

**RURAL MUNICIPALITY OF CRAPAUD
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 Rural Municipality of Crapaud 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 Municipality. 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 Rural Municipality of Crapaud:

Mayor

INDEPENDENT AUDITOR'S REPORT

TO THE MAYOR AND MEMBERS OF COUNCIL

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Rural Municipality of Crapaud, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations, changes in net financial assets 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, for local governments, 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 Rural Municipality of Crapaud as at December 31, 2017 and the results of its operations and its cash flows 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.

CHARLOTTETOWN, P.E.I.

JUNE 20, 2018

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**RURAL MUNICIPALITY OF CRAPAUD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

	2017	2016
Financial Assets		
Cash and cash equivalents		
Unrestricted	\$ 350,082	\$ 468,000
Restricted	50,374	96,750
Accounts receivable	<u>139,272</u>	<u>92,326</u>
	<u>539,728</u>	<u>657,076</u>
Liabilities		
Accounts payable and accrued liabilities	45,263	17,924
Deferred revenue - Note 3	6,500	98,689
Long term debt - Note 4	<u>419,172</u>	<u>495,068</u>
	<u>470,935</u>	<u>611,681</u>
Net Financial Assets - Statement 3	<u>68,793</u>	<u>45,395</u>
Non-Financial Assets		
Tangible capital assets - Schedule 1	4,157,391	3,870,431
Prepaid expenses	10,665	10,665
Land held for resale	<u>8,601</u>	<u>4,425</u>
	<u>4,176,657</u>	<u>3,885,521</u>
Accumulated Surplus	<u>\$ 4,245,450</u>	<u>\$ 3,930,916</u>
Municipal Position		
Accumulated surplus - Statement 2	<u>\$ 4,245,450</u>	<u>\$ 3,930,916</u>

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

ON BEHALF OF THE MUNICIPAL COUNCIL:

_____ Mayor

_____ Councilor

**RURAL MUNICIPALITY OF CRAPAUD
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017**

	Budget 2017	Actual 2017	Actual 2016
Revenues			
General - Schedule 2	\$ 351,389	\$ 347,886	\$ 324,640
Sewerage - Schedule 5	361,000	369,178	86,032
Water - Schedule 6	31,353	21,734	349,295
	<u>743,742</u>	<u>738,798</u>	<u>759,967</u>
Expenditures			
General - Schedule 2	304,982	300,518	278,577
Sewerage - Schedule 5	88,061	90,556	86,606
Water - Schedule 6	36,672	33,190	34,421
	<u>429,715</u>	<u>424,264</u>	<u>399,604</u>
Change in Fund Balances	<u>\$ 314,027</u>	314,534	360,363
Accumulated Surplus - Beginning of Year		<u>3,930,916</u>	3,570,553
Accumulated Surplus - End of Year - Note 7		<u>\$ 4,245,450</u>	<u>\$ 3,930,916</u>
Change in Fund Balances			
General - Schedule 2		\$ 47,368	\$ 46,063
Sewerage - Schedule 5		278,622	(574)
Water - Schedule 6		<u>(11,456)</u>	<u>314,874</u>
		<u>\$ 314,534</u>	<u>\$ 360,363</u>

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

**RURAL MUNICIPALITY OF CRAPAUD
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2017**

	Budget 2017	Actual 2017	Actual 2016
Change in fund balances	\$ 314,027	\$ 314,534	\$ 360,363
Amortization of tangible capital assets	-	123,637	110,631
Purchase of tangible capital assets	-	(414,772)	(382,138)
Increase in prepaid expenses	-	(1)	(496)
Increase in land held for resale	-	(4,176)	-
Reallocation of land held for resale	-	4,176	-
Increase in Net Financial Assets	<u>314,027</u>	23,398	88,360
Net Financial Assets (Debt) - Beginning of Year		<u>45,395</u>	(42,965)
Net Financial Assets - End of Year		<u>\$ 68,793</u>	\$ 45,395

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

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**RURAL MUNICIPALITY OF CRAPAUD
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2017**

	2017	2016
Cash Flows From Operating Activities		
Change in fund balances	\$ 314,534	\$ 360,363
Amortization of tangible capital assets	123,637	110,631
Increase in accounts receivable	(46,946)	(8,475)
Increase in prepaid expense	(1)	(500)
Increase (decrease) in accounts payable and accrued liabilities	27,339	(293)
Decrease in deferred revenue	(92,189)	(226,022)
Increase in land held for resale	(4,176)	-
	322,198	235,704
Cash Flows From Capital Activities		
Purchase of tangible capital assets	(414,772)	(382,138)
Reallocation of land held for resale	4,176	-
	(410,596)	(382,138)
Cash Flows From Financing Activity		
Repayment of long term debt	(75,896)	(58,726)
Decrease in Cash and Cash Equivalents	(164,294)	(205,160)
Cash and Cash Equivalents - Beginning of Year	564,750	769,910
Cash and Cash Equivalents - End of Year	\$ 400,456	\$ 564,750
 Cash and Cash Equivalents Consists of:		
Unrestricted	\$ 350,082	\$ 468,000
Restricted	50,374	96,750
	\$ 400,456	\$ 564,750

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

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**RURAL MUNICIPALITY OF CRAPAUD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. Description of Business

The Rural Municipality of Crapaud ("the Municipality") is incorporated under the Municipalities Act of Prince Edward Island. The Municipality is a non-profit organization under the Income Tax Act.

2. Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Rural Municipality of Crapaud are the representations of management 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.

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 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.

Basis of Consolidation

The consolidated financial statements for the Rural Municipality of Crapaud reflect the assets, liabilities, revenues, expenditures, change in net financial assets and change in financial position of the Municipality. The Municipality is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Included with the municipality are the following:

Rural Municipality of Crapaud
Crapaud Water Corporation
Crapaud Sewerage Corporation

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, cash in banks and short-term investments.

Accounts Receivable

Accounts receivable arise from water and sewer dues, fire dues, funding agreements, 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.

RURAL MUNICIPALITY OF CRAPAUD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. Significant Accounting Policies (cont'd)

Tangible Capital Assets

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

General:

Buildings	2.5%
Fire vehicles	6.67%
Equipment	10.0%
Electronic equipment	25.0%
Signage	10.0%

Sewer and water:

Sewerage system	1.2%
Sewerage equipment	5.0%
Water system	1.2%
Wells and springs	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. No amortization is recorded in the year of disposal.

Equipment, furniture, software, buildings and improvements with a cost in excess of \$500 and an estimated useful life of two years or more are capitalized at cost.

All costs associated with placing an asset in service, including freight, installation costs, site preparation costs, alterations, and professional fees are included in the capitalized cost.

Interest expense on capital debt incurred during the construction or renovation of an asset is included in the capitalized value. No interest was capitalized during the current or preceding periods.

Land Held for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare land for servicing. Related development costs incurred to provide infrastructure are recorded as physical assets under the respective function.

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.

RURAL MUNICIPALITY OF CRAPAUD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. Significant Accounting Policies (cont'd)

Non-Financial Assets

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 normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net financial assets for the year.

Revenue Recognition

The Municipality 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 issue 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 at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The following are areas in which management makes significant accounting estimates:

- The amounts recorded for amortization of tangible capital assets on the statement of operations is subject to management's assessment of the estimated useful life of the Municipality's tangible capital assets; and
- The recognized amounts of potential claims and liabilities depend on management's assessment of future costs and the probability these events will occur.

RURAL MUNICIPALITY OF CRAPAUD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

3. Deferred Revenue

	2017	2016
Gas tax		
Balance - beginning of year	\$ 96,750	\$ 322,872
Allocation received during the year	100,000	100,000
Interest	316	1,208
Eligible expenditures incurred	<u>(197,066)</u>	<u>(327,330)</u>
Balance - end of year	<u>-</u>	<u>96,750</u>
Other		
Balance - beginning of year	1,939	1,839
Amounts received during the year	5,000	100
Expenditures incurred	<u>(439)</u>	<u>-</u>
Balance - end of year	<u>6,500</u>	<u>1,939</u>
Total deferred revenue	<u>\$ 6,500</u>	<u>\$ 98,689</u>

Under the New Deals Gas Tax Funding for Incorporated Communities and the New Deals for Cities & Communities, the Municipality is allocated \$100,000 per year for fiscal years ending March 31, 2015 - 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.

RURAL MUNICIPALITY OF CRAPAUD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

4. Long Term Debt

	2017	2016
General		
Bank of Nova Scotia - paid in full during the year.	\$ -	\$ 46,157
Sewer Utility		
Bank of Nova Scotia - prime; repayable in monthly principal installments of \$1,559 plus interest. The loan is renewable on December 1, 2020, is amortized to 2035, and is secured by a borrowing resolution.	336,086	354,794
Bank of Nova Scotia - prime plus 1%; repayable in monthly principal installments of \$352 plus interest. The loan is renewable on January 4, 2021, is amortized to 2026, and is secured by a borrowing resolution.	33,806	38,032
CMHC - paid in full during the year.	-	2,112
	369,892	394,938
Water Utility		
Bank of Nova Scotia - prime; repayable in monthly principal installments of \$391 plus interest. The loan is renewable on June 30, 2022, is amortized to 2028, and is secured by a borrowing resolution.	49,280	53,973
	\$ 419,172	\$ 495,068

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

	Sewer	Water	Total
2018	\$ 22,932	\$ 4,693	\$ 27,625
2019	22,932	4,693	27,625
2020	22,932	4,693	27,625
2021	22,932	4,693	27,625
2022	22,932	4,693	27,625

5. Government Transfers for Operations**General**

Provincial equalization grant	\$ 26,403	\$ 26,211
Provincial wage grants	7,895	7,426
	\$ 34,298	\$ 33,637

RURAL MUNICIPALITY OF CRAPAUD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

6. Government Transfers for Capital

	2017	2016
General		
Atlantic Canada Opportunities Agency Municipal Capital Expenditure Grant	\$ 19,499 <u>6,131</u>	\$ 6,474 <u>-</u>
	<u>25,630</u>	<u>6,474</u>
Sewer Utility		
New Deals Gas Tax	197,066	-
Clean Water Wastewater funding	63,546	-
Municipal Capital Expenditure Grant	<u>26,528</u>	<u>-</u>
	<u>287,140</u>	<u>-</u>
Water Utility		
New Deals Gas Tax	<u>-</u>	<u>327,330</u>
	<u>\$ 312,770</u>	<u>\$ 333,804</u>

7. Accumulated Surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

Unrestricted surplus	\$ 370,468	\$ 427,262
Reserve funds - Note 8	136,763	128,291
Equity in tangible capital assets - Note 9	<u>3,738,219</u>	<u>3,375,363</u>
	<u>\$ 4,245,450</u>	<u>\$ 3,930,916</u>

8. Reserve Funds

Balance - beginning of year	\$ 128,291	\$ 123,045
Allocation to fire reserve	<u>8,472</u>	<u>5,246</u>
Balance - end of year	<u>\$ 136,763</u>	<u>\$ 128,291</u>

RURAL MUNICIPALITY OF CRAPAUD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. Equity in Tangible Capital Assets

	2017	2016
Tangible capital assets - Schedule 1	\$ 5,598,640	\$ 5,188,043
Accumulated amortization - Schedule 1	(1,441,249)	(1,317,612)
Long term debt - Note 4	<u>(419,172)</u>	<u>(495,068)</u>
	<u>\$ 3,738,219</u>	<u>\$ 3,375,363</u>

10. Budget Figures

A reconciliation of the 2017 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	2017
Rural Municipality of Crapaud budgeted annual surplus	\$ 46,407
Rural Municipality of Crapaud Water Utility annual surplus	272,939
Rural Municipality of Crapaud Sewer Utility annual deficit	<u>(5,319)</u>
	<u>\$ 314,027</u>

The columns presented as budget on the statement of operations and the attached schedules were not subject to audit or review by the external auditor.

11. Financial Instruments

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

The Municipality 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 Municipality'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 Municipality 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 Municipality 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 Municipality manages exposure through its normal operating and financing activities. The Municipality is exposed to interest rate risk primarily through its floating interest rate credit facilities.

**RURAL MUNICIPALITY OF CRAPAUD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

12. Rate Regulation

The Rural Municipality of Crapaud is subject to rate regulation on the sewer and water utilities provided to residents in Prince Edward Island under the Island Regulatory & Appeals Commissions Act. The purpose of this Act, which is administered by the Island Regulatory & Appeals Commission (IRAC), is to regulate the rate municipalities may charge for sewer and water utilities provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for sewer and water services.

Utility rates and charges are fixed and determined in accordance with the generally accepted public utility practices after taking into consideration local conditions and circumstances. Municipalities may apply for changes to sewer utility rates with IRAC. The commission will review these requests and adjust the price accordingly.

13. Segment Disclosure

General Government

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 audited consolidated financial statements, development of the annual budget, human resource functions for the entire municipality, maintenance of bylaws and policies, oversight of public works, maintenance of Municipal facilities, and administration of Community services.

Water and Sewer Utility

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

Fire Protection

This segment is responsible for providing fire protection services for residents. Its tasks include providing critical, life saving services in preventing or minimizing loss of life and property from fire and natural or man made emergencies.

14. Prior Year's Figures

Certain of prior year's figures have been reclassified to conform with current year financial statement presentation.

**RURAL MUNICIPALITY OF CRAPAUD
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 of Year	Amort in the Year	Disposals and Write Downs	Accum Amort End of Year	Net Book Value
Schedule 1									
General									
Land	\$ 571,924	\$ -	(4,175)	\$ 567,749	\$ -	\$ -	\$ -	\$ -	\$ 567,749
Buildings	791,756	41,193	-	832,949	365,489	20,825	-	386,314	446,635
Fire vehicles	689,489	-	-	689,489	434,297	33,516	-	467,813	221,676
Equipment	334,751	75,063	-	409,814	187,462	30,224	-	217,686	192,128
Electronic equipment	3,130	-	-	3,130	2,816	314	-	3,130	-
Signage	2,752	-	-	2,752	550	276	-	826	1,926
	<u>2,393,802</u>	<u>116,256</u>	<u>(4,175)</u>	<u>2,505,883</u>	<u>990,614</u>	<u>85,155</u>	<u>-</u>	<u>1,075,769</u>	<u>1,430,114</u>
Sewer and Water									
Land	2,693	-	-	2,693	-	-	-	-	2,693
Sewerage system	2,144,915	259,868	-	2,404,783	273,356	28,882	-	302,238	2,102,545
Sewerage equipment	14,792	38,379	-	53,171	13,070	2,014	-	15,084	38,087
Water system	473,350	269	-	473,619	31,218	5,684	-	36,902	436,717
Wells and springs	158,491	-	-	158,491	9,354	1,902	-	11,256	147,235
	<u>2,794,241</u>	<u>298,516</u>	<u>-</u>	<u>3,092,757</u>	<u>326,998</u>	<u>38,482</u>	<u>-</u>	<u>365,480</u>	<u>2,727,277</u>
Total Tangible Capital Assets	\$ 5,188,043	\$ 414,772	(4,175)	\$ 5,598,640	\$ 1,317,612	\$ 123,637	\$ -	\$ 1,441,249	\$ 4,157,391

**RURAL MUNICIPALITY OF CRAPAUD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
TANGIBLE CAPITAL ASSETS
DECEMBER 31, 2016**

	Cost Beginning of Year	Additions	Disposals and Write- Downs	Cost End of Year	Accum Amort Beginning of Year	Amort in the Year	Disposals and Write Downs	Accum Amort End of Year	Net Book Value
General									
Land	\$ 571,924	\$ -	\$ -	\$ 571,924	\$ -	\$ -	\$ -	\$ -	\$ 571,924
Buildings	777,156	14,600	-	791,756	345,695	19,794	-	365,489	426,267
Fire vehicles	689,489	-	-	689,489	400,781	33,516	-	434,297	255,192
Equipment	295,707	39,044	-	334,751	164,172	23,290	-	187,462	147,289
Electronic equipment	3,130	-	-	3,130	2,501	315	-	2,816	314
Signage	2,752	-	-	2,752	275	275	-	550	2,202
	2,340,158	53,644	-	2,393,802	913,424	77,190	-	990,614	1,403,188
Sewer and Water									
Land	2,693	-	-	2,693	-	-	-	-	2,693
Sewerage system	2,144,915	-	-	2,144,915	247,593	25,763	-	273,356	1,871,559
Sewerage equipment	13,628	1,164	-	14,792	12,974	96	-	13,070	1,722
Water system	146,020	327,330	-	473,350	25,538	5,680	-	31,218	442,132
Wells and springs	158,491	-	-	158,491	7,452	1,902	-	9,354	149,137
	2,465,747	328,494	-	2,794,241	293,557	33,441	-	326,998	2,467,243
Total Tangible Capital Assets	\$ 4,805,905	\$ 382,138	\$ -	\$ 5,188,043	\$ 1,206,981	\$ 110,631	\$ -	\$ 1,317,612	\$ 3,870,431

**RURAL MUNICIPALITY OF CRAPAUD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF OPERATIONS - GENERAL ACCOUNT
YEAR ENDED DECEMBER 31, 2017**

	Schedule 2		
	Budget 2017	Actual 2017	Actual 2016
Revenues			
Fire dues	\$ 173,885	\$ 176,400	\$ 154,500
Real property tax	93,000	94,045	91,831
Government transfers for operations - Note 5	38,200	34,298	33,637
Government transfers for capital - Note 6	29,632	25,630	6,474
Rent	13,772	13,772	34,954
Interest	1,500	1,622	1,863
Sponsorships of community events	1,400	2,119	1,381
	351,389	347,886	324,640
Expenditures			
Fire Protection - Schedule 3	161,084	167,928	149,254
General Government - Schedule 3	82,381	80,945	71,052
Medical and Professional Centre - Schedule 4	33,105	25,916	33,396
Parks and Public Property - Schedule 4	13,412	11,795	12,645
Recreation - Schedule 4	6,000	4,987	3,393
Streets - Schedule 4	9,000	8,947	8,837
	304,982	300,518	278,577
Change in Fund Balance	\$ 46,407	\$ 47,368	\$ 46,063

RURAL MUNICIPALITY OF CRAPAUD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF EXPENDITURES - GENERAL ACCOUNT
YEAR ENDED DECEMBER 31, 2017

	Budget 2017	Actual 2017	Schedule 3 Actual 2016
Fire Protection			
Amortization of tangible capital assets	\$ 64,847	\$ 65,943	\$ 58,730
Gas and oil	2,500	2,194	2,311
Heat	4,000	3,955	3,564
Honorariums	30,000	29,991	29,813
Insurance - firemen	1,600	7,093	1,600
Insurance - trucks	6,000	10,680	5,502
Interest and bank charges	250	369	221
Interest on long term debt	310	390	1,672
Office and postage	6,700	8,125	8,172
Property taxes	-	2,323	-
Repairs and maintenance	8,600	5,900	9,075
Telephone and radio	3,300	4,498	3,224
Training and mileage	9,000	11,578	2,417
Utilities	2,800	2,789	2,789
	139,907	155,828	129,090
Transfers:			
Expenses allocated from general government	9,542	6,050	8,524
Expenses allocated from medical and professional centre	11,635	6,050	11,640
	\$ 161,084	\$ 167,928	\$ 149,254
General Government			
Advertising	\$ 3,000	\$ 2,659	\$ 3,179
Amortization of tangible capital assets	2,075	2,075	2,355
Dues	1,000	1,078	1,000
Fire protection	12,100	12,100	11,000
Honorariums	15,700	13,933	11,381
Interest and bank charges	1,500	1,730	1,374
Liability insurance	11,500	6,169	11,347
Library	1,500	3,224	2,181
Office and postage	3,500	2,101	3,395
Professional fees	12,000	12,519	12,405
Telephone	1,800	1,668	1,800
Travel and meetings	1,000	210	566
Wages and wage levies	48,700	47,529	38,059
	115,375	106,995	100,042
Transfers:			
Expenses allocated to fire protection	(9,542)	(6,050)	(8,524)
Expenses allocated to sewerage and water	(23,452)	(20,000)	(20,466)
	\$ 82,381	\$ 80,945	\$ 71,052

RURAL MUNICIPALITY OF CRAPAUD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF EXPENDITURES - GENERAL ACCOUNT
YEAR ENDED DECEMBER 31, 2017

	Budget 2017	Actual 2017	Actual 2016
Schedule 4			
Medical and Professional Centre			
Amortization of tangible capital assets	\$ 12,455	\$ 12,736	\$ 11,705
Electricity	8,500	4,547	8,464
Garbage collection	1,350	1,324	1,311
Heat	3,000	3,594	3,032
Insurance	9,806	4,843	9,614
Repairs and maintenance	4,733	2,200	5,993
Snow removal and grass cutting	6,000	5,400	5,752
Taxes and sewerage utility	3,867	2,322	4,073
	<u>49,711</u>	<u>36,966</u>	<u>49,944</u>
Transfers:			
Expenses allocated to fire protection	(11,635)	(6,050)	(11,640)
Expenses allocated to sewerage and water	(4,971)	(5,000)	(4,908)
	<u>\$ 33,105</u>	<u>\$ 25,916</u>	<u>\$ 33,396</u>
 Parks and Public Property			
Amortization of tangible capital assets	\$ 4,400	\$ 4,400	\$ 4,400
Bug control	2,000	1,997	1,979
Mileage	800	974	697
Property taxes	3,700	3,238	3,693
Repairs and improvements	2,512	1,186	1,876
	<u>\$ 13,412</u>	<u>\$ 11,795</u>	<u>\$ 12,645</u>
 Recreation			
Festivity supplies	\$ 5,000	\$ 4,596	\$ 2,402
Sponsorships	1,000	391	991
	<u>\$ 6,000</u>	<u>\$ 4,987</u>	<u>\$ 3,393</u>
 Streets			
Street lights	\$ 9,000	\$ 8,947	\$ 8,837

**RURAL MUNICIPALITY OF CRAPAUD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF OPERATIONS - SEWERAGE ACCOUNT
YEAR ENDED DECEMBER 31, 2017**

	Budget 2017	Actual 2017	Schedule 5 Actual 2016
Revenues			
Government transfers for capital - Note 6	\$ 275,000	\$ 287,140	\$ -
Flat rate revenues	79,000	79,330	78,815
Interest	7,000	2,708	7,217
	361,000	369,178	86,032
Expenditures			
General:			
Interest and bank charges	250	316	218
Miscellaneous	700	679	413
Regulatory commission	1,103	1,062	1,103
	2,053	2,057	1,734
Operating:			
Operator fee	12,000	11,405	11,817
Repairs and maintenance	7,000	5,590	6,816
Utilities	8,600	9,142	8,545
	27,600	26,137	27,178
Other:			
Amortization of tangible capital assets	29,459	30,896	25,859
Bad debt	-	-	3,815
Interest on long term debt	10,828	11,466	11,922
	40,287	42,362	41,596
Subtotal Expenditures	69,940	70,556	70,508
Allocation from general government	15,635	16,000	13,644
Allocation from medical and professional centre	2,486	4,000	2,454
Total Expenditures	88,061	90,556	86,606
Change in Fund Balance	\$ 272,939	\$ 278,622	\$ (574)

RURAL MUNICIPALITY OF CRAPAUD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF OPERATIONS - WATER ACCOUNT
YEAR ENDED DECEMBER 31, 2017

	Budget 2017	Actual 2017	Schedule 6 Actual 2016
Revenues			
Flat rate revenues	\$ 21,508	\$ 21,508	\$ 21,508
Interest	450	226	457
Government transfers for capital - Note 6	9,395	-	327,330
	31,353	21,734	349,295
Expenditures			
General:			
Interest and bank charges	150	152	144
Miscellaneous	800	954	742
Regulatory commission fees	230	271	228
	1,180	1,377	1,114
Operating:			
Operator fee	8,000	8,294	7,638
Repairs and maintenance	6,192	7,046	5,098
Utilities	2,200	2,394	2,180
	16,392	17,734	14,916
Other:			
Amortization of tangible capital assets	7,582	7,585	7,582
Interest on long term debt	1,215	1,494	1,533
	8,797	9,079	9,115
Subtotal Expenditures	26,369	28,190	25,145
Allocation from general government	7,817	4,000	6,822
Allocation from medical and professional centre	2,486	1,000	2,454
	36,672	33,190	34,421
Total Expenditures	36,672	33,190	34,421
Change in Fund Balance	\$ (5,319)	\$ (11,456)	\$ 314,874