

**TOWN OF BORDEN-CARLETON
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of Borden-Carleton are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. A summary of the significant accounting policies are described in the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

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

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MRSB Chartered Professional Accountants, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Borden-Carleton

Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COUNCIL:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Town of Borden-Carleton, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations, changes in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Borden-Carleton as at December 31, 2017, and its results of operations and cash flow for the year then ended in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

Chartered Professional Accountant

CHARLOTTETOWN, P.E.I.

MAY 8, 2018

M R S B

**TOWN OF BORDEN-CARLETON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

	2017	2016
Financial Assets		
Cash and cash equivalents		
Unrestricted	\$ 74,290	\$ 155,567
Restricted	260,789	166,225
Accounts receivable	163,153	139,903
	498,232	461,695
Liabilities		
Credit Union indebtedness - Note 3	49,617	5,753
Accounts payable and accrued liabilities	175,359	204,021
Deferred revenue - Note 4	238,568	175,447
Long term debt - Note 5	1,451,539	1,565,110
	1,915,083	1,950,331
Net Debt - Statement 3	(1,416,851)	(1,488,636)
Non-Financial Assets		
Tangible capital assets - General and Arena - Schedule 1	1,207,569	1,148,193
Tangible capital assets - Water and Sewer - Schedule 1	6,900,533	7,012,843
Prepaid expenses	7,253	6,965
	8,115,355	8,168,001
Accumulated Surplus	\$ 6,698,504	\$ 6,679,365
Commitments - Note 6		
Municipal Position		
Accumulated surplus - Statement 2	\$ 6,698,504	\$ 6,679,365

(Notes 1 to 14 are an integral part of these consolidated financial statements)

ON BEHALF OF THE COUNCIL:

Dean Sexton Mayor

Charles McKenzie Councilor

M R S B

**TOWN OF BORDEN-CARLETON
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017**

	Budget 2017	Actual 2017	Actual 2016
Revenues			
General account - Schedule 2	\$ 687,290	\$ 811,478	\$ 830,665
Sewerage account - Schedule 6	162,400	158,514	158,043
Water account - Schedule 7	137,900	133,855	159,078
Gateway Arena - Schedule 8	148,200	166,330	164,189
	1,135,790	1,270,177	1,311,975
Expenditures			
General account - Schedule 2	686,801	729,199	678,865
Sewerage account - Schedule 6	174,275	179,501	162,109
Water account - Schedule 7	173,625	176,233	166,878
Gateway Arena - Schedule 8	148,200	166,105	159,595
	1,182,901	1,251,038	1,167,447
Change in Fund Balances	\$ (47,111)	19,139	144,528
Accumulated Surplus - Beginning of Year		6,679,365	6,534,837
Accumulated Surplus - End of Year - Note 9		\$ 6,698,504	\$ 6,679,365
Change in Fund Balances			
General account - Schedule 2		\$ 82,279	\$ 151,800
Sewerage account - Schedule 6		(20,987)	(4,066)
Water account - Schedule 7		(42,378)	(7,800)
Gateway Arena - Schedule 8		225	4,594
		\$ 19,139	\$ 144,528

M R S B

**TOWN OF BORDEN-CARLETON
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR ENDED DECEMBER 31, 2017**

	Budget 2017	Actual 2017	Actual 2016
Change in fund balances	\$ 155,089	\$ 19,139	\$ 144,528
Amortization of tangible capital assets	(202,200)	200,892	199,088
Purchase of tangible capital assets	-	(147,958)	(180,727)
Increase in prepaid expenses	-	(288)	(2,543)
Decrease in Net Debt	<u>\$ (47,111)</u>	71,785	160,346
Net Debt - Beginning of Year		<u>(1,488,636)</u>	<u>(1,648,982)</u>
Net Debt - End of Year		<u>\$ (1,416,851)</u>	<u>\$ (1,488,636)</u>

M R S B

**TOWN OF BORDEN-CARLETON
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2017**

	2017	2016
Cash Flows From Operating Activities		
Change in fund balances	\$ 19,139	\$ 144,528
Amortization of tangible capital assets	200,892	199,088
(Increase) decrease in accounts receivable	(23,250)	2,856
Increase in prepaid expenses	(288)	(2,543)
Decrease in accounts payable and accrued liabilities	(28,635)	(18,461)
Increase in deferred revenue	63,121	34,819
	<u>230,979</u>	<u>360,287</u>
Cash Flows From Capital Activity		
Purchase of tangible capital assets	<u>(147,958)</u>	<u>(180,727)</u>
Cash Flows From Financing Activity		
Repayment of long term debt	<u>(113,598)</u>	<u>(124,745)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>(30,577)</u>	<u>54,815</u>
Cash and Cash Equivalents - Beginning of Year	<u>316,039</u>	<u>261,224</u>
Cash and Cash Equivalents - End of Year	<u>\$ 285,462</u>	<u>\$ 316,039</u>
Cash and Cash Equivalents Consists of:		
Unrestricted cash	\$ 74,290	\$ 155,567
Restricted cash	260,789	166,225
Credit Union indebtedness	<u>(49,617)</u>	<u>(5,753)</u>
	<u>\$ 285,462</u>	<u>\$ 316,039</u>

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. Description of Business

The Town of Borden-Carleton (the "Town") is incorporated under the PEI Municipalities Act. The Town is a non-profit organization under the Income Tax Act.

2. Accounting Policies

Basis of Preparation

These consolidated financial statements of the Town of Borden-Carleton have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

These 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 upon receipt of goods or services and/or the legal obligation to pay. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs and in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenditures are incurred, services are performed or the tangible capital assets are acquired.

Funds within the consolidated financial statements consist of the operating funds for the general operations and the water and sewerage utilities. Transfers between funds are recorded as adjustments to the appropriate fund balance.

Basis of Consolidation

These consolidated financial statements for the Town of Borden-Carleton reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and in municipal position of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Town for administration of their financial affairs and resources, and which are owned or controlled by the Town. The organizations included in the consolidated financial statements are as follows:

Borden-Carleton Water and Sewerage Corporation; and

The Gateway Arena.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, unrestricted and restricted balances on deposit with banks, and Credit Union indebtedness.

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

2. Accounting Policies (cont'd)

Accounts Receivable

Accounts receivable arise from sewer dues, property tax, trade receivables and Harmonized Sales Tax receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed non-collectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

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 of the tangible capital assets is amortized on a straight-line basis over the estimated useful lives as follows:

Buildings	2.5%
Fire vehicles	6.67%
Equipment	10.0%
Electronic equipment	25.0%
Streets and sidewalks	4.0%
Vehicles	20%
Sewerage system	1.2%
Sewerage equipment	1.2%
Water system	1.2%
Water equipment	5.0%
Water reservoir	1.2%

Full amount of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Interest expense on capital debt incurred during the construction or renovation of an asset is included in the capitalized value.

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue 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 on the amounts can be determined.

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. Accounting Policies (cont'd)

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net debt for the year.

Revenue Recognition

Property tax billings are assessed based on the market value of real property in the Town and are payable in each calendar year. Municipal tax rates are reviewed, established, and approved annually by the Town Council. These revenues are recognized monthly as billings become due.

Utility dues are charged based on rates approved by the Island Regulatory and Appeals Commission (IRAC). These charges are assessed annually and are recognized when billings become due.

The Town follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issuance of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

Use of Estimates

The presentation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

3. Credit Union Indebtedness

	2017	2016
Gateway Arena account		
Consolidated Credit Union - prime plus 2%; approved limit of \$20,000; secured by general security agreement; any amounts over the maximum limit bear interest at 30%; renewable June 30, 2018	\$ 8,417	\$ 5,753
General account		
Consolidated Credit Union - prime plus 1%; approved limit of \$160,000; secured by general security agreement; renewable June 30, 2018	41,200	-
	\$ 49,617	\$ 5,753

The Water and Sewerage account with the Consolidated Credit Union has an approved overdraft limit of \$110,000 with a rate of prime plus 1%. The overdraft on this account was not utilized at year end and the terms of this account are renewable June 30, 2018.

4. Deferred Revenue

New Deals Gas Tax - annual allocation	\$ 238,568	\$ 166,225
Provincial Infrastructure Funding	-	7,222
Donations	-	2,000
	\$ 238,568	\$ 175,447

Under the New Deals Gas Tax Funding for Incorporated Communities and the New Deals for Cities & Communities, the Town is allocated \$100,000 per year for fiscal years ending March 31, 2015 to 2019. These funds, along with interest earned, must be used for eligible infrastructure and capacity building projects. Any funds received under this program, including interest earned, but not yet spent are recognized as deferred revenue at the end of the year.

During the year, the Town received Gas Tax funding of \$100,000, earned interest of \$185, and incurred eligible expenditures of \$27,842.

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

5. Long Term Debt

	2017	2016
General account		
Consolidated Credit Union mortgage - prime plus 0.5%; repayable in monthly principal installments of \$1,667 plus interest; secured by general security agreement giving first charge on Metalfab pumper fire truck with a carrying value of \$207,246; renewal on February 16, 2019 and maturing on February 16, 2029	\$ 208,870	\$ 228,874
Consolidated Credit Union - prime plus 0.5%; repayable in monthly principal installments of \$278 plus interest; secured by general security agreement giving first charge on fixed and floating assets; renewal on March 19, 2018 and maturing March 19, 2043	84,154	87,490
Consolidated Credit Union mortgage - prime plus 0.5%; repayable in blended monthly installments of \$1,304; secured by general security agreement and first charge on Arena with a carrying value of \$54,703; maturing on October 31, 2019	27,914	40,420
Consolidated Credit Union mortgage - 4.14%; repayable in blended monthly installments of \$580; secured by parcels of land with a carrying value of \$51,186; maturing on September 2, 2020	23,569	29,420
	<u>344,507</u>	<u>386,204</u>

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

5. Long Term Debt (cont'd)

	2017	2016
Water and Sewerage accounts		
Consolidated Credit Union - prime plus 0.5%; repayable in monthly principal installments of \$2,627 plus interest; secured by general security agreement; maturing on December 31, 2019	601,553	633,077
Consolidated Credit Union - prime plus 0.5%; repayable in monthly principal installments of \$1,493 plus interest; secured by general security agreement; renewal on November 30, 2018; maturing November 30, 2038	395,622	412,044
Consolidated Credit Union - prime plus 0.5%; repayable in monthly principal installments of \$278 plus interest; secured by general security agreement giving first charge on fixed and floating assets; renewal March 19, 2018, maturing March 19, 2043	84,154	87,490
Consolidated Credit Union - prime plus 0.5%; repayable in monthly principal installments of \$1,716 plus interest; secured by general security agreement; maturing on April 30, 2019	25,703	46,295
	1,107,032	1,178,906
	\$ 1,451,539	\$ 1,565,110

Principal portion of long term debt is expected to be repaid over the next three years as follows:

2018	\$ 658,411
2019	782,003
2020	11,125

6. Commitments

The Town has entered into lease agreements for the lease of office equipment and office space. The minimum lease payments due over the next four years are as follows:

2018	\$ 5,029
2019	1,412
2020	1,412
2021	1,412

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

7. Government Transfers for Capital

	2017	2016
General account		
New Deals Gas Tax	\$ 27,842	\$ 74,615
Provincial Infrastructure Fund	12,957	-
Municipal Capital Expenditures Grant	10,381	-
Province of Prince Edward Island - Fire equipment	7,000	-
	<u>\$ 58,180</u>	<u>\$ 74,615</u>
Water and Sewerage accounts		
Provincial Infrastructure Fund	<u>\$ -</u>	<u>\$ 25,000</u>
Gateway Arena		
Provincial Infrastructure Fund	<u>\$ -</u>	<u>\$ 9,803</u>

8. Government Transfers for Operations

Innovation PEI - Touristic/Spatial Master Plan	\$ 39,017	\$ -
Province of PEI - Snow clearing	15,000	-
	<u>\$ 54,017</u>	<u>\$ -</u>

9. Accumulated Surplus

Unrestricted surplus	\$ 41,943	\$ 83,440
Investment in tangible capital assets - Note 10	6,656,563	6,595,926
	<u>\$ 6,698,506</u>	<u>\$ 6,679,366</u>

10. Investment in Tangible Capital Assets

Tangible capital assets - Schedule 1	\$11,112,298	\$10,964,340
Accumulated amortization - Schedule 1	(3,004,196)	(2,803,304)
Long term debt - Note 5	(1,451,539)	(1,565,110)
	<u>\$ 6,656,563</u>	<u>\$ 6,595,926</u>

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

11. Rate Regulation

The Town is subject to rate regulation on the water and sewerage utilities provided to residents in Prince Edward Island under the Island Regulatory Appeals Commission Act. The purpose of this Act, which is administered by the Island Regulatory and Appeal Commission (IRAC), is to regulate the rate municipalities may charge for water and sewerage utilities provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for water and sewerage services. Changes in water and sewerage rates can only be implemented with approval from IRAC.

12. Financial Instruments

The Town's financial instruments consist of cash and cash equivalents, accounts receivable, Credit Union indebtedness, accounts payable and accrued liabilities and long term debt.

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of December 31, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has a significant number of customers which minimizes concentration of credit risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Town manages exposure through its normal operating and financing activities. The Town is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of receipt of government funding, long term debt and accounts payable.

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

13. Segment Disclosure

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by segment.

The major segments are as follows:

General Account

This segment is responsible for the overall financial and local government administration. Its tasks include, but are not limited to, daily accounting functions, preparation and coordination of annual consolidated audited financial statements, development of the annual budget, human resource functions for the entire municipality, maintenance of bylaws and policies, oversight of public works and recreation programs, maintenance of Town facilities, and administration of fire protection, police protection, and other Town services.

Water and Sewerage Accounts

This segment is responsible for the maintenance and operations of water and sewer services provided to residents and other customers.

Gateway Arena

This segment is responsible for promoting and offering recreation opportunities and activities for its residents. Its tasks include the operations and maintenance of the Town arena.

14. Comparative Figures

Some of the prior year's figures have been reclassified to conform to current year consolidated financial statement presentation.

**TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
TANGIBLE CAPITAL ASSETS
DECEMBER 31, 2017**

	Cost Beginning of Year	Additions	Disposals and Write- Downs	Cost End of Year	Accum Amort Beginning	Amort in Year	Accum Amort Ending	Net Book Value
Schedule 1								
General and Arena								
Land	\$ 168,357	\$ 77,728	-	\$ 246,085	\$ -	\$ -	\$ -	\$ 246,085
Buildings	980,206	25,487	-	1,005,693	648,791	11,351	660,142	345,551
Fire vehicles	546,688	-	-	546,688	269,698	36,446	306,144	240,544
Equipment	318,812	22,523	-	341,335	216,649	19,925	236,574	104,761
Electronic equipment	32,054	-	-	32,054	30,882	1,172	32,054	-
Streets and sidewalks	391,306	22,220	-	413,526	133,551	16,541	150,092	263,434
Vehicles	15,735	-	-	15,735	5,394	3,147	8,541	7,194
	\$ 2,453,158	\$ 147,958	-	\$ 2,601,116	\$ 1,304,965	\$ 88,582	\$ 1,393,547	\$ 1,207,569
Water and Sewer								
Land	\$ 35,435	-	-	\$ 35,435	\$ -	\$ -	\$ -	\$ 35,435
Sewerage system	4,962,598	-	-	4,962,598	608,307	59,552	667,859	4,294,739
Sewerage equipment	64,187	-	-	64,187	64,187	-	64,187	-
Water system	2,379,975	-	-	2,379,975	510,979	28,560	539,539	1,840,436
Water equipment	311,223	-	-	311,223	194,973	15,105	210,078	101,145
Water reservoir	757,764	-	-	757,764	119,893	9,093	128,986	628,778
	\$ 8,511,182	\$ -	-	\$ 8,511,182	\$ 1,498,339	\$ 112,310	\$ 1,610,649	\$ 6,900,533
Total Tangible Capital Assets	\$ 10,964,340	\$ 147,958	-	\$ 11,112,298	\$ 2,803,304	\$ 200,892	\$ 3,004,196	\$ 8,108,102

**TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
TANGIBLE CAPITAL ASSETS
DECEMBER 31, 2016**

Schedule 1 (cont'd)

	Cost Beginning of Year	Additions	Disposals and Write- Downs	Cost End of Year	Accum Amort Beginning	Amort in Year	Accum Amort Ending	Net Book Value
General and Arena								
Land	\$ 160,014	\$ 8,343	-	\$ 168,357	-	-	\$ -	\$ 168,357
Buildings	944,275	35,931	-	980,206	639,150	9,641	648,791	331,415
Fire vehicles	546,688	-	-	546,688	233,252	36,446	269,698	276,990
Equipment	271,584	47,228	-	318,812	196,913	19,736	216,649	102,163
Electronic equipment	32,054	-	-	32,054	29,182	1,700	30,882	1,172
Streets and sidewalks	341,892	49,414	-	391,306	117,898	15,653	133,551	257,755
Vehicles	3,745	11,990	-	15,735	2,247	3,147	5,394	10,341
	\$ 2,300,252	\$ 152,906	-	\$ 2,453,158	\$ 1,218,642	\$ 86,323	\$ 1,304,965	\$ 1,148,193
Water and Sewer								
Land	\$ 35,435	-	-	\$ 35,435	-	-	\$ -	\$ 35,435
Sewerage system	4,962,598	-	-	4,962,598	548,756	59,551	608,307	4,354,291
Sewerage equipment	64,187	-	-	64,187	64,187	-	64,187	-
Water system	2,379,975	-	-	2,379,975	482,419	28,560	510,979	1,868,996
Water equipment	283,402	27,821	-	311,223	179,412	15,561	194,973	116,250
Water reservoir	757,764	-	-	757,764	110,800	9,093	119,893	637,871
	\$ 8,483,361	\$ 27,821	-	\$ 8,511,182	\$ 1,385,574	\$ 112,765	\$ 1,498,339	\$ 7,012,843
Total Tangible Capital Assets	\$ 10,783,613	\$ 180,727	-	\$ 10,964,340	\$ 2,604,216	\$ 199,088	\$ 2,803,304	\$ 8,161,036

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF OPERATIONS - GENERAL ACCOUNT
YEAR ENDED DECEMBER 31, 2017

			Schedule 2
	Budget 2017	Actual 2017	Actual 2016
Revenues			
Property taxes	\$ 433,140	\$ 435,548	\$ 430,360
Grants - municipal support	126,100	126,654	124,930
Government transfers for capital - Note 7	-	58,180	74,615
Government transfers for operations - Note 8	-	54,017	-
Fire dues	59,500	52,600	53,500
Grants - job creation	27,500	33,340	49,154
Miscellaneous	15,500	21,207	17,158
Donations	6,000	12,171	66,500
Fines and fees	10,000	9,468	3,917
Grants - recreation	5,000	5,000	5,000
Licenses and permits	2,350	1,661	2,978
Newsletter	2,200	1,632	2,180
Grants - other	-	-	373
	687,290	811,478	830,665
Expenditures			
Fire Protection - Schedule 3	138,991	137,432	133,642
General Government - Schedule 3	206,364	263,320	232,307
Police Protection - Schedule 4	130,994	130,378	126,861
Properties and Planning - Schedule 4	35,694	47,355	23,660
Recreation - Schedule 5	101,008	85,411	97,770
Public Works - Schedule 5	73,750	65,303	64,625
	686,801	729,199	678,865
Change in Fund Balance	\$ 489	\$ 82,279	\$ 151,800

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF EXPENDITURES - GENERAL ACCOUNT
YEAR ENDED DECEMBER 31, 2017

	Budget 2017	Actual 2017	Schedule 3 Actual 2016
Fire Protection			
Advertising	\$ 300	\$ (441)	\$ 559
Amortization of tangible capital assets	45,500	46,979	45,955
Convention and training	3,000	6,745	1,458
Gas, oil and repairs	4,300	2,964	3,923
Honorariums	8,750	8,525	8,700
Insurance	8,250	8,234	7,307
Interest on long term debt	7,500	7,426	7,723
Licenses and dues	450	57	-
Miscellaneous	1,500	73	1,774
Supplies	6,000	1,668	5,016
Telephone	3,950	5,252	3,435
Water charge	38,000	38,000	38,000
	<u>127,500</u>	<u>125,482</u>	<u>123,850</u>
Portion of civic building costs	11,491	11,950	9,792
	<u>\$ 138,991</u>	<u>\$ 137,432</u>	<u>\$ 133,642</u>
General Government			
ACOA STEP Program	\$ 2,500	\$ 42,919	\$ 1,677
Advertising and donations	5,250	4,524	6,844
Amortization of tangible capital assets	15,500	12,927	11,805
Conference and travel	2,500	4,053	2,636
Equipment rental and repairs	1,950	1,851	1,936
Honorariums	17,200	16,963	16,304
Interest and bank charges	3,100	3,560	2,992
Interest on long term debt	4,200	3,995	4,180
Legion tax rebate	825	822	821
Liability insurance	9,000	9,022	8,642
Memberships and dues	1,700	1,735	1,618
Miscellaneous	3,500	2,525	4,485
Office supplies and postage	8,100	8,322	7,755
Professional fees	21,500	12,551	14,232
Rent	10,200	10,332	10,109
Repairs and maintenance	2,750	11,762	4,279
Salary and benefits	183,939	210,394	209,052
Supplies	1,000	1,032	1,005
Telephone	2,650	2,570	2,546
Tractor gas and repairs	3,000	4,318	5,572
Truck allowance maintenance	3,000	2,295	2,295
	<u>303,364</u>	<u>368,472</u>	<u>320,785</u>
Portion allocated to sewerage and water	(97,000)	(105,152)	(88,478)
	<u>\$ 206,364</u>	<u>\$ 263,320</u>	<u>\$ 232,307</u>

**TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF EXPENDITURES - GENERAL ACCOUNT
YEAR ENDED DECEMBER 31, 2017**

	Budget 2017	Actual 2017	Actual 2016
Schedule 4			
Police Protection			
Police protection	\$ 130,994	\$ 130,378	\$ 126,861
<hr/>			
Properties and Planning			
Beautification	\$ 1,500	\$ 1,210	\$ 938
Civic building	20,160	20,966	17,179
Development officer	2,500	16,819	3,365
Garbage cleanup	1,275	913	1,246
Library and capsite	-	-	781
Maintenance building	3,250	3,819	3,509
Marine rail park	16,650	15,156	6,069
Miscellaneous	1,500	-	-
Property tax - other properties	350	422	365
	<hr/>	<hr/>	<hr/>
	47,185	59,305	33,452
Department allocation - civic building	(11,491)	(11,950)	(9,792)
	<hr/>	<hr/>	<hr/>
	\$ 35,694	\$ 47,355	\$ 23,660

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF EXPENDITURES - GENERAL ACCOUNT
YEAR ENDED DECEMBER 31, 2017

Schedule 5

	Budget 2017	Actual 2017	Actual 2016
Recreation			
Advertising and donations	\$ 250	\$ -	\$ -
Amortization of tangible capital assets	7,500	8,088	7,745
Arena operations from town	4,750	4,789	4,639
Arena transfer	15,000	15,000	15,000
Ball field	2,000	621	1,513
Conference and training	250	-	-
Entertainment	6,000	7,605	7,939
Interest on long term debt	2,500	1,691	2,498
Membership fees	125	-	-
Repairs and maintenance	500	37	-
Salaries and benefits	37,483	24,860	36,319
Special events	21,150	22,168	20,798
Supplies and day camp	3,250	552	1,319
Travel	250	-	-
	<u>\$ 101,008</u>	<u>\$ 85,411</u>	<u>\$ 97,770</u>
Public Works			
Amortization of tangible capital assets	\$ 15,500	\$ 16,541	\$ 15,652
Boardwalk	500	1,124	-
Electricity	27,750	23,130	27,750
Signs	500	901	873
Snow removal	23,000	20,873	19,442
Street repairs	6,500	2,734	908
	<u>\$ 73,750</u>	<u>\$ 65,303</u>	<u>\$ 64,625</u>

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TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF OPERATIONS - SEWERAGE ACCOUNT
YEAR ENDED DECEMBER 31, 2017

	Budget 2017	Actual 2017	Schedule 6 Actual 2016
Revenues			
Residential	\$ 102,000	\$ 96,003	\$ 97,288
Commercial	54,800	56,498	54,808
Interest	4,700	4,824	4,916
Dumping fees	900	889	889
Other	-	300	142
	<u>162,400</u>	<u>158,514</u>	<u>158,043</u>
Expenditures			
Operating			
Electricity	7,200	7,537	7,275
Repairs and maintenance	12,280	15,443	8,157
Salaries and wages	20,700	19,800	18,354
	<u>40,180</u>	<u>42,780</u>	<u>33,786</u>
General			
Bad debts	-	83	27
Insurance	400	394	381
Interest and bank charges	125	322	252
Memberships and dues	1,850	1,782	1,801
Professional fees	1,950	1,807	1,794
Property taxes	720	170	719
Supplies	1,500	-	25
	<u>6,545</u>	<u>4,558</u>	<u>4,999</u>
Other			
Amortization of tangible capital assets	59,500	59,551	59,551
Interest on long term debt	19,550	20,036	19,534
	<u>79,050</u>	<u>79,587</u>	<u>79,085</u>
Subtotal Expenditures	<u>125,775</u>	<u>126,925</u>	<u>117,870</u>
Allocation from general government	48,500	52,576	44,239
Total Expenditures	<u>174,275</u>	<u>179,501</u>	<u>162,109</u>
Change in Fund Balance	<u>\$ (11,875)</u>	<u>\$ (20,987)</u>	<u>\$ (4,066)</u>

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF OPERATIONS - WATER ACCOUNT
YEAR ENDED DECEMBER 31, 2017

	Budget 2017	Actual 2017	Schedule 7 Actual 2016
Revenues			
Residential	\$ 60,500	\$ 56,013	\$ 56,827
Public fire protection service	38,000	38,000	38,000
Commercial	34,500	35,038	34,155
Interest	4,700	4,804	4,916
Government transfers for capital - Note 7	-	-	25,000
Inspection/connection fees	200	-	180
	<u>137,900</u>	<u>133,855</u>	<u>159,078</u>
Expenditures			
Operating			
Electricity	11,500	11,842	10,980
Repairs and maintenance	14,550	16,224	15,277
Salaries and wages	20,700	19,800	18,354
	<u>46,750</u>	<u>47,866</u>	<u>44,611</u>
General			
Bad debts	-	41	27
Insurance	400	394	381
Interest and bank charges	125	20	-
Memberships and dues	1,850	1,782	1,801
Professional fees	1,950	1,807	1,794
Property taxes	250	242	233
Supplies	1,000	-	1,044
	<u>5,575</u>	<u>4,286</u>	<u>5,280</u>
Other			
Amortization of tangible capital assets	53,250	52,758	53,214
Interest on long term debt	19,550	18,747	19,534
	<u>72,800</u>	<u>71,505</u>	<u>72,748</u>
Subtotal Expenditures	<u>125,125</u>	<u>123,657</u>	<u>122,639</u>
Allocation from general government	48,500	52,576	44,239
Total Expenditures	<u>173,625</u>	<u>176,233</u>	<u>166,878</u>
Change in Fund Balance	<u>\$ (35,725)</u>	<u>\$ (42,378)</u>	<u>\$ (7,800)</u>

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF OPERATIONS - GATEWAY ARENA
YEAR ENDED DECEMBER 31, 2017

	Budget 2017	Actual 2017	Schedule 8 Actual 2016
Revenues			
Ice rentals	\$ 53,300	\$ 57,812	\$ 58,354
Canteen sales	50,000	50,715	50,287
Grants - Borden-Carleton	15,000	19,789	19,639
Grants - salaries	6,500	16,135	6,052
Grants - recreation	8,500	8,500	8,500
Donations	500	7,500	770
Signage	3,500	2,871	4,132
Grant - Province of PEI	7,000	1,699	4,604
Gym membership fees	1,500	1,212	1,328
Vending machines	50	97	68
Government transfers for capital - Note 7	-	-	9,803
Miscellaneous	2,350	-	441
Recreation programs	-	-	211
	148,200	166,330	164,189
Expenditures			
Advertising and donations	400	-	191
Amortization of tangible capital assets	5,500	4,046	5,166
Canteen purchases	22,100	22,272	23,613
Conferences and travel	1,300	2,355	2,085
Electricity	35,700	41,322	37,124
Fuel	7,500	10,136	6,108
Insurance	-	4,789	4,639
Interest and bank charges	1,300	1,409	1,134
Memberships and dues	350	304	319
Office supplies	500	63	539
Professional fees	-	3,333	3,300
Property taxes	5,700	4,102	5,717
Repairs and maintenance	27,300	31,776	29,655
Telephone	500	529	476
Tournaments	450	547	227
Wages - canteen	18,160	20,048	17,661
- rink workers	21,440	19,074	21,641
	148,200	166,105	159,595
Change in Fund Balance	\$ -	\$ 225	\$ 4,594