

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

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DECEMBER 31, 2016

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CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

For The Year Ended December 31, 2016

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Alnwick/Haldimand 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 Township 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 Township's assets are appropriately accounted for and adequately safeguarded.

The Township'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 Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Alnwick/Haldimand. 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 Township. Collins Barrow Kawarthas LLP has full and free access to Council.

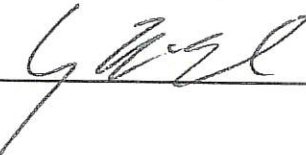
Mayor



Date

June 27, 2017

Treasurer



Date

JUNE 27, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Alnwick/Haldimand

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Alnwick/Haldimand and its local boards, which comprise the consolidated statement of financial position as at December 31, 2016, 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 Township of Alnwick/Haldimand and its local boards as at December 31, 2016 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
June 27, 2017

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION At December 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	2,189,235	1,405,685
Investments (note 3)	331,571	429,769
Accounts receivable	246,244	205,306
Taxes receivable	1,101,010	1,080,907
TOTAL FINANCIAL ASSETS	3,868,060	3,121,667
LIABILITIES		
Accounts payable and accrued liabilities	776,846	642,710
Deferred revenue - obligatory reserve fund (note 8)	858,751	556,042
Deferred revenue - other (note 7)	6,693	7,412
Long term debt (note 9)	350,518	408,686
Due to trust funds	126,468	126,344
TOTAL LIABILITIES	2,119,276	1,741,194
NET FINANCIAL ASSETS	1,748,784	1,380,473
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	24,148,495	26,969,191
ACCUMULATED SURPLUS (note 11)	25,897,279	28,349,664

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
REVENUES			
Property taxation	5,068,893	5,081,970	4,655,958
User charges	648,383	935,533	696,202
Government of Canada	49,320	55,559	2,893
Province of Ontario	635,022	633,428	722,916
Other municipalities	90,789	113,290	113,022
Penalties and interest on taxes	130,969	187,584	183,455
Investment income	32,750	33,457	30,569
Donations	8,150	9,636	11,844
Other revenue	2,000	13,151	119,879
Federal gas tax revenue earned	191,598	191,598	191,598
Development charges earned	144,500	144,500	116,615
Other grants	10,447	3,266	23,702
TOTAL REVENUES	7,012,821	7,402,972	6,868,653
EXPENSES			
General government	1,294,844	1,244,883	1,150,776
Protection services	1,835,083	1,895,503	1,846,182
Transportation services	5,709,058	5,452,726	6,008,145
Environmental services	366,165	362,120	368,761
Health services	30,491	22,116	26,116
Recreation and cultural services	681,237	740,036	651,493
Planning and development	163,498	137,973	135,275
TOTAL EXPENSES	10,080,376	9,855,357	10,186,748
ANNUAL DEFICIT	<u>(3,067,555)</u>	(2,452,385)	(3,318,095)
ACCUMULATED SURPLUS - beginning of year		28,349,664	31,667,759
ACCUMULATED SURPLUS - end of year		25,897,279	28,349,664

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
ANNUAL DEFICIT	(3,067,555)	(2,452,385)	(3,318,095)
Amortization of tangible capital assets	4,116,549	3,233,231	3,240,060
Purchase of tangible capital assets	(811,900)	(1,055,461)	(594,325)
Loss on disposal of tangible capital assets	-	642,926	1,336,266
INCREASE IN NET FINANCIAL ASSETS	237,094	368,311	663,906
NET FINANCIAL ASSETS - beginning of year	1,380,473	1,380,473	716,567
NET FINANCIAL ASSETS - end of year	1,617,567	1,748,784	1,380,473

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2016

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(2,452,385)	(3,318,095)
Items not involving cash		
Amortization of tangible capital assets	3,233,231	3,240,060
Loss on disposal of tangible capital assets	642,926	1,336,266
Change in non-cash assets and liabilities		
Accounts receivable	(40,938)	21,854
Taxes receivable	(20,103)	28,656
Accounts payable and accrued liabilities	134,136	(117,818)
Deferred revenue - obligatory reserve fund	302,709	48,147
Deferred revenue - other	(719)	(15,787)
Due to trust funds	124	123,848
Net change in cash from operating activities	1,798,981	1,347,131
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,055,461)	(594,325)
INVESTING ACTIVITIES		
Purchase of investments	(3,401)	(3,374)
Disposal of investments	101,599	101,526
Net change in cash from investing activities	98,198	98,152
FINANCING ACTIVITIES		
Debt principal repayments	(58,168)	(56,574)
NET CHANGE IN CASH	783,550	794,384
CASH - beginning of year	1,405,685	611,301
CASH - end of year	2,189,235	1,405,685

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

The Township of Alnwick/Haldimand 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 Township and which are owned and controlled by the Township. These financial statements include:

- Alnwick/Haldimand Public Library Board
- Alnwick Civic Centre
- Haldimand Memorial Arena & Park Board
- Centreton Community Hall
- Grafton Community Hall
- Fenella Community Hall
- Vernonville Community Hall
- Grafton Communal Water System

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

(b) Trust Funds

Trust funds and their related operations administered by the Township 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.

(c) Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township 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 Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) 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	10 - 30 years
Buildings	40 years
Roadways	10 - 20 years
Water system	30 - 100 years
Vehicles	10 - 25 years
Machinery and equipment	4 - 10 years
Bridges and culverts	40 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.

(e) 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.

(f) 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.

(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.

(h) Non-financial Assets

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

(i) Reserves and Reserve Funds

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

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) 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 Township'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 Township'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.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2016, requisitions were made by the County of Northumberland and School Boards requiring the Township 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	2,158,383	4,496,721
Taxation from other governments	11,280	32,570
Amounts requisitioned and remitted	2,169,663	4,529,291

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

3. INVESTMENTS

Investments consist of:

	2016 \$	2015 \$
Guaranteed Investment Certificates		
Due June 2017 with interest at 2.55%	98,301	98,301
Due June 2016 with interest at 2.40%	-	98,225
Due June 2019 with interest at 2.50%	7,090	7,090
Due June 2019 with interest at 2.55%	98,267	98,267
Due January 2017 with interest at 0.80%	3,401	3,374
Due July 2018 with interest at 2.61%	99,205	99,205
Due July 2018 with interest at 2.61%	25,307	25,307
	331,571	429,769

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

4. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$640,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 01-2016. At December 31, 2016 there was no balance outstanding (2015 - \$Nil).

5. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2016 Annual Report disclosed total actuarial liabilities of \$87,554 million in respect of benefits accrued for service with actuarial assets of \$81,834 million indicating an actuarial deficit of \$5,720 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 Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2016 were \$120,099 (2015 - \$109,001).

6. TRUST FUNDS

Trust funds administered by the Township amounting to \$147,235 (2015 - \$146,918) 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 Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2016	2015
	\$	\$
Ontario Library Capacity Fund	5,003	4,280
Source water protection	-	1,772
Water deposits	1,690	1,360
	6,693	7,412

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

8. 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 Township are summarized below:

	2016	2015
	\$	\$
Development charges	837,013	544,078
Federal gas tax	21,738	11,964
	858,751	556,042

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

	2016	2015
	\$	\$
Balance - beginning of year	556,042	507,895
Add amounts received:		
Development charges	430,897	159,218
Federal gas tax	201,178	191,598
Interest	6,732	5,544
	638,807	356,360
Less transfer to operations:		
Development charges earned	144,500	116,615
Federal gas tax revenue earned	191,598	191,598
	336,098	308,213
Balance - end of year	858,751	556,042

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

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:

	2016	2015
	\$	\$
Ontario Infrastructure and Lands Corporation loan repayable in blended semi-annual installments of \$34,604 with 2.8% interest, due March 2022	350,518	408,686

- (b) The long term debt in (a) issued in the name of the Township has been approved by by-law. The annual principal and interest payments required to service this liability is 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 \$11,039 (2015 - \$12,634).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2017	59,809	9,399	69,208
2018	61,495	7,713	69,208
2019	63,229	5,979	69,208
2020	65,012	4,196	69,208
2021	66,845	2,363	69,208
2022 and subsequent years	34,128	478	34,606
	350,518	30,128	380,646

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

10. TANGIBLE CAPITAL ASSETS

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

	2016	2015
	\$	\$
General		
Land	2,222,985	2,222,985
Land improvements	49,085	51,895
Buildings	2,306,573	2,444,607
Machinery and equipment	509,776	556,707
Vehicles	1,442,025	979,164
Infrastructure		
Roads and bridges	15,022,237	18,079,223
Water	2,595,814	2,634,610
	24,148,495	26,969,191

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

During the year there were no write-downs of assets (2015 - \$Nil) and no interest capitalized (2015 - \$Nil).

	2016	2015
	\$	\$
General government	2,483,150	2,500,807
Protection services	1,288,796	1,014,156
Transportation services	15,904,624	18,830,600
Environmental services	3,557,529	3,663,432
Recreation and cultural services	914,396	960,196
	24,148,495	26,969,191

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

11. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2016	2015
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	24,148,495	26,969,191
Long term debt	(350,518)	(408,686)
Surplus	23,797,977	26,560,505
Reserves		
Working funds	662,945	458,411
Future acquisition of capital assets	1,274,688	1,245,018
Contingencies	1,000	1,000
Operations	139,402	63,756
Total Reserves	2,078,035	1,768,185
Reserve Funds		
Water	8,987	8,791
Grafton history book	6,136	6,080
Planning	6,144	6,103
Total Reserve Funds	21,267	20,974
	25,897,279	28,349,664

12. CONTINGENT LIABILITIES

The Township, 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.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

13. EXPENSES BY OBJECT

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

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
Salaries and benefits	2,119,253	2,200,508	1,956,703
Interest charges	14,477	11,039	12,634
Materials	2,278,377	2,336,476	2,063,783
Contracted services	1,347,579	1,221,726	1,351,504
Rents and financial	45,168	50,100	69,941
External transfers	158,973	159,351	155,856
Amortization	4,116,549	3,233,231	3,240,060
Loss on disposal of capital assets	-	642,926	1,336,267
	10,080,376	9,855,357	10,186,748

14. BUDGET FIGURES

The budget, approved by the Township, for 2016 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.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

15. SEGMENTED INFORMATION

The Township of Alnwick/Haldimand is a municipal government organization that provides a range of services to its residents. Township 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 Township 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 Township's roads and bridges, winter control and street lighting.

Environmental Services

The environmental function is responsible for providing water services to certain areas in the Township and other costs related to garbage disposal and recycling.

Health Services

The health services function consists of contributions to support hospitals, physician recruitment and cemetery operations.

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 Township.

16. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2016

	General				Infrastructure			Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Water	
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	2,222,985	366,709	5,703,504	2,258,737	4,155,612	72,587,011	3,410,624	90,705,182
Add: additions during the year	-	-	-	25,396	589,101	440,964	-	1,055,461
Less: disposals during the year	-	-	-	25,991	-	3,111,333	-	3,137,324
Balance, end of year	2,222,985	366,709	5,703,504	2,258,142	4,744,713	69,916,642	3,410,624	88,623,319
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	314,814	3,258,897	1,702,030	3,176,448	54,507,788	776,014	63,735,991
Add: additions during the year	-	2,810	138,034	72,327	126,240	2,855,024	38,796	3,233,231
Less: disposals during the year	-	-	-	25,991	-	2,468,407	-	2,494,398
Balance, end of year	-	317,624	3,396,931	1,748,366	3,302,688	54,894,405	814,810	64,474,824
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,222,985	49,085	2,306,573	509,776	1,442,025	15,022,237	2,595,814	24,148,495

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2016

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	529,499	1,723,990	2,237,522	500	26,625	454,436	109,398	5,081,970
User charges	41,110	271,966	61,157	275,999	-	155,562	129,739	935,533
Government transfers - operating	548,600	3,440	3,153	-	-	33,915	-	589,108
Government transfers - capital	-	-	99,879	-	-	-	-	99,879
Other municipalities	-	77,355	25,000	10,935	-	-	-	113,290
Penalties and interest on taxes	187,584	-	-	-	-	-	-	187,584
Investment income	21,343	-	-	11,524	584	6	-	33,457
Donations	-	999	-	-	7,225	-	1,412	9,636
Other revenue	6,625	-	6,526	-	-	-	-	13,151
Federal gas tax revenue earned	-	-	191,598	-	-	-	-	191,598
Development charges earned	25,000	13,000	101,500	-	-	5,000	-	144,500
Other grants	-	-	2,771	-	-	495	-	3,266
Total revenues	1,359,761	2,090,750	2,729,106	298,958	34,434	649,414	240,549	7,402,972
Expenses								
Salaries and benefits	653,256	335,971	856,263	-	-	253,910	101,108	2,200,508
Interest charges	-	-	7,562	-	-	3,477	-	11,039
Materials	456,606	342,438	906,670	236,976	14,424	374,594	4,768	2,336,476
Contracted services	77,551	1,047,077	24,562	14,241	7,692	28,613	21,990	1,221,726
Rents and financial	4,442	-	32,264	-	-	13,394	-	50,100
External transfers	40,371	105,437	-	-	-	3,436	10,107	159,351
Amortization	17,657	64,580	2,982,479	105,903	-	62,612	-	3,233,231
Loss on disposal of capital assets	-	-	642,926	-	-	-	-	642,926
Internal transfers	(5,000)	-	-	5,000	-	-	-	-
Total expenses	1,244,883	1,895,503	5,452,726	362,120	22,116	740,036	137,973	9,855,357
Net surplus/(deficit)	114,878	195,247	(2,723,620)	(63,162)	12,318	(90,622)	102,576	(2,452,385)

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2015

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	643,177	1,622,475	1,872,274	-	29,425	382,882	105,725	4,655,958
User charges	45,021	177,387	59,158	249,058	2,979	135,082	27,517	696,202
Government transfers - operating	491,900	31,619	75,296	-	-	27,115	-	625,930
Government transfers - capital	-	-	99,879	-	-	-	-	99,879
Other municipalities	-	77,289	25,000	10,733	-	-	-	113,022
Penalties and interest on taxes	183,455	-	-	-	-	-	-	183,455
Investment income	17,621	-	-	12,556	387	5	-	30,569
Donations	-	3,330	-	-	1,531	6,983	-	11,844
Other revenue	103,309	-	16,570	-	-	-	-	119,879
Federal gas tax revenue earned	-	-	191,598	-	-	-	-	191,598
Development charges earned	-	13,000	81,000	-	-	22,615	-	116,615
Other grants	-	-	23,406	-	-	296	-	23,702
Total revenues	1,484,483	1,925,100	2,444,181	272,347	34,322	574,978	133,242	6,868,653
Expenses								
Salaries and benefits	630,316	254,136	745,806	-	-	231,241	95,204	1,956,703
Interest charges	-	-	8,654	-	-	3,980	-	12,634
Materials	371,270	349,891	880,102	129,542	15,249	311,812	5,917	2,063,783
Contracted services	87,045	1,068,524	10,556	128,316	9,117	27,268	20,678	1,351,504
Rents and financial	4,767	9,575	42,111	-	-	13,488	-	69,941
External transfers	39,866	100,543	-	-	1,750	221	13,476	155,856
Amortization	22,512	63,513	2,984,649	105,903	-	63,483	-	3,240,060
Loss on disposal of capital assets	-	-	1,336,267	-	-	-	-	1,336,267
Internal transfers	(5,000)	-	-	5,000	-	-	-	-
Total expenses	1,150,776	1,846,182	6,008,145	368,761	26,116	651,493	135,275	10,186,748
Net surplus/(deficit)	333,707	78,918	(3,563,964)	(96,414)	8,206	(76,515)	(2,033)	(3,318,095)

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Alnwick/Haldimand

Report on the Financial Statements

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Alnwick/Haldimand, which comprise the statement of financial position as at December 31, 2016, 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 Township of Alnwick/Haldimand as at December 31, 2016 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
June 27, 2017

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2016

	Heritage Cemeteries \$	Assumed Cemeteries \$	Road Deposits \$	2016 Total \$	2015 Total \$
FINANCIAL ASSETS					
Cash	10,639	-	-	10,639	10,538
Investments (note 2)	8,112	-	1,926	10,038	10,003
Accrued interest receivable	90	-	-	90	33
Due from Township	2,546	123,922	-	126,468	126,344
	21,387	123,922	1,926	147,235	146,918
FUND BALANCES					
Capital	20,689	123,922	1,926	146,537	146,424
Operating	698	-	-	698	494
	21,387	123,922	1,926	147,235	146,918

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2016

	Heritage Cemeteries \$	Assumed Cemeteries \$	Road Deposits \$	2016 Total \$	2015 Total \$
BALANCES - beginning of year	21,183	123,822	1,913	146,918	115,279
RECEIPTS					
Interest earned	204	-	13	217	1,672
Contributions from other cemeteries - capital	-	-	-	-	30,796
Care and maintenance receipts	-	100	-	100	600
	204	100	13	317	33,068
EXPENSES					
Transfer to Township	-	-	-	-	1,429
BALANCES - end of year	21,387	123,922	1,926	147,235	146,918

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

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 Township's best information and judgment. Actual results could differ from these estimates.

(c) Nature of Trusts

The cemetery trust funds represent a portion of the sale of cemetery plots and monument foundations at both the heritage and assumed cemeteries within the Township. The capital amounts are to be kept intact in perpetuity, with investment income earned on the funds used to maintain the cemeteries.

The road deposits trust fund represents deposits received for Henderson Road. The capital amounts are to be kept intact in perpetuity, with investment income earned on the funds used to maintain Henderson Road.

2. INVESTMENTS

The following investments are recorded at cost:

	2016	2015
	\$	\$
CIBC - GIC interest at 1.50% maturing May 26, 2020	4,927	4,927
CIBC - GIC interest at 0.65% maturing April 27, 2017	1,926	1,913
CIBC - GIC interest at 0.70% maturing June 8, 2017	3,185	3,163
	10,038	10,003

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of the Alnwick/Haldimand Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Alnwick/Haldimand

Report on the Financial Statements

We have audited the accompanying financial statements of the Alnwick/Haldimand Public Library Board of the Corporation of the Township of Alnwick/Haldimand, which comprise the statement of financial position as at December 31, 2016, the statements of operations and accumulated surplus, change in net financial liabilities 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 donations, fees 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 donations, fees 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 Alnwick/Haldimand Public Library Board as at December 31, 2016 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
June 27, 2017

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	8,083	29,515
Due from Township	16,012	-
TOTAL FINANCIAL ASSETS	24,095	29,515
LIABILITIES		
Due to Township	-	5,933
Deferred revenue (note 2)	5,003	4,280
Long term debt	110,413	128,736
TOTAL LIABILITIES	115,416	138,949
NET FINANCIAL LIABILITIES	(91,321)	(109,434)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	653,298	671,293
ACCUMULATED SURPLUS (note 5)	561,977	561,859

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
REVENUES			
Contribution from Township	186,938	186,938	174,614
Contribution from Township - reserves	-	2,257	-
Government of Canada	1,320	1,334	1,293
Province of Ontario	22,143	21,031	23,862
Donations, fees and fundraising	5,405	9,716	5,653
Other grants	447	495	-
TOTAL REVENUES	216,253	221,771	205,422
EXPENSES			
Salaries and benefits	122,245	124,359	118,869
Office supplies	13,162	13,916	7,520
Videos and subscriptions	15,488	15,253	15,035
Computer and internet	9,942	9,866	9,228
Telephone	2,700	2,796	2,726
Membership and licence fees	3,190	3,422	3,237
Travel and mileage	100	48	98
Public relations	250	285	316
Staff training	800	811	872
Literacy projects	4,976	5,842	8,644
Property maintenance	25,550	6,770	9,545
Interest on long term debt	3,477	3,477	3,980
Amortization	21,973	34,808	36,927
TOTAL EXPENSES	223,853	221,653	216,997
ANNUAL SURPLUS/(DEFICIT)	<u>(7,600)</u>	118	(11,575)
ACCUMULATED SURPLUS - beginning of year		561,859	573,434
ACCUMULATED SURPLUS - end of year		561,977	561,859

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL LIABILITIES For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
ANNUAL SURPLUS/(DEFICIT)	(7,600)	118	(11,575)
Amortization of tangible capital assets	21,973	34,808	36,927
Acquisition of tangible capital assets	(15,950)	(16,813)	(15,850)
DECREASE/(INCREASE) IN NET FINANCIAL LIABILITIES	(1,577)	18,113	9,502
NET FINANCIAL LIABILITIES - beginning of year	(109,434)	(109,434)	(118,936)
NET FINANCIAL LIABILITIES - end of year	(111,011)	(91,321)	(109,434)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2016

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	118	(11,575)
Items not involving cash		
Amortization of tangible capital assets	34,808	36,927
Change in non-cash assets and liabilities		
Due from Township	(16,012)	9,328
Due to Township	(5,933)	5,933
Deferred revenue	723	4,280
Net change in cash from operating activities	13,704	44,893
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(16,813)	(15,850)
FINANCING ACTIVITIES		
Debt principal repayments	(18,323)	(17,821)
NET CHANGE IN CASH	(21,432)	11,222
CASH - beginning of year	29,515	18,293
CASH - end of year	8,083	29,515

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

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.

(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:

Buildings	40 years
Books and Equipment	10 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 are not amortized until they are put into service.

(d) 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.

(e) 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.

(f) 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.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Reserves and Reserve Funds

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

2. DEFERRED REVENUE

Deferred revenue represents the unspent portion of the Ontario Library Capacity Fund restricted grant that will be spent in a future period.

3. LONG TERM DEBT

(a) Long term debt consists of the following:

	2016	2015
	\$	\$
31.5% of Township's Ontario Infrastructure and Lands Corporation loan repayable in blended semi-annual installments of \$10,900 with 2.8% interest, due March 2022	110,413	128,736

(b) The long term debt in (a) issued in the name of the Township 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 \$3,477 (2015 - \$3,980).

(d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2017	18,840	2,960	21,800
2018	19,371	2,429	21,800
2019	19,917	1,883	21,800
2020	20,479	1,321	21,800
2021	21,056	744	21,800
2022 and subsequent years	10,750	151	10,901
	110,413	9,488	119,901

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

4. TANGIBLE CAPITAL ASSETS

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

	Buildings \$	Books and Equipment \$	2016 Totals \$	2015 Totals \$
COST				
Balance, beginning of year	640,150	226,208	866,358	876,499
Add: additions during the year	-	16,813	16,813	15,850
Less: disposals during the year	-	25,991	25,991	25,991
Balance, end of year	640,150	217,030	857,180	866,358
ACCUMULATED AMORTIZATION				
Balance, beginning of year	60,015	135,050	195,065	184,129
Add: additions during the year	16,004	18,804	34,808	36,927
Less: disposals during the year	-	25,991	25,991	25,991
Balance, end of year	76,019	127,863	203,882	195,065
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	564,131	89,167	653,298	671,293

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2016 \$	2015 \$
Invested In Capital Assets		
Tangible capital assets - net book value	653,298	671,293
Long term debt	(110,413)	(128,736)
Surplus	542,885	542,557
Reserves		
Future development	12,013	12,453
Literacy	7,079	6,849
Total Reserves	19,092	19,302
	561,977	561,859

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

6. BUDGET FIGURES

The operating budget, approved by the Board, for 2016 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Liabilities. 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.