

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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**Town of Carleton Place
Consolidated
Financial Statements
December 31, 2017**

**Town of Carleton Place
Five Year Financial Review
(not subject to audit)**

December 31	2017	2016	2015	2014	2013
Population (Statistics Canada)	10,764	10,644	10,320	10,154	9,977
Number of Households (MPAC)	4,516	4,462	4,414	4,343	4,267
<hr/>					
Taxable Assessment (000's)	\$	\$	\$	\$	\$
Residential and farm	1,085,008	1,051,478	982,820	905,651	847,980
Commercial and industrial	176,484	189,869	184,693	178,549	170,342
Total	1,261,492	1,241,347	1,167,513	1,084,200	1,018,322
Commercial, industrial as % of assessment	13.99%	15.30%	15.80%	16.50%	16.70%
<hr/>					
Rates of Taxation					
Residential					
▸ for general municipal purposes	0.661423	0.647800	0.665921	0.683940	0.704986
▸ for county purposes	0.376627	0.373000	0.379779	0.392978	0.410042
▸ for school board purposes	0.179000	0.188000	0.195000	0.203000	0.212000
Total	1.217050	1.208800	1.240700	1.279918	1.327028
Multi-Residential (total)	2.497543	2.534398	2.634227	2.756156	2.902652
Commercial (total)	3.125442	3.027346	3.078712	3.140074	3.212113
Industrial (total)	4.087920	4.163574	4.214100	4.360139	4.560957
Tax Arrears ▸ percentage of current levy (<10%)**	4.61%	6.00%	5.86%	6.71%	8.06%
Taxes Transferred (000's)					
▸ County	5,528	5,337	5,124	4,970	4,842
▸ School Boards	4,165	4,386	4,326	4,265	4,216
<hr/>					
Revenues (000's)	\$	\$	\$	\$	\$
▸ Taxation and payments in lieu	9,758	9,371	9,138	8,673	8,454
▸ Government transfers	2,882	2,804	2,723	2,676	2,859
▸ Fees and service charges	10,981	8,770	8,432	8,062	7,943
▸ Other	1,514	1,169	1,241	1,249	1,223
▸ Revenues related to capital assets	7,528	3,341	1,005	694	3,186
Total	32,663	25,455	22,539	21,354	23,665
<hr/>					
Expenditures (000's)					
▸ Operations	22,718	21,680	20,690	20,728	20,576
▸ Amortization	3,509	3,360	3,335	3,503	3,162
<hr/>					
Net Financial Assets (Net Debt)					
▸ % of Operating Revenue (>(20%))**	51.31%	38.47%	34.77%	22.36%	18.89%
▸ % of Taxation and user charges (>(50%))**	62.18%	46.86%	42.62%	27.60%	23.71%

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

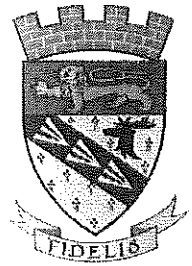
Town of Carleton Place
Five Year Financial Review
(not subject to audit)

December 31	2017	2016	2015	2014	2013
	\$	\$	\$	\$	\$
Long Term Debt					
▸ Net long term debt (000's) ▸ Town	3,745	3,698	4,094	4,475	4,942
▸ MVCA	4,332	4,458	4,580	---	---
▸ Long term debt charges (000's)	829	829	691	661	736
▸ Total annual repayment limit (000's)	4,771	4,771	4,532	4,452	4,311
▸ Long term debt per household	828	829	928	1,030	1,158
▸ Debt charges (000's)					
▸ rate supported ▸ water & sewer	426	426	426	428	449
▸ tax supported	126	126	126	233	287
▸ recoverable from others	277	277	139	---	---
	829	829	691	661	736
Municipal Equity (000's)					
▸ Surplus and Reserves	17,741	13,517	12,025	9,308	8,998
▸ Invested in capital assets	100,957	95,236	92,952	93,821	93,505
▸ Asset consumption ratio	37.05%	37.24%	36.70%	35.39%	34.30%
▸ Reserves as % of operating expenses (>20%)**	79.33%	63.89%	59.55%	50.47%	49.14%
Financial Indicators					
▸ Sustainability					
▸ financial assets to liabilities	1.58	1.32	1.23	1.54	1.45
▸ financial assets to liabilities excluding long term debt	3.53	3.73	4.03	3.21	3.45
▸ long term debt to tangible capital assets *	3.55%	3.70%	4.21%	4.55%	5.02%
▸ capital reserves to accumulated amortization	22.83%	17.10%	15.45%	12.86%	12.60%
▸ Flexibility					
▸ Debt charges to total operating revenue (<5%)**	3.30%	3.75%	3.21%	3.20%	3.59%
▸ Total operating revenue to taxable assessment	1.99%	1.78%	1.84%	1.91%	2.01%
▸ Working capital to operating expenses (>10%)**	73.25%	56.27%	55.98%	43.88%	42.82%
▸ Vulnerability					
▸ Operating government transfers ▸ to operating revenue	11.47%	12.69%	12.65%	12.95%	13.96%
▸ Total government transfers ▸ to total revenues	12.82%	12.85%	14.04%	14.03%	13.31%

* excluding Mississippi Valley Conservation Authority Debt

Corporation of the Town of Carleton Place

175 Bridge Street, Carleton Place, ON K7C 2V8 Phone: (613) 257-6200 Fax: (613) 257-8170



Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

Diane Smithson, B. Comm, Dipl.M.M., CMO
Chief Administrative Officer

Trisa McConkey B. Acc. Sc., C.P.A., C.G.A.
Treasurer

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

Opinion

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



Allan and Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

Perth, Ontario,
April 24, 2018.

**Town of Carleton Place
Consolidated Statement of Financial Position**

December 31	2017	2016
	\$	\$
ASSETS		
Financial Assets		
Cash and short term investments	14,767,183	12,311,188
Taxes receivable (net of allowance of \$55,000)	837,645	1,083,536
User charges receivable	56,565	161,665
Accounts receivable	2,294,781	1,595,091
Long term investments (note 6)	1,013,117	1,519,832
Long term mortgage receivable (note 5)	4,238,307	---
Long term mortgage (note 4)	4,331,578	4,458,075
	27,539,176	21,129,387
LIABILITIES		
Financial Liabilities		
Accounts payable and accrued liabilities	2,827,403	1,921,733
Other current liabilities	108,361	137,488
Security deposits	1,913,292	1,118,442
Employee future benefit obligations (note 7)	480,821	531,673
Deferred revenues (note 8)	1,236,162	763,565
Long term liabilities (note 9)	8,076,557	8,155,565
	14,642,596	12,628,466
NET FINANCIAL ASSETS	12,896,580	8,500,921
NON-FINANCIAL ASSETS		
Tangible capital assets (note 17)	105,618,600	100,060,295
Inventories	85,391	96,000
Prepaid expenses	97,464	95,711
	105,801,455	100,252,006
Commitments (note 15) Contingent Liabilities (note 14)		
MUNICIPAL EQUITY (note 10)	118,698,035	108,752,927

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

**Town of Carleton Place
Consolidated Statement of Operations**

For the year ended December 31	(Note 19) Budget	2017	(Note 20) 2016
	\$	\$	\$
REVENUES			
Taxation ▶ residential	7,372,985	7,562,473	7,083,585
▶ commercial	2,123,364	2,105,174	2,197,738
▶ other governments	90,679	90,328	89,873
User charges ▶ sewer and water	4,936,129	5,782,310	4,912,624
▶ recreation and culture	1,260,363	1,297,754	1,220,320
▶ daycare	1,944,054	2,152,264	1,931,771
▶ other	652,426	1,749,037	705,307
Government transfers	2,634,964	2,881,786	2,804,253
Licences and permits	355,650	723,902	330,044
Deferred revenues earned (note 8)	74,732	74,732	74,732
Investment income	150,000	192,028	186,167
Penalties and interest on taxes	177,500	155,178	176,675
Other	354,984	368,525	401,451
TOTAL REVENUES	22,127,830	25,135,491	22,114,540
EXPENDITURES			
General government	1,726,805	1,752,194	1,702,046
Protection to persons and property	4,087,339	3,929,694	4,009,398
Transportation services	3,601,889	3,922,242	3,616,890
Environmental services	5,557,307	5,487,278	4,974,552
Health services	12,500	6,661	6,520
Social and family services	3,297,744	3,448,544	3,346,008
Recreation and cultural services	3,345,133	3,300,406	3,234,752
Planning and development	969,615	921,891	759,686
Post retirement benefits actuarial valuation	30,000	(50,892)	30,084
TOTAL EXPENDITURES	22,628,332	22,718,058	21,679,936
NET REVENUES (EXPENDITURES) FROM OPERATIONS	(500,502)	2,417,433	434,604
OTHER			
Grants and transfers related to capital			
Deferred revenues earned (note 8)	383,200	199,521	340,116
Government transfers	3,000,858	1,304,856	466,694
Developer contributions	240,000	5,675,681	984,086
Other	1,251,200	587,672	405,000
Contributed assets	---	---	1,272,000
Write down of assets	---	(240,055)	(126,574)
	4,875,258	7,527,675	3,341,322
ANNUAL SURPLUS	4,374,756	9,945,108	3,775,926
MUNICIPAL EQUITY, BEGINNING OF YEAR	108,752,927	108,752,927	104,977,001
MUNICIPAL EQUITY, END OF YEAR	113,127,683	118,698,035	108,752,927

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

Town of Carleton Place
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	(Note 19) Budget	2017	2016
	\$	\$	\$
ANNUAL SURPLUS	4,374,756	9,945,108	3,775,926
Amortization of tangible capital assets	3,500,000	3,509,422	3,360,422
Acquisition of tangible capital assets	(8,862,761)	(9,307,782)	(6,249,995)
Disposal of tangible capital assets	---	240,055	126,574
Acquisition of supplies inventories	---	10,609	1,000
Disposal of prepaid expenses	---	(1,753)	(283)
	(5,362,761)	(5,549,449)	(2,762,282)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(988,005)	4,395,659	1,013,644
NET FINANCIAL ASSETS, BEGINNING OF YEAR	8,500,921	8,500,921	7,487,277
NET FINANCIAL ASSETS, END OF YEAR	7,512,916	12,896,580	8,500,921

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

**Town of Carleton Place
Consolidated Statement of Cash Flows**

For the year ended December 31	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Annual surplus for the year	9,945,108	3,775,926
Amortization	3,509,422	3,360,422
	13,454,530	7,136,348
Net Change in Non-Cash Working Capital Balances		
Taxes receivable	245,891	(56,478)
User charges receivable	105,100	(86,737)
Accounts receivable	(699,690)	(726,444)
Accounts payable and accrued liabilities	905,670	968,154
Other current liabilities	(29,127)	(118,529)
Employee future benefit obligation	(50,852)	30,084
Security deposits	794,850	(130,789)
Deferred revenues	472,597	(93,738)
Inventories	10,609	1,000
Prepaid expenses	(1,753)	(283)
	1,753,295	(213,760)
Working Capital from Operations	15,207,825	6,922,588
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(9,307,782)	(6,249,995)
Disposal of tangible capital assets	240,055	126,574
Net investment in tangible capital assets	(9,067,727)	(6,123,421)
INVESTING ACTIVITIES		
Long term investment redeemed	506,715	---
Long term mortgage receivable advanced	(4,238,307)	---
Repayment of long term mortgage	126,497	122,303
Net (decrease) increase in cash from investing activities	(3,605,095)	122,303
FINANCING ACTIVITIES		
Debt issued for Town purposes	459,980	---
Debt principal repayments	(538,988)	(518,925)
Net decrease in cash from financing activities	(79,008)	(518,925)
NET INCREASE IN CASH	2,455,995	402,545
CASH, BEGINNING OF YEAR	12,311,188	11,908,643
CASH, END OF YEAR	14,767,183	12,311,188

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

Town of Carleton Place

Notes to the Consolidated Financial Statements

December 31, 2017

1. Status of the Town of Carleton Place

The Town of Carleton Place (the 'Town') was incorporated January 6, 1890 (previously incorporated as a village in 1870) and assumed its responsibilities under the authority of the Provincial Secretary. The Town operates as a lower tier government in the County of Lanark, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

2. Significant Accounting Policies

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

Reporting Entity

- (i) The consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Town. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:
 - Public Library Board
 - Business Improvement Area Committee
 - Swimming Pool Committee of Management
 - Carleton Place Children's Centre
- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements.

Basis of Accounting

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Town of Carleton Place
Notes to the Consolidated Financial Statements

December 31, 2017

2. Significant Accounting Policies / continued

Tangible Capital Assets

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

Land	
Land Improvements	10 - 25 years
Buildings	20 - 60 years
Machinery and Equipment	5 - 30 years
Vehicles	3 - 25 years
Water and Waste Plants and Networks	60 years
Water Plant	60 years
Sewage Plant	25 years
Storm Ponds	
Linear Assets	15 - 25 years
Roads	35 years
Sidewalks / Curbs	
Underground Networks	60 years
▸ water	60 years
▸ sewer	60 years
▸ storm	50 years
Bridges	

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

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

The Town has a capitalization threshold of \$10,000 for vehicles and equipment and \$100,000 for linear assets and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons.

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

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

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

Town of Carleton Place
Notes to the Consolidated Financial Statements

December 31, 2017

2. Significant Accounting Policies / continued

Leases

Leases are classified as capital or operations leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Inventories

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

Employee Future Benefit Obligations

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

Employee benefits include vacation entitlement and banked time. Vacation entitlements and banked time are accrued as entitlements are earned.

The Town accrues its obligation for employee benefit plans. The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on services and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

Actual gains (losses) which can arise from changes in the actuarial assumptions used to determine the accrued benefit obligation will be amortized over the average remaining service period of active employees.

Cash and Cash Equivalents

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

Government Transfers

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

Deferred Revenues

The Town defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, development charges collected under the *Development Charges Act, 1997*, and recreational land collected under the Planning Act are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

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

Town of Carleton Place Notes to the Consolidated Financial Statements

December 31, 2017

2. Significant Accounting Policies / continued

Deferred Revenues / continued

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

Investments

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

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

Liability for Contaminated Sites

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

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

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

Financial Instruments

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

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

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

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

**Town of Carleton Place
Notes to the Consolidated Financial Statements**

December 31, 2017

2. Significant Accounting Policies / continued

Measurement Uncertainty

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

3. Operations of the School Boards and County of Lanark

During 2017, the Town collected and made property tax transfers including payments in lieu of property taxes, to the County of Lanark and School Boards as follows:

	School Boards	County
	\$	\$
Property taxes	4,165,003	5,503,234
Taxation from other governments	---	24,699
Amounts requisitioned and paid	4,165,003	5,527,933

4. Long Term Mortgage

In 2016, the Town entered into a long term financing agreement with Mississippi Valley Conservation Authority to finance the construction of a new facility to be located within the Town. Long term financing was a debenture funded through Ontario Infrastructure and Lands Corporation (OILC) in the amount of \$4,640,000.

The loan is secured with an agreement that includes a mortgage on the property. The debenture terms include interest at a rate of 3.4%, semi annual blended payments of \$138,502, due June 1st and December 1st and is due June 2040.

Year	\$
2018	130,834
2019	135,320
2020	139,960
2021	144,759
2022	149,723
2023 to 2027	829,235
2028 and thereafter	2,801,747
	4,331,578

Town of Carleton Place
Notes to the Consolidated Financial Statements

December 31, 2017

5. Long Term Mortgage Receivable

During 2017, the Town executed cost recovery agreements with developers for core infrastructure services for water and sewer on Highway 7 and McNeely Avenue. Under the agreement, the Town agreed to fund the up front infrastructure costs and then recover the funds from the developers through a long term mortgage.

The mortgages are to be repaid over 15 years with quarterly payments and with interest compounded annually at 4%. The Town has mortgage security on each property within the development area.

The loan agreements provide for lump sum repayments of principal under the following conditions:

- (i) The Town recovers development costs from other owners of land who benefit from the core services within the development area.
- (ii) Developer registers a plan of the subdivision, registers a site plan approval, receives a severance or upon the issuance of a building permit for any building requiring a connection to services.

6. Long Term Investments

Long term investments, which consist of government bonds, are recorded on the Consolidated Statement of Financial Position at cost plus accrued interest. They have a market value of \$1,005,482 at December 31, 2017 (2016 \$1,552,782).

7. Employee Future Benefit Obligations

The Town extends non-pension retirement benefits for medical and dental benefits to a maximum of \$5,000 per year, for full time employees for ten years after retirement or to age 65, whichever comes first. To be eligible an employee must be at least age 55 (age 50 for firefighters) and has at least 20 years of service with the Town. Employees with 15 years of service are eligible but will receive 50% of the normal benefit reimbursement.

An independent actuarial study of the employee non-pension benefits has been undertaken. The most recent valuation of the employee future benefits was effective at December 31, 2013.

The accrued benefit obligation relating to the employee non-pension retirement benefits has been actuarially determined using the projected benefit method pro-rated on services. At December 31, 2017, based on an actuarial update, the accrued benefit obligation was \$480,821 (2016 \$531,673).

The significant actuarial assumptions adopted in estimating the Town's accrued benefit obligation are as follows:

Discount Rate	3.15%
Trend Rates	7.50% decreasing by 0.50% annually to 4.00%
Employee Turnover	4.50% decreasing to 1.00% after 25 years of service early of age 65 or age plus service totals 90
Retirement Age Participation	90.00% will elect family coverage and 10.00% will elect single coverage
Cost of Coverage	\$3,800 in 2017 for family coverage and half for single coverage

**Town of Carleton Place
Notes to the Consolidated Financial Statements**

December 31, 2017

7. Employee Future Benefit Obligations / continued

The continuity of post employment benefits for 2017 is as follows:

	\$
Accrued benefit obligation at beginning of 2017	531,673
Benefits accrued during 2017	21,046
Benefits paid during 2017	(26,600)
Interest on accrued benefit obligation during the year	14,768
Experience loss (gain)	(60,066)
Accrued benefit obligation at end of 2017	480,821

8. Deferred Revenues

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

The transactions for the year are summarized below:

	Development Charges	Recreational Land	Total
	\$	\$	\$
January 1, 2017	619,879	143,686	763,565
Contributions from developers	725,188	15,360	740,548
Interest	5,362	940	6,302
Transfer to capital fund	(184,561)	(14,960)	(199,521)
Transfer to operating fund	(74,732)	---	(74,732)
December 31, 2017	1,091,136	145,026	1,236,162

**Town of Carleton Place
Notes to the Consolidated Financial Statements**

December 31, 2017

9. Long Term Liabilities

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

	2017	2016
	\$	\$
Total long term liabilities incurred by the municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to:		
Ontario Infrastructure and Land Corporation loan with maturity date 2040, with interest rate 3.40%.	4,331,578	4,458,075
Ontario Infrastructure and Land Corporation loans with maturity dates from 2020 and 2024 with varying interest rates between 4.49% and 4.57%.	1,026,007	1,198,351
Canada Mortgage and Housing Corporation with maturity date August 2025 with interest rate 3.59%.	2,258,992	2,499,139
Mutura (0.00%), with maturity date February 2022.	459,980	---
Net long term liabilities at the end of the year	8,076,557	8,155,565

- (b) Of the municipal debt shown above, the responsibility for the payment of principal and interest charges for the Mississippi Valley Conservation Authority (MVCA) has been assumed by MVCA 2017 \$4,331,578 (2016 \$4,458,075).
- (c) Principal payments fall due as follows:

	User Charges	General Revenues	From Others	Total
	\$	\$	\$	\$
2018	334,917	144,087	130,834	609,838
2019	347,830	148,360	135,320	631,510
2020	361,248	152,826	139,960	654,034
2021	276,534	157,495	144,759	578,788
2022	286,462	372,355	149,723	808,540
2023 to 2027	922,576	240,289	829,235	1,992,100
2028 and thereafter	---	---	2,801,747	2,801,747
	2,529,567	1,215,412	4,331,578	8,076,557

- (d) Interest expense on long term liabilities in 2017 amounted to \$290,252 (2016 \$310,484).
- (e) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

Town of Carleton Place
Notes to the Consolidated Financial Statements

December 31, 2017

10. Municipal Equity

Municipality equity consists of:

	2017	2016
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	105,618,600	100,060,295
Long term liabilities	(3,744,979)	(3,697,490)
Unfinanced capital projects		
Canoe Club	(20,518)	(30,518)
Market square building	(39,650)	(48,883)
Fire vehicle	(404,718)	(34,840)
Pumping station	(430,450)	(1,012,117)
McNeely extension	(21,777)	---
	100,956,508	95,236,447
Unrestricted surplus	199,395	196,946
Unfunded post retirement benefit	(480,821)	(531,673)
Reserves (Schedule 1)	15,879,136	11,735,776
Reserve Funds (Schedule 1)	2,143,817	2,115,431
Total Municipal Equity	118,698,035	108,752,927

11. Pension Contributions

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Town does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS was \$470,922 (2016 \$438,740) for current services and is included as an expenditure on the Consolidated Statement of Operations classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

12. Provincial Offences Administration (POA)

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

Town of Carleton Place
Notes to the Consolidated Financial Statements

December 31, 2017

12. Provincial Offences Administration (POA) / continued

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

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

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

The Town of Carleton Place shares net POA revenues based on weighted assessment.

13. Contractual Obligations

In 1997, the Town entered into a fixed price contract with the Ontario Clean Water Agency to manage the water treatment plant and the sewage treatment plant. The operational costs are subject to inflationary increases and the Town is responsible for capital costs and emergency use costs. The contract expires December 2023.

Included in the consolidated statement of operations are the costs paid to the Ontario Clean Water Agency of \$1,045,862 (2016 \$1,018,673) for the sewage plant and \$665,222 (2016 \$561,677) for the water treatment plant.

The Town has negotiated a long term contract with Tomlinson Environmental for the disposal of garbage. The contract ends May 2020. Annual charges under the contract are determined by reference to certain volumes of waste handled. Payments made under the contract for 2017 were approximately \$293,635 (2016 \$287,643).

The Town has negotiated a long term contract with Lafleche Inc. for the collection and disposal of recycled materials. The contract ends May 2020. Annual charges under the contract are determined based on the number of households and is adjusted annually for inflation. Payments made under the contract for 2017 were approximately \$232,476 (2016 \$224,659).

The Town has negotiated a long term contract with Lafleche Inc. for the collection of garbage. The contract ends May 2020. Annual charges under the contract are determined based on the number of households and is adjusted annually for inflation. Payments made under the contract for 2017 were approximately \$184,769 (2016 \$185,951).

The Town has negotiated a long term contract with the Ontario Provincial Police for the provision of policing services. The contract ends December 2019. Annual charges are determined based on level of service and are reconciled to actual costs in the following year. The contract for 2017 was \$2,194,310 (2016 \$2,281,345).

The Town has entered into a long term lease agreement (99 years) with the Upper Canada District School Board for the child care centre property. The financial considerations was \$1 in 2010. Annual financial considerations include upkeep and maintenance of the shared driveway.

Town of Carleton Place
Notes to the Consolidated Financial Statements

December 31, 2017

13. Contractual Obligations / continued

The Town entered into boundary restructuring agreements with Beckwith Township. In consideration of jurisdictional rights the Town has agreed to compensate Beckwith Township for the municipal share of taxes levied for a maximum 40 years. For the agreement expiring December 31, 2036 the compensation is 30% of the municipal share of taxes. For the agreement expiring December 31, 2051 the compensation is 30% of the municipal share of commercial taxes levied and a one time payment equivalent to the Beckwith development charge for residential units on new residential units. Payments under these agreements for the year 2017 were \$239,253 (2016 \$273,028).

The Town has entered into a boundary restructuring agreement with the Town of Mississippi Mills. In consideration of jurisdictional rights the Town has agreed to compensate the Town of Mississippi Mills for 30% of commercial taxes levied and a one time payment equivalent to the Mississippi Mills development charge for residential units on new residential units for a maximum of 40 years. The agreement expires December 31, 2051.

14. Contingent Liabilities

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

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

15. Commitments

In 2008, the Town committed \$3,337,600 to the Carleton Place & District Memorial Hospital payable over ten years on the commencement of the construction of the new hospital. The Town has also committed to provide the hospital with a 10 acre site valued at \$800,000.

16. Risk Management

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

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

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

**Town of Carleton Place
Notes to the Consolidated Financial Statements**

December 31, 2017

16. Risk Management / continued

Credit Risk

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

Interest Rate Risk

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

Liquidity Risk

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

17. Tangible Capital Assets

	2017	2016
	\$	\$
Land	5,790,961	5,790,961
Land Improvements	781,828	513,284
Buildings	11,986,528	12,285,741
Machinery and Equipment	2,180,961	2,253,964
Vehicles	1,872,069	1,424,831
Water and Waste Plants and Networks		
Water Plant	4,865,784	4,995,601
Sewage Plant	11,516,536	11,789,568
Storm Ponds	524,394	114,708
Linear Assets		
Roads	17,572,268	17,628,731
Sidewalks / Curbs	3,578,259	3,512,714
Underground Networks		
> water	15,872,988	16,045,694
> sewer	12,055,822	12,259,420
> storm	7,518,043	7,727,935
Bridges	143,916	153,037
Construction in Progress	9,358,243	3,564,106
	105,618,600	100,060,295

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

**Town of Carleton Place
Notes to the Consolidated Financial Statements**

December 31, 2017

18. Segmented Information

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

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

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

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

**Town of Carleton Place
Notes to the Consolidated Financial Statements**

December 31, 2017

18. Segmented Information / continued

2017	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	Materials & Services Non TCA	Interfunc- tional Adjustments	Amortization	Total
	\$	\$	\$	\$	\$	\$	\$
General Government							
Governance	221,522	---	100,405	---	---	---	321,927
Corporate Management & Program Support	944,506	---	564,563	126,929	(232,767)	27,036	1,430,267
Post Retirement Benefits	(50,852)	---	---	---	---	---	(50,852)
Protection to Persons and Property							
Fire	617,592	---	170,014	9,565	24,000	129,815	950,986
Police	70,730	---	2,239,638	---	---	1,435	2,311,803
Conservation Authority	---	150,508	63,754	---	---	---	214,262
Protective Inspection	346,118	---	102,881	---	---	3,644	452,643
Transportation							
Roadways	925,515	---	258,006	185,087	---	1,516,131	2,884,739
Winter Control	155,053	---	365,006	---	---	---	520,059
Street Lighting	252	---	188,807	---	---	---	189,059
Transit	---	---	328,385	---	---	---	328,385
Environmental							
Sanitary Sewer	89,378	86,105	1,150,257	400,151	115,000	612,786	2,453,677
Waterworks	169,420	17,533	829,758	233,167	91,000	828,064	2,168,942
Waste Services	64,179	---	800,480	---	---	---	864,659
Health Services							
Hospitals	---	---	---	---	---	---	---
Health and safety	136	---	6,525	---	---	---	6,661
Social and Family							
Child Care	2,918,037	36,106	385,223	---	55,000	54,178	3,448,544
Recreation and Cultural Services							
Parks	175,078	---	82,480	70,592	---	99,254	427,404
Recreation Facilities & Programs	1,164,194	---	972,507	106,138	(55,000)	186,370	2,374,209
Libraries	292,910	---	72,417	18,341	---	50,709	434,377
Cultural Services	4,344	---	60,072	---	---	---	64,416
Planning and Development							
Planning & Zoning	223,814	---	74,865	---	---	---	298,679
Commercial & Industrial	122,966	---	398,556	98,923	2,767	---	623,212
2017	8,454,892	290,252	9,214,599	1,248,893	---	3,509,422	22,718,058

Town of Carleton Place
Notes to the Consolidated Financial Statements

December 31, 2017

18. Segmented Information / continued

2016	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	Materials & Services Non TCA	Interfunc- tional Adjustments	Amortization	Total
\$	\$	\$	\$	\$	\$	\$	\$
General Government							
Governance	226,215	---	79,881	---	---	---	306,096
Corporate Management & Program Support	857,694	---	603,896	135,361	(228,036)	27,035	1,395,950
Post Retirement Benefits	30,084	---	---	---	---	---	30,084
Protection to Persons and Property							
Fire	597,593	---	190,881	28,835	23,000	112,988	953,297
Police	68,055	---	2,359,001	---	---	1,435	2,428,491
Conservation Authority	---	154,702	60,881	---	---	---	215,583
Protective Inspection	295,402	---	111,069	---	---	5,556	412,027
Transportation							
Roadways	832,686	---	191,983	143,125	---	1,410,848	2,578,642
Winter Control	179,018	---	389,310	---	---	---	568,328
Street Lighting	---	---	266,296	---	---	---	266,296
Transit	---	---	203,624	---	---	---	203,624
Environmental							
Sanitary Sewer	54,316	115,731	1,176,258	279,442	112,500	879,619	2,617,866
Waterworks	188,250	---	705,920	---	89,500	529,390	1,513,060
Waste Services	60,505	---	783,121	---	---	---	843,626
Health Services							
Hospitals	---	---	1,039	---	---	---	1,039
Health services	631	---	4,850	---	---	---	5,481
Social and Family							
Child Care	2,636,768	40,051	366,078	78,932	170,000	54,179	3,346,008
Recreation and Cultural Services							
Parks	148,646	---	90,075	102,710	---	99,787	441,218
Recreation Facilities & Programs	1,153,033	---	1,003,604	137,848	(170,000)	182,357	2,306,842
Libraries	284,609	---	74,782	15,146	---	57,228	431,765
Cultural Services	3,298	---	51,629	---	---	---	54,927
Planning and Development							
Planning & Zoning	96,510	---	90,748	---	(8,397)	---	178,861
Commercial & Industrial	177,179	---	336,862	55,351	11,433	---	580,825
2016	7,890,492	310,484	9,141,788	976,750	---	3,360,422	21,679,936

**Town of Carleton Place
Notes to the Consolidated Financial Statements**

December 31, 2017

19. Budget Figures

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

	Budget	Actual
	\$	\$
Total Revenues	22,127,830	25,135,491
Total Expenditures	(22,628,332)	(22,718,058)
Net (Expenditures) Revenues	(500,502)	2,417,433
Amortization	3,500,000	3,509,422
Adjusted Net Revenues	2,999,498	5,926,855
Capital Revenues	4,875,258	7,527,675
Funds Available	7,874,756	13,454,530
Capital Expenditures	(8,862,761)	(9,307,782)
Disposal of Tangible Capital Assets	---	240,055
Acquisition of Inventory	---	10,609
Acquisition of Prepaid Expense	---	(1,753)
Prior Year Surplus	7,500	5,234
Principal Repayments	(412,491)	(412,491)
Net Long Term Debt Acquired	1,397,992	459,980
Increase (Decrease) Unfunded Post Employment Benefits	30,000	(50,852)
Increase in Operating Surplus	34,996	4,397,530
Allocated as follows:		
Year End Operating Surplus	---	16,539
Net Transfers to Reserves	(442,237)	4,171,746
Net Decrease in Unfinanced Capital	477,233	209,245
	34,996	4,397,530

20. Comparative Figures

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

Town of Carleton Place
Schedule 1 ▶ Continuity of Reserves and Reserve Funds

For the year ended December 31	(Note 19) Budget	2017	2016
	\$	\$	\$
Revenues			
Investment income	60,000	49,035	69,500
Net Transfers From / (To) Other Funds			
Transfers from operations	1,518,563	5,998,924	1,994,393
Transfers to capital acquisitions	(2,020,800)	(1,876,213)	(533,384)
Total Net Transfers	(502,237)	4,122,711	1,461,009
Reserves and Reserve Fund Balances, Change in Year	(442,237)	4,171,746	1,530,509
Reserves and Reserve Fund Balances, Beginning of Year	13,851,207	13,851,207	12,320,698
Reserves and Reserve Fund Balances, End of Year	13,408,970	18,022,953	13,851,207

Composition of Reserves and Reserve Funds

For the year ended December 31	2017	2016
	\$	\$
Reserves set aside for specific purposes by Council:		
For Operating Purposes		
▶ for working funds	1,029,717	1,069,717
▶ for insurance	24,793	20,115
▶ for elections	34,500	23,000
▶ for business improvement area	35,437	36,703
▶ for health services	339,500	339,500
▶ for economic development	221,097	95,182
	1,685,044	1,584,217
For Capital Purposes		
▶ for acquisition of capital assets	2,161,120	1,771,354
▶ for contingencies, office equipment	779,350	225,669
▶ for recreation purposes	895,508	828,606
▶ for library purposes	414,909	403,201
▶ for fire, police and protective inspection	536,709	108,085
▶ for day care purposes	907,348	344,882
▶ for sewage and water treatment plant	8,499,148	6,469,762
	14,194,092	10,151,559
Total Reserves	15,879,136	11,735,776
Reserve Funds		
▶ for tax rate stabilization	2,143,817	2,115,431
Total Reserves and Reserve Funds	18,022,953	13,851,207

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

Town of Carleton Place
Schedule 2 ▶ 2017 Tangible Capital Assets

Asset Class	Cost 01/01/17	Additions	(Disposals)	Cost 31/12/17
	\$	\$	\$	\$
Land	5,790,961	---	---	5,790,961
Land Improvements	1,223,218	317,472	---	1,540,690
Buildings	17,313,675	---	---	17,313,675
Machinery & Equipment	4,796,914	118,586	(50,013)	4,865,487
Vehicles	4,024,387	797,739	(372,216)	4,449,910
Water & Waste Plants & Networks				
Water plant	7,824,019	---	---	7,824,019
Sewage plant	16,381,908	---	---	16,381,908
Storm ponds	379,388	424,862	---	804,250
Linear Assets				
Roads				
Sidewalks / curbs	33,288,906	1,221,625	(475,622)	34,034,909
Underground Networks	6,342,959	252,959	(64,228)	6,531,690
▶ Water	25,521,504	252,508	---	25,774,012
▶ Sewer	19,897,284	127,894	---	20,025,178
▶ Storm	12,593,501	---	---	12,593,501
Bridges	499,050	---	---	499,050
Construction in Progress	3,564,106	5,794,137	---	9,358,243
	159,441,780	9,307,782	(962,079)	167,787,483

Asset Class	Accumulated Amortization 01/01/17	Amortization	(Disposals)	Accumulated Amortization 31/12/17	Net Book Value 31/12/17
	\$	\$	\$	\$	\$
Land	---	---	---	---	5,790,961
Land Improvements	709,934	48,928	---	758,862	781,828
Buildings	5,027,934	299,213	---	5,327,147	11,986,528
Machinery & Equipment	2,542,950	191,589	(50,013)	2,684,526	2,180,961
Vehicles	2,599,556	302,222	(323,937)	2,577,841	1,872,069
Water & Waste Plants & Networks					
Water plant	2,828,418	129,817	---	2,958,235	4,865,784
Sewage plant	4,592,340	273,032	---	4,865,372	11,516,536
Storm ponds	264,680	15,176	---	279,856	524,394
Linear Assets					
Roads					
Sidewalks / curbs	15,660,175	1,103,982	(301,516)	16,462,641	17,572,268
Underground Networks	2,830,245	169,744	(46,558)	2,953,431	3,578,259
▶ Water	9,475,810	425,214	---	9,901,024	15,872,988
▶ Sewer	7,637,864	331,492	---	7,969,356	12,055,822
▶ Storm	4,865,566	209,892	---	5,075,458	7,518,043
Bridges	346,013	9,121	---	355,134	143,916
Construction in Progress	---	---	---	---	9,358,243
	59,381,485	3,509,422	(722,024)	62,168,883	105,618,600

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

Town of Carleton Place
Schedule 2 ▶ 2016 Tangible Capital Assets

Asset Class	Cost 01/01/16	Additions	(Disposals)	Cost 31/12/16
	\$	\$	\$	\$
Land	5,790,961	---	---	5,790,961
Land Improvements	1,223,218	---	---	1,223,218
Buildings	17,313,675	---	---	17,313,675
Machinery & Equipment	4,699,282	146,011	(48,379)	4,796,914
Vehicles	3,989,665	55,650	(20,928)	4,024,387
Water & Waste Plants & Networks				
Water plant	7,824,019	---	---	7,824,019
Sewage plant	16,381,908	---	---	16,381,908
Storm ponds	379,388	---	---	379,388
Linear Assets				
Roads				
Sidewalks / curbs	31,681,761	1,784,643	(177,498)	33,288,906
Underground Networks	6,015,803	364,460	(37,304)	6,342,959
▶ Water	23,982,999	1,774,652	(236,147)	25,521,504
▶ Sewer	19,686,284	211,000	---	19,897,284
▶ Storm	12,432,501	161,000	---	12,593,501
Bridges	499,050	---	---	499,050
Construction in Progress	1,811,527	1,752,579	---	3,564,106
	153,712,041	6,249,995	(520,256)	159,441,780

Asset Class	Accumulated Amortization 01/01/16	Amortization	(Disposals)	Accumulated Amortization 31/12/16	Net Book Value 31/12/16
	\$	\$	\$	\$	\$
Land	---	---	---	---	5,790,961
Land Improvements	661,005	48,929	---	709,934	513,284
Buildings	4,728,721	299,213	---	5,027,934	12,285,741
Machinery & Equipment	2,386,256	205,073	(48,379)	2,542,950	2,253,964
Vehicles	2,374,915	244,523	(19,882)	2,599,556	1,424,831
Water & Waste Plants & Networks					
Water plant	2,698,601	129,817	---	2,828,418	4,995,601
Sewage plant	4,319,308	273,032	---	4,592,340	11,789,568
Storm ponds	249,504	15,176	---	264,680	114,708
Linear Assets					
Roads					
Sidewalks / curbs	14,776,810	1,039,544	(156,179)	15,660,175	17,628,731
Underground Networks	2,704,076	161,240	(35,071)	2,830,245	3,512,714
▶ Water	9,210,407	399,574	(134,171)	9,475,810	16,045,694
▶ Sewer	7,309,889	327,975	---	7,637,864	12,259,420
▶ Storm	4,658,361	207,205	---	4,865,566	7,727,935
Bridges	336,892	9,121	---	346,013	153,037
Construction in Progress	---	---	---	---	3,564,106
	56,414,745	3,360,422	(393,682)	59,381,485	100,060,295

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



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

INDEPENDENT AUDITOR’S REPORT

**To the Board Members, Inhabitants and Ratepayers of the
 Town of Carleton Place Public Library Board:**

We have audited the accompanying financial statements of the Town of Carleton Place Public Library Board, which comprise the statement of financial position as at December 31, 2017 and the statement of operations, 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

The Town of Carleton Place Public Library Board’s management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Carleton Place Public Library Board as at December 31, 2017 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Allan and Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

Perth, Ontario,
April 24, 2017.

**Town of Carleton Place
Public Library Board
Statement of Financial Position**

December 31	2017	2016
	\$	\$
ASSETS		
Financial Assets		
Cash and short term deposits	439,927	408,055
Accounts receivable	---	222
	439,927	408,277
LIABILITIES		
Financial Liabilities		
Accounts payable and accrued liabilities	24,434	5,002
	415,493	403,275
NET FINANCIAL ASSETS	415,493	403,275
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	590,104	584,020
ACCUMULATED SURPLUS (note 3)	1,005,597	987,295

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

**Town of Carleton Place
Public Library Board
Statement of Operations**

For the year ended December 31	(Note 5) Budget	2017	2016
	\$	\$	\$
REVENUES			
Government Grants			
Municipal Grants ▶ Carleton Place	228,340	228,340	224,309
▶ Beckwith	101,288	101,288	96,190
▶ Mississippi Mills	46,642	46,642	43,209
▶ Drummond/North Elmsley	700	705	705
Province of Ontario	26,127	26,127	26,127
User Charges ▶ fees and service charges	20,700	19,688	22,635
Interest	---	234	93
Other Income			
Rentals and fines	8,750	9,669	10,107
Donations	---	1,987	4,855
TOTAL REVENUES	432,547	434,680	428,230
EXPENDITURES			
Salaries, wages, employee benefits	274,400	277,319	268,864
Administration	32,374	25,179	19,555
Computer maintenance, supplies	25,000	18,438	26,907
Program supplies	3,150	3,179	4,447
Photocopier charges and supplies	1,000	3,536	860
Building and equipment maintenance	23,900	22,434	21,918
Insurance	2,200	2,235	2,084
Utilities	16,900	13,008	14,759
Amortization	50,000	50,709	57,227
Equipment replacement	24,000	18,341	15,145
TOTAL EXPENDITURES	452,924	434,378	431,766
NET REVENUES (EXPENDITURES) FROM OPERATIONS	(20,377)	302	(3,536)
OTHER			
Grants and transfers related to capital			
Deferred revenues earned	18,000	18,000	18,000
Government grants	---	---	2,500
	18,000	18,000	20,500
ANNUAL SURPLUS (DEFICIT)	(2,377)	18,302	16,964
ACCUMULATED SURPLUS, BEGINNING OF YEAR	987,295	987,295	970,331
ACCUMULATED SURPLUS, END OF YEAR	984,918	1,005,597	987,295

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

**Town of Carleton Place
Public Library Board
Statement of Change in Net Financial Assets**

For the year ended December 31	2017	2016
	\$	\$
ANNUAL SURPLUS	18,302	16,964
Amortization of tangible capital assets	50,709	57,227
Acquisition of tangible capital assets	(56,793)	(56,086)
	(6,084)	1,141
INCREASE IN NET FINANCIAL ASSETS	12,218	18,105
NET FINANCIAL ASSETS, BEGINNING OF YEAR	403,275	385,170
NET FINANCIAL ASSETS, END OF YEAR	415,493	403,275

Statement of Cash Flows

For the year ended December 31	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Annual surplus for the year	18,302	16,964
Amortization	50,709	57,227
	69,011	74,191
Net Change in Non-Cash Working Capital Items		
Accounts receivable	222	2,711
Accounts payable and accrued liabilities	19,432	433
	19,654	3,144
Working Capital from Operations	88,665	77,335
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(56,793)	(56,086)
NET INCREASE IN CASH	31,872	21,249
CASH, BEGINNING OF YEAR	408,055	386,806
CASH, END OF YEAR	439,927	408,055

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

**Town of Carleton Place
Public Library Board
Notes to the Financial Statements**

December 31, 2017

1. Status of the Board

The Carleton Place Public Library Board (the 'Board') was established by By-law No. 349 on January 12, 1897 pursuant to the Public Libraries Act by the Town of Carleton Place.

2. Significant Accounting Policies

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

Reporting Entity

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

Basis of Accounting

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

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

Tangible Capital Assets

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

Assets	Estimated Useful Life
Building	60 years
Books	7 years
Equipment	3 to 30 years

One half of the annual amortization is charged in the year of acquisition and the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

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

**Town of Carleton Place
Public Library Board
Notes to the Financial Statements**

December 31, 2017

2. Significant Accounting Policies / continued

Tangible Capital Assets

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

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

Cash and Cash Equivalents

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

Government Transfers

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

Deferred Revenue

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

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

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

Investments

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

**Town of Carleton Place
Public Library Board
Notes to the Financial Statements**

December 31, 2017

2. Significant Accounting Policies / continued

Investments / continued

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

Financial Instruments

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

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

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

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

Measurement Uncertainty

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

3. Accumulated Surplus

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

	2017	2016
	\$	\$
Surplus		
Invested in tangible capital assets	590,104	584,020
Library operations	584	74
	590,688	584,094
Reserves		
Capital	414,909	403,201
Accumulated Surplus	1,005,597	987,295

**Town of Carleton Place
Public Library Board
Notes to the Financial Statements**

December 31, 2017

4. Tangible Capital Assets

Net Book Value of Assets	2017	2016
	\$	\$
Buildings	390,024	400,535
Books	200,080	183,010
Equipment	---	475
	590,104	584,020

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

5. Budget Figures

Carleton Place Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2017 is included in the budget figures presented in the Statement of Operations.

**Town of Carleton Place
Public Library Board**

Schedule 1 ▸ Continuity of Reserves and Reserve Funds

For the year ended December 31	(Note 5) Budget	2017	2016
	\$	\$	\$
Net Transfers from (to) Other Funds			
Transfer from current fund	13,123	30,049	34,000
Transfer to capital fund	(24,000)	(18,341)	(15,147)
Total Net Transfers	(10,877)	11,708	18,853
Reserves and Reserve Fund Balance, Change in Year	(10,877)	11,708	18,853
Reserves and Reserve Fund Balance, Beginning of Year	403,201	403,201	384,348
Reserves and Reserve Fund Balance, End of Year	392,324	414,909	403,201

Composition of Reserves

For the year ended December 31	2017	2016
	\$	\$
Reserves		
Capital	414,909	403,201

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

**Town of Carleton Place
Public Library Board
Schedule 2 ▶ Tangible Capital Assets**

December 31, 2017

Assets	Cost 01/01/17	Additions (Disposals)	Cost 31/12/17	Accumulated Amortization 01/01/17	Amortization 2017	(Disposals)	Accumulated Amortization 31/12/17	Net Book Value 31/12/17
	\$	\$	\$	\$	\$	\$	\$	\$
Building	630,666	---	630,666	230,131	10,511	---	240,642	390,024
Books	328,071	6,780	334,851	145,061	39,723	(50,013)	134,771	200,080
Equipment	122,334	---	122,334	121,859	475	---	122,334	---
	1,081,071	6,780	1,087,851	497,051	50,709	(50,013)	497,747	590,104

December 31, 2016

Assets	Cost 01/01/16	Additions (Disposals)	Cost 31/12/16	Accumulated Amortization 01/01/16	Amortization 2016	(Disposals)	Accumulated Amortization 31/12/16	Net Book Value 31/12/16
	\$	\$	\$	\$	\$	\$	\$	\$
Building	630,666	---	630,666	219,620	10,511	---	230,131	400,535
Books	320,364	7,707	328,071	147,439	46,001	(48,379)	145,061	183,010
Equipment	122,334	---	122,334	121,144	715	---	121,859	475
	1,073,364	7,707	1,081,071	488,203	57,227	(48,379)	497,051	584,020

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



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

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Inhabitants and Ratepayers of the Town of Carleton Place Business Improvement Area Committee:

We have audited the accompanying financial statements of the Town of Carleton Place Business Improvement Area Committee, which comprise the statement of financial position as at December 31, 2017 and the statement of operations, changes in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Town of Carleton Place Business Improvement Area Committee's management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Carleton Place Business Improvement Area Committee as at December 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Allan and Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

Perth, Ontario,
April 24, 2017.

**Town of Carleton Place
Business Improvement Area Committee
Statement of Financial Position**

December 31	2017	2016
	\$	\$
ASSETS		
Financial Assets		
Cash and short term deposits	39,911	67,572
LIABILITIES		
Financial Liabilities		
Accounts payable and accrued liabilities	3,799	30,725
NET FINANCIAL ASSETS	36,112	36,847
ACCUMULATED SURPLUS (note 3)	36,112	36,847

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

**Town of Carleton Place
Business Improvement Area Committee
Statement of Operations**

For the year ended December 31	(Note 4) Budget	2017	2016
	\$	\$	\$
REVENUES			
Taxation	155,000	155,000	154,504
Municipal contribution	13,300	13,300	13,300
Government grants	2,500	---	2,697
Promotion and donations	12,000	11,067	13,105
TOTAL REVENUES	182,800	179,367	183,606
EXPENDITURES			
Advertising and promotion	67,500	79,370	30,026
Salaries, wages and benefits	38,500	29,903	106,949
Street maintenance	36,500	28,489	28,514
Office supplies and maintenance	15,800	22,550	28,710
Conventions and conferences	3,000	4,480	2,747
Minor capital	12,000	12,000	12,000
Contribution to facade improvements	10,000	3,310	8,397
TOTAL EXPENDITURES	183,300	180,102	217,343
NET EXPENDITURES FROM OPERATIONS	(500)	(735)	(33,737)
ANNUAL DEFICIT	(500)	(735)	(33,737)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	36,847	36,847	70,584
ACCUMULATED SURPLUS, END OF YEAR	36,347	36,112	36,847

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

**Town of Carleton Place
Business Improvement Area Committee
Statement of Changes in Net Assets**

For the year ended December 31	2017	2016
	\$	\$
ANNUAL DEFICIT	(735)	(33,737)
DECREASE IN NET FINANCIAL ASSETS	(735)	(33,737)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	36,847	70,584
NET FINANCIAL ASSETS, END OF YEAR	36,112	36,847

Statement of Cash Flows

For the year ended December 31	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Annual deficit for the year	(735)	(33,737)
Net Change in Non-Cash Working Capital Items		
Accounts payable and accrued liabilities	(26,926)	27,724
Working Capital from Operations	(27,661)	(6,013)
NET DECREASE IN CASH	(27,661)	(6,013)
CASH, BEGINNING OF YEAR	67,572	73,585
CASH, END OF YEAR	39,911	67,572

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

**Town of Carleton Place
Business Improvement Area Committee
Notes to the Financial Statements**

December 31, 2017

1. Status of the Committee

Pursuant to the Municipal Act, the Carleton Place Business Improvement Area Committee (the 'Committee') was established by By-law No. 31-78 on September 18, 1978 by the Town of Carleton Place.

2. Significant Accounting Policies

The financial statements of the Carleton Place Business Improvement Area Committee are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Committee are as follows:

Reporting Entity

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

Basis of Accounting

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

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

Tangible Capital Assets

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

Assets	Estimated Useful Life
Equipment	3 to 30 years

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

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

**Town of Carleton Place
Business Improvement Area Committee
Notes to the Financial Statements**

December 31, 2017

2. Significant Accounting Policies / continued

Tangible Capital Assets / continued

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

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

Cash and Cash Equivalents

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

Government Transfers

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

Deferred Revenues

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

Investments

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

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

Financial Instruments

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

**Town of Carleton Place
Business Improvement Area Committee
Notes to the Financial Statements**

December 31, 2017

2. Significant Accounting Policies / continued

Financial Instruments / continued

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

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

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

Measurement Uncertainty

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

3. Accumulated Surplus

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

	2017	2016
	\$	\$
Surplus		
Business Improvement Area Committee	675	144
Reserves		
Contingency	35,937	36,703
Accumulated Surplus	36,112	36,847

4. Budget Figures

Carleton Place Business Improvement Area Committee reviews its operating and capital budgets each year. The approved operating budget for 2017 is included in the budget figures presented in the Consolidated Statement of Operations.

**Town of Carleton Place
Business Improvement Area Committee
Schedule of Continuity of Reserves and Reserve Funds**

For the year ended December 31	(Note 4) Budget	2017	2016
	\$	\$	\$
Net Transfers from (to) Other Funds			
Transfer to current fund	---	(1,266)	(33,658)
Total Net Transfers	---	(1,266)	(33,658)
Reserves and Reserve Fund Balance, Change in Year	---	(1,266)	(33,658)
Reserves and Reserve Fund Balance, Beginning of Year	36,703	36,703	70,361
Reserves and Reserve Fund Balance, End of Year	36,703	35,437	36,703

Composition of Reserves

For the year ended December 31	2017	2016
	\$	\$
Reserves		
Contingency	35,437	36,703

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

**Town of Carleton Place
Swimming Pool Committee of Management
Statement of Operations**

For the year ended December 31	(Note 19) Budget	2017	2016
	\$	\$	\$
Revenues			
Fees and lessons	340,430	336,748	335,890
Admissions and memberships	25,750	26,230	23,143
Rent, concessions and special events	67,146	63,874	55,329
School board contributions	89,010	86,720	82,205
Beckwith municipal grant	22,728	22,728	21,844
Mississippi Mills municipal grant	17,839	17,839	17,323
Appropriations from reserves	40,000	---	68,802
Town contribution	55,290	73,834	71,669
Total Revenues	658,193	627,973	676,205
Expenditures			
Salaries, wages and benefits	338,224	373,039	366,363
Materials and supplies	109,693	83,150	61,436
Utilities	123,500	131,246	131,507
Telephone and office expenses	25,719	19,534	27,885
Insurance	2,596	2,543	2,459
Appropriations to reserves	18,461	18,461	17,753
	618,193	627,973	607,403
Capital Expenditures			
Other minor capital	40,000	---	68,802
Total Expenditures	658,193	627,973	676,205
Net Revenues for the Year	---	---	---

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

**Town of Carleton Place
Children's Centre
Statement of Operations**

For the year ended December 31	(Note 19) Budget	2017	2016
	\$	\$	\$
Revenues			
County ▶ fee subsidy	782,000	677,060	690,926
▶ operating subsidy	466,919	786,006	629,175
▶ other funding	---	2,460	58,384
Attendance fees	1,939,054	2,145,195	1,905,756
Fund raising	5,000	20	5,590
Rental income	35,268	40,303	35,664
Other funding	---	7,153	20,425
Appropriations from reserves	78,000	78,000	106,251
Town contribution	57,504	57,504	4,213
Total Revenues	3,363,745	3,793,701	3,456,384
Expenditures			
Program ▶ salaries and benefits	2,158,950	2,169,611	2,025,132
▶ materials and services	124,600	98,592	76,310
Occupancy ▶ salaries and benefits	76,904	100,143	96,777
▶ materials and services	136,200	121,561	125,327
▶ allocated rent	55,000	55,000	170,000
▶ debt payments	126,962	126,107	126,144
▶ 'train station'	29,272	31,895	35,116
Dietary ▶ salaries and benefits	122,249	149,580	135,286
▶ food costs and supplies	103,100	98,473	93,105
Administration ▶ salaries and benefits	356,458	496,874	376,376
▶ supplies and services	44,050	29,534	32,981
Day care equipment, events	---	---	6,436
Appropriations to reserves	30,000	316,331	78,462
	3,363,745	3,793,701	3,377,452
Capital Expenditure	---	---	78,932
Total Expenditures	3,363,745	3,793,701	3,456,384
Net Revenues for the Year	---	---	---

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