\$	\$
Balance - beginning of year	370,179	416,867
Add amounts received:		
Development charges	49,495	49,587
Parkland fees	12,100	14,550
Federal gas tax	272,111	269,666
Interest	708	3,051
	334,414	336,854
Less transfer to operations:		
Development charges earned	-	18,965
Parkland fees	-	32,087
Federal gas tax earned	457,828	332,490
	457,828	383,542
Balance - end of year	246,765	370,179

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

8. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2017	2016
	\$	\$
Ontario Community Infrastructure Fund (OCIF)	190,263	349,918
Skatepark donations	-	47,234
Source Water Protection (SWP)	36,156	38,755
Other	12,183	16,167
	<u>238,602</u>	<u>452,074</u>

The continuity of deferred revenue - other is as follows:

	2017	2016
	\$	\$
Balance - beginning of year	452,074	23,524
Add amounts received:		
OCIF funds received	-	490,364
Skatepark donations received	-	47,234
SWP funds received	-	29,905
Other	17,926	17,024
	<u>17,926</u>	<u>584,527</u>
Less transfer to operations:		
OCIF funds earned	159,655	140,446
Skate park donations earned	47,234	-
SWP funds earned	2,599	11,028
Other	21,910	4,503
	<u>231,398</u>	<u>155,977</u>
Balance - end of year	<u>238,602</u>	<u>452,074</u>

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

9. LONG TERM DEBT

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

	2017	2016
	\$	\$
Loan from Community Futures Development Corporation to assist in the construction of the medical centre. The loan is repayable, by the Municipality, in monthly principal and interest instalments of \$1,855, with interest at 2.85% per annum, due February 1, 2020.	125,808	144,220
Debenture from Ontario Infrastructure Projects Corporation, repayable in blended semi-annual instalments of \$74,571 with interest at 4.63% per annum, due May 20, 2025 and secured by the Tri-Area Medical Centre building.	935,984	1,038,226
	<u>1,061,792</u>	<u>1,182,446</u>

- (b) The long term debt in (a) issued in the name of the Municipality have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$50,748 (2016 - \$55,836).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2018	125,971	45,431	171,402
2019	131,527	39,874	171,401
2020	204,676	34,068	238,744
2021	122,785	26,357	149,142
2022	128,536	20,606	149,142
2023 and subsequent years	348,297	24,558	372,855
	<u>1,061,792</u>	<u>190,894</u>	<u>1,252,686</u>

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

10. TANGIBLE CAPITAL ASSETS

The net book value of the Municipality's tangible capital assets are:

	2017	2016
	\$	\$
General		
Land and land improvements	1,276,304	1,204,742
Buildings and building improvements	6,047,900	5,774,196
Machinery and equipment	658,656	700,929
Vehicles	1,168,274	1,281,545
Infrastructure		
Roads and bridges	10,516,362	10,508,141
Water and sewer	3,342,766	3,369,979
	23,010,262	22,839,532
Assets under construction	1,726,117	1,370,637
	24,736,379	24,210,169

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2016 - \$Nil) and no interest capitalized (2016 - \$Nil).

The allocation of tangible capital assets by segment is as follows:

	2017	2016
	\$	\$
General government	622,714	645,782
Protection services	731,289	818,684
Transportation services	13,083,201	12,769,921
Environmental services	3,688,046	3,710,396
Health services	3,196,883	2,891,502
Recreation and cultural services	3,267,047	3,226,685
Planning and development	147,199	147,199
	24,736,379	24,210,169

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

11. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2017	2016
	\$	\$
Surplus/(Deficit)		
Municipality	121,205	151,542
Unfunded landfill closure and post-closure costs	(168,000)	(165,000)
Centre Hastings Public Library Board	21,889	16,909
	(24,906)	3,451
Invested In Capital Assets		
Tangible capital assets - net book value	24,736,379	24,210,169
Long term debt	(1,061,792)	(1,182,446)
Unfunded capital - see part (b) below	(1,176,656)	(1,400,556)
	22,497,931	21,627,167
Surplus	22,473,025	21,630,618
Reserves		
Working fund	516,169	510,284
General capital	711,175	743,073
Emergency measures	12,915	10,266
Fire capital	114,900	30,000
Roads capital	238,068	450,847
OMERS - past service	4,512	4,512
Recreation	173,862	83,700
Landfill	385,860	343,860
Arena	30,000	30,000
Whytock recreation	28,324	28,324
Septage	1,260,000	1,260,000
Waste disposal equipment	45,319	30,047
Nesbitt Burns	901,654	907,702
Hydro sale	11,251	9,251
Tax write-off	171,400	171,400
Cemeteries	25,393	22,167
Water and sewer	390,057	310,515
Medical centre	62,841	44,041
Total Reserves	5,083,700	4,989,989
	27,556,725	26,620,607

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

11. ACCUMULATED SURPLUS, continued

(b) Unfunded capital consists of the following:

	2017	2016
	\$	\$
Waterworks and sanitary sewer	(55,669)	(168,784)
Medical Centre	(372,351)	(353,036)
Land sales	(27,531)	(27,531)
Playground and recreation areas	(77,000)	(88,200)
Splash pad	(166,100)	(189,600)
Community arts building	(158,200)	(178,200)
Moira Hall	(9,985)	(21,982)
Roads	(309,820)	(373,223)
	(1,176,656)	(1,400,556)

12. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2017	Actual 2017	Actual 2016
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	2,589,571	2,483,947	2,364,952
Interest charges	50,748	50,748	55,836
Materials	2,313,728	2,173,520	1,868,163
Contracted services	1,482,641	1,454,213	869,279
Rents and financial	53,509	35,507	61,799
External transfers	47,212	56,344	40,812
Amortization	1,348,122	1,424,460	1,348,122
Loss (gain) on disposal of tangible capital assets	(3,000)	17,328	(22,463)
	7,882,531	7,696,067	6,586,500

13. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$151,402 (2016 - \$150,892) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

14. BUDGET FIGURES

The budget, approved by the Municipality, for 2017 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget 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 amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

15. CONTINGENT LIABILITIES

The Municipality, in the course of its operations, has been named in several lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

16. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

17. SEGMENTED INFORMATION

The Municipality of Centre Hastings is a municipal government organization that provides a range of services to its residents. Municipality services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Municipality and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Municipality's roads and bridges, winter control and street lighting.

Water and Sewer

This function is responsible for providing water and sewer services to the Municipality.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

17. SEGMENTED INFORMATION, continued

Other Environmental Services

This function is responsible for providing waste collection, waste disposal and recycling services to ratepayers.

Health Services

The health services function consists of cemeteries, ambulance base and external transfers to the local medical centre.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Municipality.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2017**

	General					Infrastructure		Totals \$
	Land and Land Improvements \$	Buildings and Building Improvements \$	Machinery and Equipment \$	Vehicles \$	Roads and Bridges \$	Water and Sewer \$	Assets Under Construction \$	
COST								
Balance, beginning of year	1,618,446	7,759,322	1,594,892	2,214,903	41,546,193	4,685,216	1,370,637	60,789,609
Add: additions during the year	124,405	114,081	53,788	31,205	796,572	49,130	843,889	2,013,070
Less: disposals during the year	-	-	15,948	-	154,082	-	62,400	232,430
Internal transfers	-	316,788	-	-	109,221	-	(426,009)	-
Balance, end of year	1,742,851	8,190,191	1,632,732	2,246,108	42,297,904	4,734,346	1,726,117	62,570,249
ACCUMULATED AMORTIZATION								
Balance, beginning of year	413,704	1,985,126	893,963	933,358	31,038,052	1,315,237	-	36,579,440
Add: additions during the year	52,843	157,165	96,061	144,476	897,572	76,343	-	1,424,460
Less: disposals during the year	-	-	15,948	-	154,082	-	-	170,030
Balance, end of year	466,547	2,142,291	974,076	1,077,834	31,781,542	1,391,580	-	37,833,870
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	1,276,304	6,047,900	658,656	1,168,274	10,516,362	3,342,766	1,726,117	24,736,379

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2017

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	-	129,011	1,863,999	187,371	325,871	246,849	1,049,889	68,488	3,871,478
User charges	57,290	76,122	1,200	730,746	129,324	147,846	247,362	30,213	1,420,103
Government transfers - operating	13,800	1,506,755	670,773	-	-	-	65,747	-	2,257,075
Government transfers - capital	-	-	-	164,296	-	-	4,521	-	168,817
Other municipalities	-	-	-	-	21,425	63,691	116,965	-	202,081
Penalties and interest	109,494	-	-	3,412	-	-	-	-	112,906
Investment income	58,919	-	-	-	-	-	-	-	58,919
Donations	-	-	-	-	-	-	71,761	11,217	82,978
Federal gas tax earned	-	-	457,828	-	-	-	-	-	457,828
Total revenues	239,503	1,711,888	2,993,800	1,085,825	476,620	458,386	1,556,245	109,918	8,632,185
Expenses									
Salaries and benefits	584,823	261,090	668,500	138,420	184,708	3,926	585,981	56,499	2,483,947
Interest charges	-	-	-	-	-	50,748	-	-	50,748
Materials	221,213	219,399	778,260	159,698	100,093	183,808	457,861	53,188	2,173,520
Contracted services	2,534	919,064	95,957	196,400	206,998	-	33,260	-	1,454,213
Rents and financial	7,961	-	24,637	-	-	-	2,909	-	35,507
External transfers	-	53,961	-	-	-	2,800	(417)	-	56,344
Amortization	23,067	85,425	983,591	81,975	20,714	72,247	157,441	-	1,424,460
Loss on disposal of tangible capital assets	-	-	(2,900)	-	-	20,228	-	-	17,328
Total expenses	839,598	1,538,939	2,548,045	576,493	512,513	333,757	1,237,035	109,687	7,696,067
Net surplus/(deficit)	(600,095)	172,949	445,755	509,332	(35,893)	124,629	319,210	231	936,118

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2016

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	364,990	1,254,023	1,075,831	-	174,965	73,302	659,638	69,861	3,672,610
User charges	46,654	135,711	8,200	702,518	58,274	128,671	204,214	9,978	1,294,220
Government transfers - operating	1,430,800	-	76,105	-	-	-	61,451	-	1,568,366
Government transfers - capital	-	-	-	151,474	-	-	-	-	151,474
Other municipalities	-	-	-	-	19,965	63,331	70,259	-	153,555
Penalties and interest	114,012	-	-	-	-	-	-	-	114,012
Investment income	51,514	-	-	-	-	-	58	-	51,572
Donations	7,035	4,483	-	-	-	-	7,234	-	18,752
Development charges earned	-	18,965	-	-	-	-	-	-	18,965
Parkland fees earned	-	-	-	-	-	-	32,087	-	32,087
Federal gas tax earned	-	-	332,490	-	-	-	-	-	332,490
Total revenues	2,015,005	1,413,182	1,492,626	853,992	253,204	265,304	1,034,941	79,839	7,408,093
Expenses									
Salaries and benefits	577,997	280,060	541,511	176,888	180,009	3,017	551,150	54,320	2,364,952
Interest charges	-	-	-	-	-	55,836	-	-	55,836
Materials	181,879	171,975	702,180	152,784	69,822	204,941	359,063	25,519	1,868,163
Contracted services	-	831,934	114,689	174,473	(296,392)	-	44,575	-	869,279
Rents and financial	21,245	-	38,864	-	-	-	1,690	-	61,799
External transfers	18	39,284	-	-	-	1,510	-	-	40,812
Amortization	23,067	87,396	927,919	78,035	20,714	55,250	155,741	-	1,348,122
Loss on disposal of tangible capital assets	-	-	(22,463)	-	-	-	-	-	(22,463)
Total expenses	804,206	1,410,649	2,302,700	582,180	(25,847)	320,554	1,112,219	79,839	6,586,500
Net surplus/(deficit)	1,210,799	2,533	(810,074)	271,812	279,051	(55,250)	(77,278)	-	821,593

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Centre Hastings

Report on the Financial Statements

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Municipality of Centre Hastings, which comprise the statement of financial position as at December 31, 2017, the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 Trust Funds of the Corporation of the Municipality of Centre Hastings as at December 31, 2017 and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 3, 2018

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2017

	Perpetual Care \$	Monument \$	2017 Total \$	2016 Total \$
FINANCIAL ASSETS				
Cash	190	2	192	190
Investments (note 2)	149,481	7,009	156,490	156,237
	149,671	7,011	156,682	156,427
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Municipality	4,622	658	5,280	5,535
FUND BALANCE	145,049	6,353	151,402	150,892
	149,671	7,011	156,682	156,427

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2017

	Perpetual Care \$	Monument \$	2017 Total \$	2016 Total \$
BALANCES - beginning of year	144,789	6,103	150,892	150,173
RECEIPTS				
Investment income	3,405	163	3,568	3,498
Transfer from Municipality	260	250	510	720
	3,665	413	4,078	4,218
EXPENSES				
Transfer to Municipality	3,010	108	3,118	3,058
Administration fees	395	55	450	441
	3,405	163	3,568	3,499
BALANCES - end of year	145,049	6,353	151,402	150,892

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 expenses during the period and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENTS

Investments in mutual funds, recorded at cost, consist of the following:

	Market Value \$	2017 Cost \$	2016 Cost \$
Perpetual care fund	150,783	149,481	149,481
Monument fund	7,056	7,009	6,756
	157,839	156,490	156,237

3. CEMETERY PERPETUAL CARE

The Perpetual Care Fund administered by the Municipality is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

4. CEMETERY MONUMENT FUND

The Monument Fund administered by the Municipality is funded by the sale of markers and monuments. These funds are invested and earnings derived there from are used to perform maintenance to the markers and monuments in the Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

**CORPORATION OF THE
MUNICIPALITY OF CENTRE HASTINGS**

CENTRE HASTINGS PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

**To the Members of the Centre Hastings Public Library Board, the Members of Council,
Inhabitants and Ratepayers of the Corporation of the Municipality of Centre Hastings**

Report on the Financial Statements

We have audited the accompanying financial statements of the Centre Hastings Public Library Board of the Corporation of the Municipality of Centre Hastings, which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, change 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

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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 qualified audit opinion.

Basis for Qualified Opinion

The Board derives revenue from user fees, donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to user fees, donations and fundraising revenues, assets and accumulated surplus.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre Hastings Public Library Board as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 3, 2018

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	24,073	20,975
Accounts receivable	2,129	1,489
Due from Municipality	135	135
TOTAL FINANCIAL ASSETS	26,337	22,599
LIABILITIES		
Accounts payable	4,448	5,690
NET FINANCIAL ASSETS	21,889	16,909
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	40,582	34,613
ACCUMULATED SURPLUS (note 3)	62,471	51,522

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

**CENTRE HASTINGS PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2017**

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
REVENUES			
Municipality of Centre Hastings contribution	72,344	72,344	71,381
Township of Madoc contribution	31,005	31,005	29,520
Government of Canada	-	1,368	1,352
Province of Ontario	36,336	28,859	27,222
User fees	1,740	2,028	1,994
Donations and fundraising	-	9,614	7,234
Interest income	-	-	58
TOTAL REVENUES	141,425	145,218	138,761
EXPENSES			
Salaries and benefits	84,166	82,722	80,951
Supplies and services	35,209	35,310	35,658
Transfer to Township of Stirling-Rawdon	-	-	2,500
Periodicals	1,150	1,008	1,104
Repairs and maintenance	5,700	3,010	3,674
Amortization	11,739	12,219	11,739
TOTAL EXPENSES	137,964	134,269	135,626
ANNUAL SURPLUS	<u>3,461</u>	10,949	3,135
ACCUMULATED SURPLUS - beginning of year		51,522	48,387
ACCUMULATED SURPLUS - end of year		62,471	51,522

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
ANNUAL SURPLUS	3,461	10,949	3,135
Amortization of tangible capital assets	11,739	12,219	11,739
Acquisition of tangible capital assets	(15,200)	(18,188)	(14,701)
INCREASE IN NET FINANCIAL ASSETS	-	4,980	173
NET FINANCIAL ASSETS - beginning of year	16,909	16,909	16,736
NET FINANCIAL ASSETS - end of year	16,909	21,889	16,909

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2017

	2017	2016
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	10,949	3,135
Items not involving cash		
Amortization of tangible capital assets	12,219	11,739
Change in non-cash assets and liabilities		
Accounts receivable	(640)	(84)
Accounts payable	(1,242)	971
Net change in cash from operating activities	21,286	15,761
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(18,188)	(14,701)
INVESTING ACTIVITIES		
Disposal of short-term investments	-	5,649
NET CHANGE IN CASH	3,098	6,709
CASH - beginning of year	20,975	14,266
CASH - end of year	24,073	20,975

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

User fees are recognized as revenue in the year the goods and services are provided.

Donations and fundraising revenue is recognized when the amounts are received.

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

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Furniture and equipment	5 years

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Books \$	Furniture and Equipment \$	2017 Totals \$	2016 Totals \$
COST				
Balance, beginning of year	79,048	18,590	97,638	89,909
Add: additions during the year	15,176	3,012	18,188	14,701
Less: disposals during the year	15,948	-	15,948	6,972
Balance, end of year	78,276	21,602	99,878	97,638
ACCUMULATED AMORTIZATION				
Balance, beginning of year	45,303	17,722	63,025	58,258
Add: additions during the year	11,182	1,037	12,219	11,739
Less: disposals during the year	15,948	-	15,948	6,972
Balance, end of year	40,537	18,759	59,296	63,025
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	37,739	2,843	40,582	34,613

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2017 \$	2016 \$
Surplus		
Operations	21,889	16,909
Invested In Capital Assets		
Tangible capital assets - net book value	40,582	34,613
	62,471	51,522

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2017 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. 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. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.