

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**TABLE OF CONTENTS**

	Page Number
<b>MANAGEMENT REPORT</b>	
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 13
Schedule of Tangible Capital Assets	14
Schedules of Segment Disclosure	15 - 16
<b>TRUST FUNDS</b>	
Independent Auditor's Report	17
Statement of Financial Position	18
Statement of Continuity	19
Notes to the Financial Statements	20
<b>LOCAL BOARD</b>	
Alnwick/Haldimand Public Library Board	21 - 30



## CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

For The Year Ended December 31, 2017

### 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.

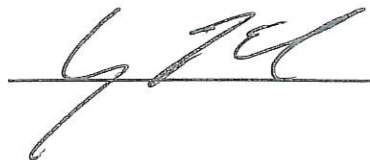
Mayor

  
\_\_\_\_\_

Date

June 7, 2018

Treasurer

  
\_\_\_\_\_

Date

June 7, 2018

**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, 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 Township of Alnwick/Haldimand 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  
June 7, 2018

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**At December 31, 2017**

	2017	2016
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	3,173,375	2,189,235
Investments (note 3)	238,233	331,571
Accounts receivable	331,303	246,244
Taxes receivable	906,499	1,101,010
<b>TOTAL FINANCIAL ASSETS</b>	<b>4,649,410</b>	<b>3,868,060</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,070,701	776,846
Deferred revenue - obligatory reserve fund (note 8)	855,832	858,751
Deferred revenue - other (note 7)	7,499	6,693
Long term debt (note 9)	290,708	350,518
Due to trust funds	-	126,468
<b>TOTAL LIABILITIES</b>	<b>2,224,740</b>	<b>2,119,276</b>
<b>NET FINANCIAL ASSETS</b>	<b>2,424,670</b>	<b>1,748,784</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 10)	22,459,528	24,148,495
<b>ACCUMULATED SURPLUS (note 11)</b>	<b>24,884,198</b>	<b>25,897,279</b>

*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, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
<b>REVENUES</b>			
Property taxation	5,357,528	5,368,375	5,081,970
User charges	750,078	1,039,861	935,533
Government of Canada	11,004	14,654	55,559
Province of Ontario	764,610	697,681	633,428
Other municipalities	91,601	111,552	113,290
Penalties and interest on taxes	145,000	188,555	187,584
Investment income	37,750	46,628	33,457
Donations	5,300	20,449	9,636
Sale of assets and insurance proceeds	379,200	385,561	13,151
Federal gas tax revenue earned	210,000	210,000	191,598
Development charges earned	436,000	448,154	144,500
Other grants	20,395	611	3,266
<b>TOTAL REVENUES</b>	<b>8,208,466</b>	<b>8,532,081</b>	<b>7,402,972</b>
<b>EXPENSES</b>			
General government	1,296,962	1,249,982	1,244,883
Protection services	2,035,208	1,917,933	1,895,503
Transportation services	5,048,669	4,912,948	5,452,726
Environmental services	535,004	419,525	362,120
Health services	31,077	24,251	22,116
Recreation and cultural services	812,061	847,302	740,036
Planning and development	178,286	173,221	137,973
<b>TOTAL EXPENSES</b>	<b>9,937,267</b>	<b>9,545,162</b>	<b>9,855,357</b>
<b>ANNUAL DEFICIT</b>	<b><u>(1,728,801)</u></b>	<b>(1,013,081)</b>	<b>(2,452,385)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>25,897,279</b>	<b>28,349,664</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>24,884,198</b>	<b>25,897,279</b>

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, 2017**

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
<b>ANNUAL DEFICIT</b>	(1,728,801)	(1,013,081)	(2,452,385)
Amortization of tangible capital assets	3,217,227	3,036,041	3,233,231
Purchase of tangible capital assets	(1,428,260)	(1,511,722)	(1,055,461)
Loss on disposal of tangible capital assets	-	164,648	642,926
<b>INCREASE IN NET FINANCIAL ASSETS</b>	60,166	675,886	368,311
<b>NET FINANCIAL ASSETS - beginning of year</b>	1,748,784	1,748,784	1,380,473
<b>NET FINANCIAL ASSETS - end of year</b>	1,808,950	2,424,670	1,748,784

*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, 2017**

	2017	2016
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(1,013,081)	(2,452,385)
Items not involving cash		
Amortization of tangible capital assets	3,036,041	3,233,231
Loss on disposal of tangible capital assets	164,648	642,926
Change in non-cash assets and liabilities		
Accounts receivable	(85,059)	(40,938)
Taxes receivable	194,511	(20,103)
Accounts payable and accrued liabilities	293,855	134,136
Deferred revenue - obligatory reserve fund	(2,919)	302,709
Deferred revenue - other	806	(719)
Due to trust funds	(126,468)	124
<b>Net change in cash from operating activities</b>	<b>2,462,334</b>	<b>1,798,981</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,511,722)	(1,055,461)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	-	(3,401)
Disposal of investments	93,338	101,599
<b>Net change in cash from investing activities</b>	<b>93,338</b>	<b>98,198</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(59,810)	(58,168)
<b>NET CHANGE IN CASH</b>	<b>984,140</b>	<b>783,550</b>
<b>CASH - beginning of year</b>	<b>2,189,235</b>	<b>1,405,685</b>
<b>CASH - end of year</b>	<b>3,173,375</b>	<b>2,189,235</b>

*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, 2017

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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, 2017

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### 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) 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.

#### (f) 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.

#### (g) 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.

#### (h) 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, 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(i) 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 2017, 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	2,186,951	4,808,288
Taxation from other governments	11,280	23,100
<b>Amounts requisitioned and remitted</b>	<b>2,198,231</b>	<b>4,831,388</b>

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

**3. INVESTMENTS**

Investments consist of:

	2017 \$	2016 \$
<b>Guaranteed Investment Certificates</b>		
Due June 2017 with interest at 2.55%	-	98,301
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 2019 with interest at 0.45%	3,437	3,401
Due July 2018 with interest at 2.61%	99,205	99,205
Due July 2018 with interest at 2.61%	25,307	25,307
Due May 2020 with interest at 1.50%	4,927	-
	<b>238,233</b>	<b>331,571</b>

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

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

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### 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 01-2017. At December 31, 2017 there was no balance outstanding (2016 - \$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 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 Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2017 were \$131,240 (2016 - \$120,099).

### 6. TRUST FUNDS

Trust funds administered by the Township amounting to \$148,718 (2016 - \$147,235) 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:

	2017	2016
	\$	\$
Ontario Library Capacity Fund	6,069	5,003
Water deposits	1,430	1,690
	7,499	6,693

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2017

**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:

	2017	2016
	\$	\$
Development charges	839,138	837,013
Federal gas tax	16,694	21,738
	<u>855,832</u>	<u>858,751</u>

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

	2017	2016
	\$	\$
Balance - beginning of year	858,751	556,042
Add amounts received:		
Development charges	440,924	430,897
Federal gas tax	204,739	201,178
Interest	9,572	6,732
	<u>655,235</u>	<u>638,807</u>
Less transfer to operations:		
Development charges earned	448,154	144,500
Federal gas tax revenue earned	210,000	191,598
	<u>658,154</u>	<u>336,098</u>
Balance - end of year	<u>855,832</u>	<u>858,751</u>

**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
	\$	\$
Ontario Infrastructure and Lands Corporation loan repayable in blended semi-annual installments of \$34,604 with 2.8% interest, due March 2022	290,708	350,518

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

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

**9. LONG TERM DEBT, continued**

- (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 \$9,399 (2016 - \$11,039).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
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	34,127	478	34,605
	<b>290,708</b>	<b>20,729</b>	<b>311,437</b>

**10. TANGIBLE CAPITAL ASSETS**

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

	2017 \$	2016 \$
General		
Land	2,222,985	2,222,985
Land improvements	46,275	49,085
Buildings	2,168,542	2,306,573
Machinery and equipment	944,249	509,776
Vehicles	1,579,677	1,442,025
Infrastructure		
Roads and bridges	12,774,246	15,022,237
Water	2,557,018	2,595,814
	<b>22,292,992</b>	<b>24,148,495</b>
Assets under construction	166,536	-
	<b>22,459,528</b>	<b>24,148,495</b>

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).

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

10. TANGIBLE CAPITAL ASSETS, continued

	2017	2016
	\$	\$
General government	2,493,692	2,483,150
Protection services	1,442,187	1,288,796
Transportation services	14,086,659	15,904,624
Environmental services	3,451,626	3,557,529
Recreation and cultural services	985,364	914,396
	<b>22,459,528</b>	<b>24,148,495</b>

11. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2017	2016
	\$	\$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	22,459,528	24,148,495
Long term debt	(290,708)	(350,518)
<b>Surplus</b>	<b>22,168,820</b>	<b>23,797,977</b>
<b>Reserves</b>		
Working funds	1,241,119	662,945
Future acquisition of capital assets	1,286,751	1,274,688
Contingencies	1,000	1,000
Operations	164,915	139,402
<b>Total Reserves</b>	<b>2,693,785</b>	<b>2,078,035</b>
<b>Reserve Funds</b>		
Water	9,266	8,987
Grafton history book	6,145	6,136
Planning	6,182	6,144
<b>Total Reserve Funds</b>	<b>21,593</b>	<b>21,267</b>
	<b>24,884,198</b>	<b>25,897,279</b>

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, 2017

### 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 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
Salaries and benefits	2,333,765	2,427,006	2,200,508
Interest charges	60,161	9,399	11,039
Materials	2,670,488	2,402,233	2,336,476
Contracted services	1,444,802	1,289,927	1,221,726
Rents and financial	49,318	60,210	50,100
External transfers	161,506	155,698	159,351
Amortization	3,217,227	3,036,041	3,233,231
Loss on disposal of capital assets	-	164,648	642,926
	9,937,267	9,545,162	9,855,357

### 14. BUDGET FIGURES

The budget, approved by the Township, 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. 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.



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

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

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**15. SEGMENTED INFORMATION, continued**

**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, 2017**

	General			Infrastructure			Assets Under Construction	Totals
	Land	Buildings	Machinery and Equipment	Roads and Bridges	Water			
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	2,222,985	5,703,504	2,258,142	69,916,642	3,410,624	-	-	88,623,319
Add: additions during the year	-	-	522,876	263,435	558,875	-	166,536	1,511,722
Less: disposals during the year	-	-	20,909	159,398	1,096,666	-	-	1,276,973
Balance, end of year	2,222,985	5,703,504	2,760,109	4,848,750	69,378,851	3,410,624	166,536	88,858,068
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	3,396,931	1,748,366	3,302,688	54,894,405	814,810	-	64,474,824
Add: additions during the year	-	2,810	88,403	125,783	2,642,218	38,796	-	3,036,041
Less: disposals during the year	-	-	20,909	159,398	932,018	-	-	1,112,325
Balance, end of year	-	3,204,434	1,815,860	3,269,073	56,604,605	853,606	-	66,398,540
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>2,222,985</b>	<b>2,168,542</b>	<b>944,249</b>	<b>1,579,677</b>	<b>12,774,246</b>	<b>2,557,018</b>	<b>166,536</b>	<b>22,459,528</b>

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

**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE**

**For the Year Ended December 31, 2017**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	465,682	1,964,077	2,337,544	12,750	30,161	480,775	77,386	5,368,375
User charges	59,917	359,756	116,483	274,968	1,857	157,995	68,885	1,039,861
Government transfers - operating	500,400	6,546	4,013	-	-	34,020	-	544,979
Government transfers - capital	-	-	167,356	-	-	-	-	167,356
Other municipalities	-	73,102	25,000	13,450	-	-	-	111,552
Penalties and interest on taxes	188,555	-	-	-	-	-	-	188,555
Investment income	38,635	-	-	7,933	-	60	-	46,628
Donations	14,374	6,075	-	-	-	-	-	20,449
Sale of assets and insurance proceeds	147,218	-	238,343	-	-	-	-	385,561
Federal gas tax revenue earned	-	-	210,000	-	-	-	-	210,000
Development charges earned	-	40,000	244,000	-	-	164,154	-	448,154
Other grants	-	-	-	-	-	611	-	611
<b>Total revenues</b>	<b>1,414,781</b>	<b>2,449,556</b>	<b>3,342,739</b>	<b>309,101</b>	<b>32,018</b>	<b>837,615</b>	<b>146,271</b>	<b>8,532,081</b>
<b>Expenses</b>								
Salaries and benefits	686,070	422,684	930,570	-	-	282,336	105,346	2,427,006
Interest charges	-	-	6,438	-	-	2,961	-	9,399
Materials	421,980	251,890	1,019,989	239,050	16,021	437,902	15,401	2,402,233
Contracted services	89,558	1,050,964	7,883	69,572	8,230	28,091	35,629	1,289,927
Rents and financial	5,322	20,144	21,259	-	-	13,485	-	60,210
External transfers	36,136	98,460	-	-	-	4,257	16,845	155,698
Amortization	15,916	73,791	2,762,161	105,903	-	78,270	-	3,036,041
Loss on disposal of capital assets	-	-	164,648	-	-	-	-	164,648
Internal transfers	(5,000)	-	-	5,000	-	-	-	-
<b>Total expenses</b>	<b>1,249,982</b>	<b>1,917,933</b>	<b>4,912,948</b>	<b>419,525</b>	<b>24,251</b>	<b>847,302</b>	<b>173,221</b>	<b>9,545,162</b>
<b>Net surplus/(deficit)</b>	<b>164,799</b>	<b>531,623</b>	<b>(1,570,209)</b>	<b>(110,424)</b>	<b>7,767</b>	<b>(9,687)</b>	<b>(26,950)</b>	<b>(1,013,081)</b>

**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 \$
<b>Revenues</b>								
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
Sale of assets and insurance proceeds	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
<b>Total revenues</b>	<b>1,359,761</b>	<b>2,090,750</b>	<b>2,729,106</b>	<b>298,958</b>	<b>34,434</b>	<b>649,414</b>	<b>240,549</b>	<b>7,402,972</b>
<b>Expenses</b>								
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	-	-	-	-
<b>Total expenses</b>	<b>1,244,883</b>	<b>1,895,503</b>	<b>5,452,726</b>	<b>362,120</b>	<b>22,116</b>	<b>740,036</b>	<b>137,973</b>	<b>9,855,357</b>
<b>Net surplus/(deficit)</b>	<b>114,878</b>	<b>195,247</b>	<b>(2,723,620)</b>	<b>(63,162)</b>	<b>12,318</b>	<b>(90,622)</b>	<b>102,576</b>	<b>(2,452,385)</b>

**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, 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 Township of Alnwick/Haldimand 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 AccountantsPeterborough, Ontario  
June 7, 2018

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

**TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2017**

	Cemeteries \$	Road Deposits \$	2017 Total \$	2016 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	146,144	-	146,144	10,639
Investments (note 2)	-	1,926	1,926	10,038
Accrued interest receivable	-	-	-	90
Due from Township	1,483	-	1,483	126,468
	147,627	1,926	149,553	147,235
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to Township	835	-	835	-
<b>FUND BALANCES</b>				
Capital	146,792	1,926	148,718	146,537
Operating	-	-	-	698
	146,792	1,926	148,718	147,235
	147,627	1,926	149,553	147,235

*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, 2017

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### 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:

	2017	2016
	\$	\$
CIBC - GIC interest at 0.50% maturing April 27, 2018	1,926	1,926
CIBC - GIC interest at 1.50% maturing May 26, 2020	-	4,927
CIBC - GIC interest at 0.70% matured June 8, 2017	-	3,185
	1,926	10,038

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

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**



## 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, 2017, 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, 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  
June 7, 2018

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

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2017**

	2017	2016
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	31,003	8,083
Due from Township	-	16,012
<b>TOTAL FINANCIAL ASSETS</b>	<b>31,003</b>	<b>24,095</b>
<b>LIABILITIES</b>		
Due to Township	7,477	-
Deferred revenue (note 2)	6,069	5,003
Long term debt (note 3)	91,573	110,413
<b>TOTAL LIABILITIES</b>	<b>105,119</b>	<b>115,416</b>
<b>NET FINANCIAL LIABILITIES</b>	<b>(74,116)</b>	<b>(91,321)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 4)	630,555	653,298
<b>ACCUMULATED SURPLUS (note 5)</b>	<b>556,439</b>	<b>561,977</b>

*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, 2017**

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
<b>REVENUES</b>			
Contribution from Township	194,180	194,180	186,938
Contribution from Township - development charges	-	24,154	-
Contribution from Township - reserves	-	-	2,257
Government of Canada	5,054	4,622	1,334
Province of Ontario	21,754	21,754	21,031
Donations, fees and fundraising	6,605	8,980	9,716
Other grants	395	611	495
<b>TOTAL REVENUES</b>	<b>227,988</b>	<b>254,301</b>	<b>221,771</b>
<b>EXPENSES</b>			
Salaries and benefits	131,926	135,762	124,359
Office supplies	11,162	7,469	13,916
Videos and subscriptions	17,388	17,784	15,253
Computer and internet	10,442	11,111	9,866
Telephone	2,700	2,900	2,796
Membership and licence fees	3,690	1,725	3,422
Travel and mileage	75	-	48
Public relations	250	446	285
Staff training	800	483	811
Literacy projects	5,003	7,398	5,842
Property maintenance	26,380	32,381	6,770
Interest on long term debt	2,661	2,961	3,477
Amortization	34,808	39,419	34,808
<b>TOTAL EXPENSES</b>	<b>247,285</b>	<b>259,839</b>	<b>221,653</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(19,297)</u></b>	<b>(5,538)</b>	<b>118</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>561,977</b>	<b>561,859</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>556,439</b>	<b>561,977</b>

*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, 2017**

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(19,297)	(5,538)	118
Amortization of tangible capital assets	34,808	39,419	34,808
Acquisition of tangible capital assets	(15,950)	(16,676)	(16,813)
<b>NET CHANGE IN FINANCIAL LIABILITIES</b>	(439)	17,205	18,113
<b>NET FINANCIAL LIABILITIES - beginning of year</b>	(91,321)	(91,321)	(109,434)
<b>NET FINANCIAL LIABILITIES - end of year</b>	(91,760)	(74,116)	(91,321)

*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, 2017**

	2017	2016
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	(5,538)	118
Items not involving cash		
Amortization of tangible capital assets	39,419	34,808
Change in non-cash assets and liabilities		
Due from Township	16,012	(16,012)
Due to Township	7,477	(5,933)
Deferred revenue	1,066	723
<b>Net change in cash from operating activities</b>	<b>58,436</b>	<b>13,704</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(16,676)	(16,813)
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(18,840)	(18,323)
<b>NET CHANGE IN CASH</b>	<b>22,920</b>	<b>(21,432)</b>
<b>CASH - beginning of year</b>	<b>8,083</b>	<b>29,515</b>
<b>CASH - end of year</b>	<b>31,003</b>	<b>8,083</b>

*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, 2017

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### 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.

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:

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.

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

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(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) 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:

	2017	2016
	\$	\$
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	91,573	110,413

(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 \$2,961 (2016 - \$3,477).

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

	Principal	Interest	Total
	\$	\$	\$
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	10,750	151	10,901
	91,573	6,528	98,101

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

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

**4. TANGIBLE CAPITAL ASSETS**

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

	Buildings \$	Books and Equipment \$	2017 Totals \$	2016 Totals \$
<b>COST</b>				
Balance, beginning of year	640,150	217,030	857,180	866,358
Add: additions during the year	-	16,676	16,676	16,813
Less: disposals during the year	-	20,909	20,909	25,991
<b>Balance, end of year</b>	<b>640,150</b>	<b>212,797</b>	<b>852,947</b>	<b>857,180</b>
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	76,019	127,863	203,882	195,065
Add: additions during the year	16,004	23,415	39,419	34,808
Less: disposals during the year	-	20,909	20,909	25,991
<b>Balance, end of year</b>	<b>92,023</b>	<b>130,369</b>	<b>222,392</b>	<b>203,882</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>548,127</b>	<b>82,428</b>	<b>630,555</b>	<b>653,298</b>

**5. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2017 \$	2016 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	630,555	653,298
Long term debt	(91,573)	(110,413)
<b>Surplus</b>	<b>538,982</b>	<b>542,885</b>
<b>Reserves</b>		
Future development	10,042	12,013
Literacy	7,415	7,079
<b>Total Reserves</b>	<b>17,457</b>	<b>19,092</b>
	<b>556,439</b>	<b>561,977</b>



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

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

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**6. 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 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.