

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

THE CORPORATION OF THE TOWN OF GRAND VALLEY

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Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of: The Corporation of the Town of Grand Valley

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Grand Valley, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Grand Valley 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.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario
October 9, 2018

Chartered Professional Accountants
Licensed Public Accountants

**THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017	2016 (note 12)
FINANCIAL ASSETS		
Cash	\$ 4,715,708	\$ 3,989,538
Taxes receivable	375,781	466,877
Accounts receivable and other current assets	366,505	162,189
Investment in other ventures (note 2)	100	100
	<u>5,458,094</u>	<u>4,618,704</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,168,551	922,226
Deferred revenue - deposits	256,700	192,700
Obligations under capital lease (note 3)	23,556	55,875
Long term debt (note 4)	3,349,616	3,635,946
Landfill post-closure liability (note 5)	301,385	315,411
Deferred revenue - obligatory reserve funds (note 6)	4,000,692	3,558,553
	<u>9,100,500</u>	<u>8,680,711</u>
NET DEBT	<u>(3,642,406)</u>	<u>(4,062,007)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	27,724,129	26,957,608
Inventory	1,995	4,554
	<u>27,726,124</u>	<u>26,962,162</u>
ACCUMULATED SURPLUS (schedule 3)	<u>\$ 24,083,718</u>	<u>\$ 22,900,155</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Budget (note 8)	2017 Actual	2016 Actual (note 12)
REVENUE			
Taxation	\$ 3,206,380	\$ 3,435,065	\$ 3,087,083
Grants in lieu	6,500	6,507	6,507
Fees and service charges	805,982	2,372,646	1,268,420
Licences and permits	95,500	147,327	75,352
Province of Ontario Grants	539,461	510,641	466,152
Investment income	28,000	52,240	42,116
Penalties and interest	77,500	72,165	76,274
Obligatory reserve fund revenue recognized (note 6)	435,000	298,000	138,000
Loss on disposal of tangible capital assets	<u>0</u>	<u>(8,835)</u>	<u>(12,030)</u>
	<u>5,194,323</u>	<u>6,885,756</u>	<u>5,147,874</u>
EXPENSES (schedule 1)			
General government	784,188	778,301	661,853
Protection to persons and property	865,344	871,544	820,768
Transportation services	1,227,471	1,296,007	1,243,208
Environmental services	545,415	1,461,670	1,155,599
Health services	28,025	67,077	62,272
Recreational and cultural services	492,907	893,693	808,676
Planning and development	<u>253,000</u>	<u>333,901</u>	<u>275,145</u>
	<u>4,196,350</u>	<u>5,702,193</u>	<u>5,027,521</u>
ANNUAL SURPLUS	<u>\$ 997,973</u>	<u>\$ 1,183,563</u>	<u>\$ 120,353</u>
ACCUMULATED SURPLUS, beginning of year		\$ 22,900,155	\$ 22,888,776
Write-downs of tangible capital assets		0	(108,974)
Annual surplus		<u>1,183,563</u>	<u>120,353</u>
ACCUMULATED SURPLUS, end of year		<u>\$ 24,083,718</u>	<u>\$ 22,900,155</u>

**THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 Budget (note 8)	2017 Actual	2016 Actual (note 12)
ANNUAL SURPLUS	\$ <u>997,973</u>	\$ <u>1,183,563</u>	\$ <u>120,353</u>
Acquisition of tangible capital assets	(1,890,000)	(1,729,930)	(863,126)
Amortization of tangible capital assets	952,140	952,140	906,051
Loss on disposal of tangible capital assets	0	8,835	12,030
Proceeds on sale of tangible capital assets	0	2,434	0
Write-downs of tangible capital assets	<u>0</u>	<u>0</u>	<u>(108,974)</u>
	<u>(937,860)</u>	<u>(766,521)</u>	<u>(54,019)</u>
Use (purchase) of inventory	<u>0</u>	<u>2,559</u>	<u>(2,546)</u>
DECREASE IN NET DEBT	\$ <u>60,113</u>	419,601	63,788
NET DEBT, beginning of year		<u>(4,062,007)</u>	<u>(4,125,795)</u>
NET DEBT, end of year		\$ <u>(3,642,406)</u>	\$ <u>(4,062,007)</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016 (note 12)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 1,183,563	\$ 120,353
Items not requiring an outlay of cash		
Amortization	952,140	906,051
Loss on sale of tangible capital assets	<u>8,835</u>	<u>12,030</u>
	<u>2,144,538</u>	<u>1,038,434</u>
Net changes in non-cash working capital		
Taxes receivable	91,096	72,611
Accounts receivable	(204,316)	236,069
Inventory	2,559	(2,546)
Accounts payable and accrued liabilities	246,325	94,928
Landfill post-closure liability	(14,026)	(23,281)
Deferred revenue - deposits	64,000	(2,541)
Deferred revenue - obligatory reserve funds	<u>442,139</u>	<u>787,411</u>
	<u>627,777</u>	<u>1,162,651</u>
	<u>2,772,315</u>	<u>2,201,085</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,729,930)	(863,126)
Write-downs of tangible capital assets	0	(108,974)
Proceeds on disposal of tangible capital assets	<u>2,434</u>	<u>0</u>
	<u>(1,727,496)</u>	<u>(972,100)</u>
CASH (USED IN) FINANCING ACTIVITIES		
Long term debt	(286,330)	(122,384)
Capital lease payments	<u>(32,319)</u>	<u>(30,941)</u>
	<u>(318,649)</u>	<u>(153,325)</u>
NET INCREASE IN CASH for the year	726,170	1,075,660
CASH, beginning of year	<u>3,989,538</u>	<u>2,913,878</u>
CASH, end of year	<u>\$ 4,715,708</u>	<u>\$ 3,989,538</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of the Town of Grand Valley are the representation of management prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board of CPA Canada. Significant accounting policies adopted by The Corporation of the Town of Grand Valley are as follows:

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The management of the The Corporation of the Town of Grand Valley acknowledges its responsibility for the creation and compilation of the following significant accounting policy decisions and the related policy notes.

(b) **BASIS OF CONSOLIDATION**

(i) These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, reserve funds and reserves and includes the activities of all committees of Council and the following local boards and municipal enterprises, which are under the control of council:

Grand Valley and District Community Centre Board
Grand Valley and District Library Board
Grand Valley Union Cemetery Board
Grand Valley Medical-Dental Board
Grand Valley and District Fire Department
Grand Valley Business Improvement Area

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between the reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

(ii) **NON-CONSOLIDATED ENTITIES**

The following local boards, municipal enterprises and investments are not consolidated:

Grand Valley Energy Inc.

(iii) **ACCOUNTING FOR COUNTY AND SCHOOL BOARD TRANSACTIONS**

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Dufferin are not reflected in the municipal fund balances of these financial statements.

(c) **BASIS OF ACCOUNTING**

(i) Sources of financing and expenditures are reported on the accrual basis of accounting. The interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) BASIS OF ACCOUNTING (continued)

(iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures transferred to other organizations, is reported on the Consolidated Statement of Financial Position.

(d) INVESTMENTS

The investments held by the municipality are classified as held-for-trading and have been recorded at estimated fair market value.

(e) DEFERRED REVENUE

The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

(f) AMOUNTS TO BE RECOVERED

Amounts to be recovered are reported in the municipal position on the Consolidated Statement of Financial Position. The balance represents the outstanding principal portion of unmatured long term liabilities, liabilities not yet due, and other future expenditures.

(g) TRUST FUNDS

Funds held in trust by the municipality, and their related operations, are included in these financial statements. The financial activity and position of the trust funds are reported separately on the Trust Funds' Statements of Operations and Statements of Financial Position.

(h) 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 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.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed 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 their estimated useful life as follows:

Land improvements	20 to 50 years
Facilities	10 to 100 years
Vehicles	8 to 15 years
Equipment	6 to 40 years
Infrastructure	
Transportation	3 to 75 years
Environmental	10 to 100 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) NON-FINANCIAL ASSETS (continued)

(ii) Contributions of tangible capital assets
Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

(iii) Leases
Leases are classified as capital or operating 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.

(i) REVENUE RECOGNITION

Revenues are recognized as follows:

(i) Tax levies are recognized as revenue when the amounts are levied on the municipality's ratepayers.

(ii) Fines and donations are recognized when collected.

(iii) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.

(iv) 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, eligibility criteria has been met and reasonable estimates of the amounts can be made.

(v) Revenue restricted by legislation, regulation or agreement, and not available for general municipal purposes, is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for a specific purpose.

(j) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates made by management include the useful lives of tangible capital assets. Actual results could differ from those estimates.

2. NON-CONSOLIDATED ENTITIES - GRAND VALLEY ENERGY INC.

Further to note 1(b)(ii), the assets and liabilities of the non-consolidated entities have not been consolidated and are not reported on the Consolidated Statement of Financial Position.

The municipality purchases hydro from the company at market rates. The municipality provides administrative services to the company and charges the company at cost. In 2006, the company entered into a service agreement with Orangeville Hydro for the provision of administrative support. A revised service agreement between Orangeville Hydro and The Corporation of the Town of Grand Valley has been finalized for the provision of some administrative functions.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

3. OBLIGATIONS UNDER CAPITAL LEASE

The municipality has a capital lease for a 2013 Caterpillar Wheel Loader. The total monthly lease payments are \$2,800, including principal and interest, and the lease term is a total of 60 months, expiring in October 2018.

Future expected minimum payments are as follows:

2018	\$ <u>23,556</u>
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4. LONG TERM DEBT

	2017	2016
TD Bank loan, due December 1, 2022, repayable in monthly payments of \$20,108 principal and interest, at a rate of 3.47%	\$ 3,067,820	\$ 3,594,819
Scotiabank loan, due September 21, 2020, repayable in monthly instalments of \$980 principal and interest, at a rate of approximately 4.98%	31,796	41,127
TD Bank loan, due December 25, 2022, repayable in monthly payments of principal of \$4,168, plus interest at a rate of 3.47%	<u>250,000</u>	<u>0</u>
	\$ <u>3,349,616</u>	\$ <u>3,635,946</u>

Future minimum payments on long term debt are as follows:

2018	\$ 198,166
2019	202,870
2020	206,162
2021	202,001
2022	207,299
Thereafter	<u>2,333,118</u>
	\$ <u>3,349,616</u>

The municipality is contingently liable for long term liabilities with respect to tile drainage loans. The total amount outstanding as at December 31, 2017 is \$82,733 (2016 - \$95,649) and is not recorded on the Consolidated Statement of Financial Position.

5. LANDFILL CLOSURE LIABILITY

The municipality leases its solid waste landfill site from the Grand River Conservation Authority (GRCA). The lease requires that closure and rehabilitation of the site commence in 2006 and be completed by 2012. Post-closure costs are anticipated to continue to 2053. The landfill site ceased active operations on January 1, 2006 and stopped accepting solid waste from ratepayers. The municipality commenced closure of the facility and completed closure in 2011.

The most recent estimate of the landfill closure and post-closure liability was based on a report prepared as of November 1, 2004, which estimated these costs at a net present value of \$475,000.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

5. LANDFILL CLOSURE LIABILITY (continued)

By terms of the former lease, the closure costs and post-closure costs are to be funded by a reserve paid to the GRCA. Required minimum annual reserve funding is \$20,000 to the end of 2009. Required annual payments have been made up to 2005. The town has decided not to continue making their annual payments until the closure studies are completed, and the closure plan approved by the GRCA. The GRCA reserve is anticipated to fully offset the future cost. If the GRCA reserve were insufficient, the municipality would be liable for any remaining costs. Future GRCA reserve payments will be funded from tipping fees or future taxation.

The municipality is in the process of obtaining final release on closure of the facility from the GRCA, and has received an amendment to its original landfill site approval based on the actual closure work that was performed in 2011. The closure work performed is in agreement with the MOE's approved amendment dated June 1, 2011. Based on this amendment, post-closure expenditures from 2011 onwards are being used to reduce the landfill post-closure liability annually. The estimated present value of the post-closure liability less disbursements to date during the post-closure period is \$301,385 (2016 - \$315,411), which may be adjusted from time to time based on updated engineering reports of the expected remaining costs.

6. DEFERRED REVENUE

	2016 Opening	Contributions Received	Investment Income	Revenue Recognized	2017 Ending
Obligatory Reserve Funds					
Development charges	\$ 3,305,732	\$ 631,471	\$ 21,486	\$ (98,000)	\$ 3,860,689
Federal gas tax	<u>252,821</u>	<u>84,346</u>	<u>2,836</u>	<u>(200,000)</u>	<u>140,003</u>
	<u>\$ 3,558,553</u>	<u>\$ 715,817</u>	<u>\$ 24,322</u>	<u>\$ (298,000)</u>	<u>\$ 4,000,692</u>

7. TRUST FUNDS

The trust funds administered by the municipality amounting to \$115,409 (2016 - \$110,136) have not been included in the Consolidated Statement of Financial Position, nor have the operations been included in the Consolidated Statement of Operations.

8. BUDGET AMOUNTS

The budgeted figures are presented for comparison purposes as prepared and approved by council, reclassified to conform to the current financial statement presentation. The budgeted figures are prepared on the cash basis of accounting and have been restated to conform to the accrual basis of accounting on which the actual figures are reported.

9. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF DUFFERIN

Further to note 1(b)(iii), the taxation, other revenues, expenditures and overlevies of the school boards and the County of Dufferin are comprised of the following:

	SCHOOL BOARDS	COUNTY
Taxation and user charges	\$ 846,084	\$ 1,549,773
Amount requisitioned	<u>(846,084)</u>	<u>(1,549,773)</u>
	<u>\$ 0</u>	<u>\$ 0</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

10. PENSION AGREEMENTS

The Corporation of the Town of Grand Valley opted to utilize a group defined contribution RRSP plan. Annual contributions are included as an expenditure on the Consolidated Statement of Operations.

11. AMOUNTS TO BE RECOVERED FOR SPECIFIC ENVIRONMENTAL CAPITAL COSTS

The municipality has incurred capital costs relating to the planning and development of the provision of expanded sewer services to residents. It is the intention of the municipality to recover these costs as the municipality grows, through development fees charged to builders. The construction of the new plant was completed in 2011.

12. PRIOR PERIOD RESTATEMENT

The financial statements of the municipality for the year ended December 31, 2016 overstated certain tangible capital assets, resulting in a write-down of \$108,974 and adjustments to various asset book values, accumulated amortization and amortization expense amounts in the year. This has been corrected, and the December 31, 2016 figures restated in these financial statements. The net effect of this adjustment to the tangible capital assets and accumulated surplus at December 31, 2016 is a decrease of \$156,513.

13. SEGMENTED INFORMATION

The Corporation of the Town of Grand Valley is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, ambulance, and water. For management reporting purposes, the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Protection Services

The mandate of the Police Services department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire Service department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires. It is also responsible for pre-hospital emergency paramedic care and the transport of sick and injured; handling hazardous materials incidents; for the mitigation of calamitous incidents; and for the evacuation of people when in charge at an incident.

Transportation Services

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, and the maintenance of open space areas requiring it.

Environmental Services

The Environmental Services department consists of two distinct utilities - water and wastewater. The department provides drinking water to citizens of the urban area of the town, collecting and treating wastewater. Garbage collection operations are contracted to a private business.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

13. SEGMENTED INFORMATION (continued)

Recreation and Cultural Services

Provides public services that contribute to healthy communities through numerous sports programs at the Community Centre for adults and youths, along with baseball diamonds and soccer fields, etc. The department also contributes towards the information needs of the town's citizens through the provision of library services.

Planning and Development

The Planning and Development department provides a diverse bundle of services. It manages development for business and residential interests, environmental concerns, heritage matters, local neighbourhoods and the downtown through planning, community development, parks and environmental planning. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of zoning by-laws, the processing of building permit applications and the provision of geomatics services.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2017	2016 (note 12)
EXPENSES									
Salaries and benefits	\$ 414,440	\$ 27,937	\$ 541,827	\$ 13,591	\$ 23,978	\$ 418,741	\$ 31,701	\$ 1,472,215	\$ 1,379,820
Materials	225,826	244,741	298,673	499,354	25,162	24,223	37,425	1,355,404	1,272,048
Contracted services	42,196	511,163	119,533	188,912	11,262	4,591	246,120	1,123,777	958,492
Rents and financial expenses	47,579	0	31,610	179,905	354	0	17,606	277,054	63,259
Interest on long term debt	0	0	0	114,293	0	0	1,049	115,342	128,294
Amortization	48,260	60,411	304,364	465,615	6,321	67,169	0	952,140	906,051
Other	<u>0</u>	<u>27,292</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>378,969</u>	<u>0</u>	<u>406,261</u>	<u>319,557</u>
	<u>\$ 778,301</u>	<u>\$ 871,544</u>	<u>\$ 1,296,007</u>	<u>\$ 1,461,670</u>	<u>\$ 67,077</u>	<u>\$ 893,693</u>	<u>\$ 333,901</u>	<u>\$ 5,702,193</u>	<u>\$ 5,027,521</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	Land	Land Improvements	Facilities	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2017	2016 (note 12)
COST									
Balance, beginning of year	\$ 3,429,320	\$ 320,053	\$ 4,286,341	\$ 2,165,309	\$ 1,101,785	\$ 8,318,515	\$ 18,337,054	\$ 37,958,377	\$ 37,095,815
Additions during the year	50,538	0	129,535	21,956	164,816	1,004,181	47,321	1,418,347	863,126
Disposals during the year	0	0	(5,099)	(36,000)	(39,248)	(17,296)	0	(97,643)	(293,099)
Asset under construction	0	0	0	0	0	0	311,583	311,583	292,535
Balance, end of year	<u>3,479,858</u>	<u>320,053</u>	<u>4,410,777</u>	<u>2,151,265</u>	<u>1,227,353</u>	<u>9,305,400</u>	<u>18,695,958</u>	<u>39,590,664</u>	<u>37,958,377</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	108,598	2,074,384	1,116,044	662,404	4,196,448	2,842,891	11,000,769	10,375,788
Amortization	0	9,081	100,329	92,662	78,495	229,356	442,217	952,140	906,051
Accumulated amortization on disposals	0	0	(5,099)	(36,000)	(27,973)	(17,302)	0	(86,374)	(281,070)
Balance, end of year	<u>0</u>	<u>117,679</u>	<u>2,169,614</u>	<u>1,172,706</u>	<u>712,926</u>	<u>4,408,502</u>	<u>3,285,108</u>	<u>11,866,535</u>	<u>11,000,769</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 3,479,858</u>	<u>\$ 202,374</u>	<u>\$ 2,241,163</u>	<u>\$ 978,559</u>	<u>\$ 514,427</u>	<u>\$ 4,896,898</u>	<u>\$ 15,410,850</u>	<u>\$ 27,724,129</u>	<u>\$ 26,957,608</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
AS AT DECEMBER 31, 2017

Schedule 3

	2017	2016 (note 12)
SURPLUSES		
Invested in tangible capital assets	\$ 24,350,957	\$ 23,265,787
General Fund	(295,652)	479,446
Unfunded		
Landfill post-closure	(301,385)	(315,411)
Wastewater treatment plant costs recoverable	<u>(1,519,571)</u>	<u>(1,496,480)</u>
	<u>22,234,349</u>	<u>21,933,342</u>
RESERVE FUNDS		
Capital acquisition - fire equipment	116,786	116,786
Administrative	105,370	84,820
Sewer treatment plant	844,279	(7,446)
Streetscape	107,787	99,722
Orica parkland	173,905	172,185
Future water system upgrades	<u>177,792</u>	<u>177,296</u>
	<u>1,525,919</u>	<u>643,363</u>
RESERVES		
Building reserve - library	48,980	48,980
Working capital - general	195,200	195,200
Working capital - connecting link	78,924	78,924
Working capital - fencing reserve	<u>346</u>	<u>346</u>
	<u>323,450</u>	<u>323,450</u>
	<u>\$ 24,083,718</u>	<u>\$ 22,900,155</u>



Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of: The Corporation of the Town of Grand Valley

We have audited the accompanying financial statements of the trust funds of The Corporation of the Town of Grand Valley, which comprise the statements of financial position as at December 31, 2017 and the statements of operations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds as at December 31, 2017 and continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "RLB LLP".

Guelph, Ontario
October 9, 2018

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
CEMETERY PERPETUAL CARE FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
Cash	\$ 34,258	\$ 30,113
Investments	<u>56,639</u>	<u>56,420</u>
	<u>\$ 90,987</u>	<u>\$ 86,533</u>
LIABILITIES		
Trust fund balance, end of year	<u>\$ 90,987</u>	<u>\$ 86,533</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
CEMETERY PERPETUAL CARE FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
BALANCE, beginning of year	\$ 86,533	\$ 81,412
Capital receipts	4,672	5,228
Investment income (net)	<u>(218)</u>	<u>(107)</u>
	90,987	86,533
TRANSFER TO CURRENT FUND	<u>0</u>	<u>0</u>
BALANCE, end of year	<u>\$ 90,987</u>	<u>\$ 86,533</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
CEMETERY PERPETUAL MONUMENT CARE AND MAINTENANCE FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
Cash	\$ 4,635	\$ 3,838
Investments	<u>14,160</u>	<u>14,105</u>
	<u>\$ 18,795</u>	<u>\$ 17,943</u>
LIABILITIES		
Trust fund balance, end of year	<u>\$ 18,795</u>	<u>\$ 17,943</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
CEMETERY PERPETUAL MONUMENT CARE AND MAINTENANCE FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
BALANCE, beginning of year	\$ 17,943	\$ 17,373
Capital receipts	798	596
Investment income (net)	<u>54</u>	<u>(26)</u>
	18,795	17,943
TRANSFER TO CURRENT FUND	<u>0</u>	<u>0</u>
BALANCE, end of year	<u>\$ 18,795</u>	<u>\$ 17,943</u>

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

GRAND VALLEY UNION CEMETERY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
CURRENT FUND		
Cash	\$ 14,597	\$ 22,192
HST receivable (payable)	(1,473)	(1,084)
Accounts receivable (payable)	<u>(7,650)</u>	<u>(13,779)</u>
	<u>5,474</u>	<u>7,329</u>
PERPETUAL CARE FUND		
Cash - Daily interest account	34,259	30,113
- Savings account	4,635	3,838
Investments	<u>70,799</u>	<u>70,525</u>
	<u>109,693</u>	<u>104,476</u>
	<u>\$ 115,167</u>	<u>\$ 111,805</u>
NET ASSETS		
CURRENT FUND		
Surplus, beginning of year	\$ 7,329	\$ 4,692
(Deficit) surplus for the year	<u>(1,855)</u>	<u>2,637</u>
Surplus, end of year	<u>5,474</u>	<u>7,329</u>
PERPETUAL CARE FUND		
Surplus, beginning of year	86,533	81,412
Surplus for the year	<u>4,364</u>	<u>5,121</u>
Surplus, end of year	<u>90,897</u>	<u>86,533</u>
PERPETUAL MONUMENT CARE AND MAINTENANCE FUND		
Surplus, beginning of year	17,943	17,373
Surplus for the year	<u>853</u>	<u>570</u>
Surplus, end of year	<u>18,796</u>	<u>17,943</u>
	<u>\$ 115,167</u>	<u>\$ 111,805</u>

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

**GRAND VALLEY UNION CEMETERY BOARD
STATEMENT OF OPERATIONS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
REVENUES		
Sale of plots and base installation	\$ 5,096	\$ 5,481
Interment receipts	8,225	6,700
Mortuary receipts	250	250
Donations	241	223
Miscellaneous	200	100
Interest - current fund	<u>222</u>	<u>176</u>
	<u>14,234</u>	<u>12,930</u>
EXPENDITURES		
Caretaking	10,358	5,480
Cost of interment	1,679	3,148
Honoraria, supplies and office	3,250	851
Accounting and legal	<u>802</u>	<u>814</u>
	<u>16,089</u>	<u>10,293</u>
(DEFICIT) SURPLUS for the year	<u>\$ (1,855)</u>	<u>\$ 2,637</u>

**STATEMENT OF OPERATIONS - PERPETUAL CARE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

REVENUES		
Perpetual care contributions	\$ 4,146	\$ 5,228
Investment income (net)	<u>218</u>	<u>(107)</u>
	4,364	5,121
EXPENDITURES		
Transfer to current fund (note 2)	<u>0</u>	<u>0</u>
SURPLUS for the year	<u>\$ 4,364</u>	<u>\$ 5,121</u>

**STATEMENT OF OPERATIONS - PERPETUAL MONUMENT CARE AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

REVENUES		
Perpetual care contributions	\$ 797	\$ 596
Investment income (net)	<u>56</u>	<u>(26)</u>
	853	570
EXPENDITURES		
Transfer to current fund (note 2)	<u>0</u>	<u>0</u>
SURPLUS for the year	<u>\$ 853</u>	<u>\$ 570</u>

**GRAND VALLEY UNION CEMETERY BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. ACCOUNTING POLICIES

The Grand Valley Union Cemetery Board follows Canadian public sector accounting standards. No value is attached to capital assets for municipal reporting purposes.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

The historical cost and accumulated amortization of capital assets are not recorded for municipal purposes.

2. TRUST FUND - PERPETUAL CARE FUND

Investment income on this fund is transferred to the current fund on a periodic basis to assist with current operations.

TRUST FUND - PERPETUAL MONUMENT CARE AND MAINTENANCE FUND

Investment income on this fund is transferred to the current fund on a periodic basis to assist with current operations.

GRAND VALLEY AND DISTRICT COMMUNITY CENTRE BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash	\$ 135,430	\$ 124,554
Accounts receivable	<u>2,448</u>	<u>8,705</u>
	<u>137,878</u>	<u>133,259</u>
LIABILITIES		
Accounts payable	<u>32,688</u>	<u>33,495</u>
NET FINANCIAL ASSETS	<u>105,190</u>	<u>99,764</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	1,023,331	1,028,622
Prepaid expenses	1,954	1,750
Inventory	<u>0</u>	<u>2,803</u>
	<u>1,025,285</u>	<u>1,033,175</u>
ACCUMULATED SURPLUS	<u>\$ 1,130,475</u>	<u>\$ 1,132,939</u>

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

GRAND VALLEY AND DISTRICT COMMUNITY CENTRE BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUES		
Municipal grants - Town of Grand Valley	\$ 112,460	\$ 102,230
- Other municipalities	80,960	77,115
Rentals	150,482	143,584
Snack bar - net proceeds	15,447	15,570
Other revenue	<u>31,308</u>	<u>25,311</u>
	<u>390,657</u>	<u>363,810</u>
EXPENSES		
Accounting	2,005	2,035
Advertising	10,155	715
Amortization	28,256	30,694
Heat and hydro	71,295	73,937
Insurance	16,487	15,587
Office	8,232	11,564
Repairs and maintenance supplies	51,199	41,213
Telephone	2,607	3,153
Wages and benefits	<u>202,885</u>	<u>202,535</u>
	<u>393,121</u>	<u>381,433</u>
ANNUAL DEFICIT	(2,464)	(17,623)
ACCUMULATED SURPLUS, beginning of year	<u>1,132,939</u>	<u>1,150,562</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 1,130,475</u>	<u>\$ 1,132,939</u>

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

GRAND VALLEY AND DISTRICT COMMUNITY CENTRE BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. ACCOUNTING POLICIES

The Town of Grand Valley and District Community Centre Board follows Canadian public sector accounting standards.

2. RESERVE FUNDS

Special funds have been established for the following purposes: Capital Reserve Fund for roof repairs, Fundraising Fund for certain purchases, Arena Capital Fund for major renovation work on the roof of the arena and Special Donations Fund for future capital purchases.

3. TANGIBLE CAPITAL ASSETS

	Net 2017	Net 2016
Land	\$ 672,196	\$ 672,196
Facilities	336,973	347,152
Vehicles	7,616	5,053
Equipment	<u>6,546</u>	<u>4,221</u>
	<u>\$ 1,023,331</u>	<u>\$ 1,028,622</u>

**GRAND VALLEY PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017	2016
FINANCIAL ASSETS		
Cash	\$ <u>26,776</u>	\$ <u>26,272</u>
LIABILITIES		
Accounts payable	<u>0</u>	<u>0</u>
NET FINANCIAL ASSETS	<u>26,777</u>	<u>26,272</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	<u>259,790</u>	<u>251,805</u>
ACCUMULATED SURPLUS	<u>\$ 286,566</u>	<u>\$ 278,077</u>

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

GRAND VALLEY PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUES		
Grants - Town of Grand Valley	\$ 151,198	\$ 157,617
- Other municipalities	96,946	84,026
Rents, interest and other income	32,570	40,875
Grants - other	513	500
Gain (loss) on disposal of tangible capital assets	<u>0</u>	<u>(428)</u>
	<u>281,227</u>	<u>282,590</u>
EXPENSES		
Wages and benefits	168,853	163,154
Amortization	36,132	37,796
Books and material purchased	5,305	5,976
Facilities cost and insurance	22,305	22,071
General expenses	4,665	4,785
Office and courses	21,505	14,153
Professional fees	1,018	1,018
Repairs and maintenance	10,010	15,227
Telephone	<u>2,945</u>	<u>2,960</u>
	<u>272,738</u>	<u>267,140</u>
ANNUAL SURPLUS	8,489	15,450
ACCUMULATED SURPLUS, beginning of year	<u>278,077</u>	<u>262,627</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 286,566</u>	<u>\$ 278,077</u>

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

**GRAND VALLEY PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. ACCOUNTING POLICIES

The Town of Grand Valley Public Library Board follows Canadian public sector accounting standards.

2. RESERVE FUNDS

Reserve funds have been established for the purpose of funding capital projects approved by the Board of the Grand Valley Public Library.

3. TANGIBLE CAPITAL ASSETS

	Net 2017	Net 2016
Equipment	<u>\$ 259,790</u>	<u>\$ 251,805</u>

GRAND VALLEY MEDICAL - DENTAL BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash	\$ 152,200	\$ 132,793
Short-term investments	<u>33,970</u>	<u>33,650</u>
	<u>186,170</u>	<u>166,443</u>
LIABILITIES		
Accounts payable	<u>9,177</u>	<u>4,993</u>
NET FINANCIAL ASSETS	<u>176,993</u>	<u>161,450</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	<u>563,728</u>	<u>573,945</u>
ACCUMULATED SURPLUS	<u>\$ 740,721</u>	<u>\$ 735,395</u>

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

GRAND VALLEY MEDICAL - DENTAL BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUES		
Rental income	\$ 45,422	\$ 45,842
Other income	<u>1,744</u>	<u>1,483</u>
	<u>47,166</u>	<u>47,325</u>
OPERATING EXPENSES		
Amortization	12,346	22,692
Insurance	927	882
Office	0	346
Professional fees	2,205	2,205
Property taxes	1,542	1,393
Rent - parking lot	1,000	1,000
Repairs and maintenance	7,791	9,386
Utilities	6,804	8,050
Wages and benefits	<u>9,225</u>	<u>9,708</u>
	<u>41,840</u>	<u>55,662</u>
ANNUAL SURPLUS (DEFICIT)	5,326	(8,337)
ACCUMULATED SURPLUS, beginning of year	<u>735,395</u>	<u>743,732</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 740,721</u>	<u>\$ 735,395</u>

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

**GRAND VALLEY MEDICAL - DENTAL BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. NATURE OF THE ORGANIZATION

The Grand Valley and District Medical - Dental Board was an incorporated entity under the Ontario Corporations Act as a not for profit charitable organization until December 31, 2006. At that time, the organization began the process of rescinding its charitable status and dissolving the corporation effective December 31, 2006. On January 1, 2007, ownership of the organization was transferred to a joint municipal board with members appointed from the Town of Grand Valley, the Township of Amaranth and the Township of East Garafraxa.

2. ACCOUNTING POLICIES

The Grand Valley and District Medical - Dental Board follows Canadian public sector accounting standards.

3. TANGIBLE CAPITAL ASSETS

	Net 2017	Net 2016
Land	\$ 139,648	\$ 139,648
Facilities	<u>424,080</u>	<u>434,297</u>
	<u>\$ 563,728</u>	<u>\$ 573,945</u>

GRAND VALLEY - BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash	\$ 31,459	\$ 26,164
LIABILITIES		
Accounts payable	6,417	119
NET FINANCIAL ASSETS	<u>25,042</u>	<u>26,045</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	14,113	14,481
ACCUMULATED SURPLUS	<u>\$ 39,155</u>	<u>\$ 40,526</u>

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

GRAND VALLEY - BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUES		
Special events	\$ 355	\$ 0
Interest income	17	3
Municipal income	<u>7,200</u>	<u>7,200</u>
	<u>7,572</u>	<u>7,203</u>
OPERATING EXPENSES		
Amortization	368	392
Bank charges	40	42
Office supplies	7,082	926
Special events	447	926
Wages	<u>1,006</u>	<u>882</u>
	<u>8,943</u>	<u>2,242</u>
ANNUAL (DEFICIT) SURPLUS	(1,371)	4,961
ACCUMULATED SURPLUS, beginning of year	<u>40,526</u>	<u>35,565</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 39,155</u>	<u>\$ 40,526</u>

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

**GRAND VALLEY - BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. NATURE OF THE ORGANIZATION

On January 1, 2016, ownership of the Business Improvement Area organization was transferred to a joint municipal board with members appointed from the Town of Grand Valley, the Township of Amaranth and the Township of East Garafraxa.

2. ACCOUNTING POLICIES

The Town of Grand Valley and BIA follows Canadian public sector accounting standards.

3. TANGIBLE CAPITAL ASSETS

	Net 2017	Net 2016
Street lights	<u>\$ 14,113</u>	<u>\$ 14,481</u>