

**CORPORATION OF THE COUNTY OF HASTINGS**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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*"WORKING AND GROWING TOGETHER"*  
*www.hastingscounty.com*

## CORPORATION OF THE COUNTY OF HASTINGS

For The Year Ended December 31, 2016

### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the County of Hastings are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The County maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the County's assets are appropriately accounted for and adequately safeguarded.

The County's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the County's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the County of Hastings. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the County. Collins Barrow Kawarthas LLP has full and free access to Council.

Warden

Date

June 29, 2017

Director of Finance/  
Treasurer

Date

June 29, 2017

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Hastings**

#### *Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of the Corporation of the County of Hastings and its local board, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations and accumulated surplus, change in net financial assets/(liabilities) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

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

#### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the County of Hastings and its local board as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Collins Barrow Kawarthas LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 3, 2017

# CORPORATION OF THE COUNTY OF HASTINGS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION At December 31, 2016

	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	18,709,306	13,457,824
Investments (note 2)	2,433,273	2,393,753
Trade and other receivables	6,053,569	6,950,337
Long term receivables	2,179,547	2,144,318
<b>TOTAL FINANCIAL ASSETS</b>	<b>29,375,695</b>	<b>24,946,232</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	9,731,928	8,540,118
Deferred revenue - obligatory reserve funds (note 3)	195,022	135,780
Deferred revenue - other	1,116,784	633,609
Long term debt (note 4)	33,651,957	33,023,776
Employee future amounts payable (note 5)	7,846,922	7,482,598
<b>TOTAL LIABILITIES</b>	<b>52,542,613</b>	<b>49,815,881</b>
<b>NET FINANCIAL ASSETS/(LIABILITIES)</b>	<b>(23,166,918)</b>	<b>(24,869,649)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 6)	92,116,708	90,415,405
Prepaid expenses	563,897	163,246
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>92,680,605</b>	<b>90,578,651</b>
<b>ACCUMULATED SURPLUS (note 8)</b>	<b>69,513,687</b>	<b>65,709,002</b>

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

# CORPORATION OF THE COUNTY OF HASTINGS

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>REVENUES</b>			
Property taxation	13,614,378	13,661,065	13,195,970
User charges	14,512,983	15,203,878	14,754,332
Government of Canada	241,665	254,702	634,671
Province of Ontario	76,507,297	74,828,066	72,582,884
Other municipalities	22,656,344	22,875,970	22,321,523
Provincial Offences Act - fines (note 11)	1,600,000	1,666,334	1,601,511
Federal gas tax earned	1,212,722	1,154,974	1,154,974
Investment income	179,436	197,406	215,821
Donations	-	-	4,000
Other	25,000	85,245	47,669
Gain (loss) on disposal of tangible capital assets	-	530,546	(90,131)
<b>TOTAL REVENUES</b>	<b>130,549,825</b>	<b>130,458,186</b>	<b>126,423,224</b>
<b>EXPENSES</b>			
General government	3,606,174	3,890,945	3,341,841
Protection services	1,504,326	1,580,308	1,498,936
Transportation services	1,314,925	1,231,284	1,331,143
Health services	18,733,871	19,048,929	18,711,993
Social and family services	81,759,705	78,736,608	78,564,716
Social housing	19,984,888	20,892,237	20,983,925
Planning and development	1,358,120	1,273,190	1,303,558
<b>TOTAL EXPENSES</b>	<b>128,262,009</b>	<b>126,653,501</b>	<b>125,736,112</b>
<b>ANNUAL SURPLUS</b>	<b><u>2,287,816</u></b>	<b>3,804,685</b>	<b>687,112</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>65,709,002</b>	<b>65,021,890</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>69,513,687</b>	<b>65,709,002</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE COUNTY OF HASTINGS

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES) For the Year Ended December 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>ANNUAL SURPLUS</b>	2,287,816	3,804,685	687,112
Amortization of tangible capital assets	4,439,954	4,482,697	4,439,954
Purchase of tangible capital assets	(4,392,345)	(6,554,496)	(4,824,084)
Loss/(gain) on disposal of tangible capital assets	-	(530,546)	90,131
Proceeds on sale of tangible capital assets	-	901,042	28,438
Change in prepaid expenses	-	(400,651)	(1,014)
<b>CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)</b>	2,335,425	1,702,731	420,537
<b>NET FINANCIAL ASSETS/(LIABILITIES) - beginning of year</b>	(24,869,649)	(24,869,649)	(25,290,186)
<b>NET FINANCIAL ASSETS/(LIABILITIES) - end of year</b>	(22,534,224)	(23,166,918)	(24,869,649)

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

# CORPORATION OF THE COUNTY OF HASTINGS

## CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2016

	2016	2015
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	3,804,685	687,112
Items not involving cash		
Amortization of tangible capital assets	4,482,697	4,439,954
Loss/(gain) on disposal of tangible capital assets	(530,546)	90,131
Employee future amounts payable	364,324	395,969
Change in non-cash assets and liabilities		
Trade and other receivables	896,768	(675,703)
Long term receivables	(35,229)	(3,076)
Prepaid expenses	(400,651)	(1,014)
Accounts payable and accrued liabilities	1,191,810	486,710
Deferred revenue - obligatory reserve funds	59,242	3,748
Deferred revenue - other	483,175	(684,679)
<b>Net change in cash from operating activities</b>	<b>10,316,275</b>	<b>4,739,152</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(6,554,496)	(4,824,084)
Proceeds on disposal of tangible capital assets	901,042	28,438
<b>Net change in cash from capital activities</b>	<b>(5,653,454)</b>	<b>(4,795,646)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(39,520)	(42,085)
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	4,000,000	-
Debt principal repayments	(3,371,819)	(3,179,953)
<b>Net change in cash from financing activities</b>	<b>628,181</b>	<b>(3,179,953)</b>
<b>NET CHANGE IN CASH</b>	<b>5,251,482</b>	<b>(3,278,532)</b>
<b>CASH - beginning of year</b>	<b>13,457,824</b>	<b>16,736,356</b>
<b>CASH - end of year</b>	<b>18,709,306</b>	<b>13,457,824</b>

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



# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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The County of Hastings is an upper tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

#### (a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the County and which are owned and controlled by the County. These financial statements include:

- Hastings Local Housing Corporation

All interfund assets and liabilities and revenues and expenses are eliminated.

#### (b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the County's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The County's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates;
- The values of employee future amounts payable depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

#### (c) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

The County establishes the tax rates annually based on the amount required to be raised. These tax rates are used to levy amounts to the lower tier Municipalities are based on their annual assessment. Adjustments to the lower tier levy amounts for additions to and reductions in assessment are reported in the financial statements when amounts can be reasonably determined.

Fines levied under the Provincial Offenses Act 1997 are recognized when the funds are received. (see note 11).

User fees are recognized as revenue in the year the goods and services are provided.

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# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Government Funding

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

(e) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(f) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the County because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the County unless they are sold.

(g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized, over the expected useful life of the asset, as follows:

Land improvements	25-50 years straight-line
Buildings	50-100 years straight-line
Building components	10-50 years straight-line
Leasehold improvements	current lease term plus one renewal term
Machinery and equipment	2-50 years straight-line
Ambulances	percentage of use
Other vehicles	7 years straight-line
Computer hardware and software	4 years straight-line
Roads and bridges	15-50 years straight-line

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(h) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(i) Trust Funds

Trust funds and their related operations administered by the County are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 2. INVESTMENTS

Investments are recorded at cost and are comprised of:

	2016	2015
	\$	\$
<b>RBC Dominion Securities</b>		
Cash	11,402	9,666
Bonds	28,474	28,474
	39,876	38,140
<b>Phillips, Hager &amp; North Investment Funds Ltd.</b>		
Short term bond fund	2,393,397	2,355,613
	2,433,273	2,393,753

### 3. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the County is summarized below:

	2016	2015
	\$	\$
Federal gas tax	195,022	135,780

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

	2016	2015
	\$	\$
Balance - beginning of year	135,780	132,032
Add amounts received:		
Federal gas tax	1,212,722	1,154,974
Interest	1,494	3,748
	1,214,216	1,158,722
Less transfer to operations:		
Federal gas tax earned	1,154,974	1,154,974
Balance - end of year	195,022	135,780

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 4. LONG TERM DEBT

(a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2016 \$	2015 \$
Long term debt issued for the North Hastings Professional Building matures April 30, 2026. It is repayable in blended monthly instalments of \$4,565 with interest at the rate of 3.08% per annum.	443,770	482,707
Long term debt issued for Centennial Manor matures May 30, 2022. It is repayable in blended monthly instalments of \$55,817 with interest at the rate of 3.70% per annum.	3,283,377	3,820,876
Long term debt issued for Centennial Manor matures May 30, 2022. It is repayable in blended monthly instalments of \$19,588 with interest at the rate of 3.66% per annum.	1,169,397	1,357,897
Long term debt issued for Centennial Manor matures May 31, 2022. It is repayable in blended monthly instalments of \$3,297 with interest at the rate of 2.97% per annum.	197,661	230,017
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$51,568 with interest at the rate of 4.64% per annum.	3,580,258	4,021,775
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$52,353 with interest at the rate of 4.74% per annum.	3,623,086	4,069,307
Long term debt issued for Hastings Manor matures August 31, 2023. It is repayable in blended monthly instalments of \$65,835 with interest at the rate of 4.64% per annum.	4,572,028	5,134,479
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$20,652 with interest at the rate of 4.14% per annum.	1,457,253	1,640,612
Long term debt issued by the Hastings Local Housing Corporation to the Canada Mortgage and Housing Corporation (CMHC) matures January 1, 2028, renewable March 1, 2018 and is secured by the land and building at 48A Brant Street, Deseronto, Ontario. It is repayable in blended monthly instalments of \$10,050 with interest at the rate of 3.24% per annum.	1,223,243	1,323,299
Long term debt issued by the Hastings Local Housing Corporation to CMHC matures February 1, 2028, renewable March 1, 2018 and is secured by the land and building at 59 Russell Street, Belleville, Ontario. It is repayable in blended monthly instalments of \$30,597 with interest at the rate of 3.24% per annum.	3,749,620	4,053,560

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 4. LONG TERM DEBT, continued

	2016	2015
	\$	\$
Long term debt issued by the Hastings Local Housing Corporation to CMHC matures January 1, 2025 and renewable June 1, 2020 and is secured by the land and building at 424 Bleeker Avenue, Belleville, Ontario. It is repayable in blended monthly instalments of \$17,211.71 with interest at the rate of 1.39% per annum.	1,578,592	1,761,867
Long term debt issued by the Belleville Non-Profit Housing Corporation and assumed by the Hastings Local Housing Corporation to the Scotiabank matures April 1, 2017 and is secured by the land and building at 24 Brown Street, Belleville, Ontario. It is repayable in blended monthly instalments of \$17,717 with interest at the rate of 4.4985% per annum.	2,249,146	2,358,760
Long term debt issued by the Belleville Non-Profit Housing Corporation and assumed by the Hastings Local Housing Corporation to Scotiabank matures November 1, 2020 and is secured by the land and building at 46 Tracey Park Drive, Belleville, Ontario. It is repayable in blended monthly instalments of \$23,545 with interest at the rate of 3.401% per annum.	2,576,635	2,768,620
Debenture issued by the County of Hastings to OILC matures June 15, 2041. It is repayable in blended semi-annual instalments of \$118,109 with interest at the rate of 3.30% per annum.	3,947,891	-
	33,651,957	33,023,776

- (b) The long term debt in (a) issued in the name of the County or the Hastings Local Housing Corporation have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$1,220,952 (2015 - \$1,310,722).
- (d) Included in long term debt above are amounts required to finance new facilities at Hastings Manor and Centennial Manor amounting to \$13,232,626 (2015 - \$14,866,173) and \$4,650,435 (2015 - \$5,408,790) respectively. A portion of the net cost of this long term debt is recoverable from other municipalities and the Province of Ontario as follows:
- (i) The net cost of the debt related to Hastings Manor is sharable with the City of Belleville based on a proportionate share of residents days and with the City of Quinte West based on a proportionate share of weighted assessment.
  - (ii) The net cost of the debt related to Centennial Manor is sharable with the City of Belleville (Thurlow and Quinte annex) and the City of Quinte West based on a proportionate share of weighted assessment.

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 4. LONG TERM DEBT, continued

- (iii) The Province of Ontario provides annual funding for both facilities at the rate of \$10.35 for each approved bed per day, for a period of twenty years from the completion of the projects. The annual contribution from the Province amounts to \$955,752 for Hastings Manor and \$415,548 for Centennial Manor.
- (e) The debentures payable by the County Housing Corporation at December 31, 2016 to the Canada Mortgage and Housing Corporation of \$5,897,641 (2015 - \$6,734,007) mature between January 1, 2018 and January 1, 2026 and are secured by land and buildings. These debentures were not assumed by or assigned to the Housing Local Housing Corporation when the Social Housing devolution occurred on January 1, 2001 and are not recorded in these financial statements.
- (f) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2017	5,690,233	1,089,203	6,779,436
2018	7,717,257	872,516	8,589,773
2019	3,284,365	725,021	4,009,386
2020	5,979,439	579,024	6,558,463
2021	3,136,487	383,847	3,520,334
	25,807,781	3,649,611	29,457,392
2022 and subsequent years	7,844,176	1,412,951	9,257,127
	33,651,957	5,062,562	38,714,519

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 5. EMPLOYEE FUTURE AMOUNTS PAYABLE

Certain employee benefits payable are shareable with the City of Belleville and the City of Quinte West. The portion recoverable from the above municipal partners at December 31, 2016 which is included in the long term receivable amount of \$2,179,547, is \$1,555,174 (2015 - \$1,500,328).

Actuarial estimates of the future liabilities have been completed and form the basis for the estimated liabilities reported in these consolidated financial statements.

Employee future amounts payable includes the following:

	2016	2015
	\$	\$
Post employment benefits	2,033,811	1,903,897
Future payments for WSIB costs	3,308,447	3,056,219
<b>Unfunded employee future benefits</b>	<b>5,342,258</b>	<b>4,960,116</b>
Vacation pay	2,319,535	2,337,353
Accumulated sick leave benefit plan	143	143
Severance payouts	184,986	184,986
<b>Other amounts payable</b>	<b>2,504,664</b>	<b>2,522,482</b>
	<b>7,846,922</b>	<b>7,482,598</b>

The actuarial valuation for post-employment benefits as at December 31, 2016 was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate	2%
Future health care cost rates - 2016	5.00%
Future health care cost rates - 2017-2019	reducing by .33/year to 4%
Future health care cost rates - 2020 thereafter	4%
Future dental cost rates	4%
Future interest rate	4.25%

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 5. EMPLOYEE FUTURE AMOUNTS PAYABLE, continued

The County sponsors defined benefit plans to pay costs of certain health and other insurance benefits for eligible employees after they retire.

The continuity of the liability for post-employment benefits is as follows:

	2016	2015
	\$	\$
Accrued benefit obligation at January 1	2,635,912	2,291,627
Unamortized actuarial losses	(732,015)	(536,860)
Liability at January 1	1,903,897	1,754,767
Current year benefit cost	110,059	105,709
Interest	117,361	97,440
Amortization of actuarial loss	68,331	49,511
Less: expected benefit payments	(165,837)	(103,530)
Liability at December 31	2,033,811	1,903,897

The actuarial valuation for future payments for WSIB costs as at December 31, 2016 was based on a number of assumptions about future events, such as inflation rates, interest rates, expected future WSIB payments per lost time injury, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Discount rate	4%
Loss of earnings benefits	66%
Expected inflation rate	2%
WSIB administration fee	38%
Loss time injury count	24
Mean term of future payments	9 years

The continuity of the liability for future payments for WSIB costs is as follows:

	2016	2015
	\$	\$
Accrued benefit obligation at January 1	3,169,720	2,865,308
Unamortized actuarial losses	(113,501)	(26,072)
Liability at January 1	3,056,219	2,839,236
Current year benefit cost	468,209	509,131
Increase due to plan amendment	39,232	-
Interest	128,460	115,389
Amortization of actuarial loss	79,441	62,754
Less: expected benefit payments	(463,114)	(470,291)
Liability at December 31	3,308,447	3,056,219



# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 6. TANGIBLE CAPITAL ASSETS

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

	2016	2015
	\$	\$
General		
Land and land improvements	10,024,442	9,884,064
Buildings	72,641,179	68,564,529
Machinery and equipment	6,154,440	5,552,287
Vehicles	1,109,137	1,089,696
Infrastructure		
Roads and bridges	1,850,045	1,168,591
	91,779,243	86,259,167
Assets under construction	337,465	4,156,238
	92,116,708	90,415,405

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2015 - \$Nil) and no interest capitalized (2015 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2016	2015
	\$	\$
General government	11,586,815	10,523,068
Transportation services	2,199,769	1,168,596
Health services	2,073,710	2,161,987
Social and family services	34,028,046	35,144,852
Social housing	42,163,520	41,352,054
Planning and development	64,848	64,848
	92,116,708	90,415,405

### 7. CREDIT FACILITY AGREEMENT

The County has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$5,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.75% per annum. At December 31, 2016 there was no balance outstanding (2015 - \$Nil).

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 8. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2016	2015
	\$	\$
<b>Surplus/(Deficit)</b>		
Housing Corporation	141,955	141,955
Unfunded employee future benefits	(5,342,258)	(4,960,116)
	(5,200,303)	(4,818,161)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	92,116,708	90,415,405
Long term debt	(33,651,957)	(33,023,776)
Unfunded capital - Hastings Manor (b)	(332,243)	(376,899)
Unfunded capital - administration building	-	(2,353,104)
	58,132,508	54,661,626
<b>Surplus</b>	52,932,205	49,843,465
<b>Reserves</b>		
Working funds	2,303,949	2,303,951
General purposes	2,818,779	2,405,745
County highways	500,847	544,559
Social services	859,872	771,004
Ambulance capital	560,629	492,374
Hastings and Centennial Manor	568,610	465,638
Doctor recruitment	524,302	330,552
Social housing	5,080,656	2,904,543
WSIB	2,776,491	2,625,221
Desktop computer replacement	248,120	243,003
Economic development	132,148	117,514
Official plan	120,808	101,622
EMS cross border services	86,271	86,271
<b>Total Reserves</b>	16,581,482	13,391,997
<b>Reserve Funds</b>		
Social housing	-	2,473,540
	69,513,687	65,709,002

(b) The Hastings Manor unfunded capital amount was financed through an interfund loan from general government in 2013 at prime plus 1.25% and is repayable over a 10 years period until 2023 through an annual charge to Hastings Manor operations.

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 9. BUDGET FIGURES

The budget, approved by the County, for 2016 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets/(Liabilities). The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	Revenue	Expenses
	\$	\$
Council approved budget:		
Operating	119,540,524	132,959,902
Capital	4,392,345	4,392,345
Levy	13,419,378	-
Total Council approved budget	137,352,247	137,352,247
Less: Tangible capital assets capitalized	-	(4,392,345)
Add: Amortization of tangible capital assets	-	4,439,954
Less: Long term debt proceeds	(2,188,242)	-
Less: Principal repayment of long term debt	-	(3,411,132)
Less: Transfers to/from reserves and reserve funds	(1,565,663)	(2,633,542)
Less: Change in unfunded capital	-	(44,656)
Less: Interdepartmental charges	(4,451,992)	(4,451,992)
Add: POA net payments to other Municipalities	248,500	248,500
Add: Federal gas tax allocation	1,154,975	1,154,975
Adjusted budget per Consolidated Statement of Operations	130,549,825	128,262,009

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

### 10. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
Salaries and benefits	52,928,829	53,101,355	51,479,310
Interest charges	1,231,167	1,220,952	1,310,722
Materials	15,263,397	14,953,880	15,359,821
Contracted services	13,454,855	13,973,398	13,214,782
Rents and financial	2,096,101	2,048,490	2,231,073
External transfers	38,847,706	36,872,729	37,700,450
Amortization	4,439,954	4,482,697	4,439,954
	128,262,009	126,653,501	125,736,112

### 11. PROVINCIAL OFFENCES OFFICES

As a result of the provincial-municipal restructuring under Bill 108, streamlining of administration of Provincial Offences Act ("POA") 1997, the County has assumed responsibility and administration of the POA office and courts.

Revenues from the POA office consists of fines levied under Part I and III (including delay penalties) for POA charges filed at 253 Pinnacle Street in Belleville. Offenders may pay their fines at any court office in Ontario, at which time, their receipt is recorded in the Integrated Courts Operations Network system ("ICON") operated by the Province of Ontario. The County of Hastings recognizes fine revenue when the receipt of funds is recorded by ICON and matched to the offence notice, regardless of the location where payment is made.

Revenues and expenses related to these operations have been reported as follows:

	2016 \$	2015 \$
Fines	1,666,334	1,601,511
Other revenue	29,020	33,681
Operating costs	(1,116,219)	(1,087,493)
Amounts transferred to City of Belleville	(174,365)	(123,928)
Amounts transferred to City of Quinte West	(160,205)	(157,670)
Net County revenue	244,565	266,101

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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### 12. SOCIAL HOUSING

The County of Hastings Housing Corporation was incorporated under Part III of The Ontario Business Corporations Act in response to the Province's overall initiative to devolve Social Housing to local municipalities. The Corporation currently provides 1,421 units of subsidized housing to its tenants and their families.

As the Service Manager, on behalf of the Cities of Belleville and Quinte West and the County of Hastings, the County is now the sole shareholder of the Corporation.

On January 1, 2001 the Ontario Housing Corporation transferred 1,115 units and certain head office assets to the Corporation. The properties transferred carried the following restriction:

"The properties cannot be transferred or mortgaged or otherwise encumbered, developed or redeveloped .... or disposed of by any person without prior consent of the Minister of Municipal Affairs and Housing."

### 13. PENSION AGREEMENTS

Certain employees of the County are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2016 Annual Report disclosed total actuarial liabilities of \$87,554 million in respect of benefits accrued for service with actuarial assets of \$81,834 million indicating an actuarial deficit of \$5,720 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the County does not recognize any share of the OMERS pension surplus or deficit.

The County's required contributions to OMERS in 2016 were \$3,401,134 (2015 - \$3,414,103).

### 14. CONTINGENT LIABILITIES

The County, in the course of its operations, has been named in several lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

### 15. COMMITMENTS

- (a) The County has entered into lease agreements for various office accommodations and equipment. Future lease payments for the next five years are as follows:

2017	\$562,134
2018	498,735
2019	498,735
2020	466,360
2021	427,099

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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### 15. COMMITMENTS, continued

- (b) The County of Hastings has developed a Doctor Recruitment Program. The Program provides education funding to medical students over a 4 to 6 year period. The students enter into an agreement for the funding in exchange for a minimum 5 year commitment to provide medical services within the County of Hastings.

Future payments for the program are as follows:

2017	\$50,000
2018	50,000
2019	25,000
2020	25,000

- (c) The County has agreed to assist the Kingston General Hospital with their redevelopment program. The total commitment is for \$654,000 payable equally over a ten year period commencing in 2008. The remaining commitment at December 31, 2016 is \$65,400.
- (d) The County has agreed to assist Loyalist College with their campaign in support of the new Sustainable Skills, Technology and Life Sciences Centre. The total commitment is for \$350,000 payable equally over a seven year period commencing in 2013. The remaining commitment at December 31, 2016 is \$150,000.
- (e) The County has several outstanding commitments for construction and renovations of social housing units. The total outstanding commitments at December 31, 2016 are \$608,262 which will be funded through taxation and reserve transfers. In addition, the County has an outstanding commitment related to the construction of affordable housing units in the amount of \$1,378,405 which will be funded through a Federal grant.

### 16. SEGMENTED INFORMATION

The County of Hastings is a municipal government organization that provides a range of services to its residents. County services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation is allocated based on each segment's net requirements. Internal transfers include rent charges which are allocated based on the segment's square footage usage of the County's buildings and computer replacement costs that are allocated based on the segment's proportionate share of the total number of devices. Allocated administration includes the following: 1) Governance costs that are allocated based on the segment's proportionate share of the total number of committees; 2) Corporate management wages and benefits that are allocated based on the estimated percentage of time each employee spends working for each segment and other costs that are allocated based on the average percentage of corporate management wages and benefits allocated to each department; 3) Human resources wages and benefits that are allocated based on the segment's proportionate share as determined by head count; and 4) Information technologies wages and benefits that are allocated based on the segment's proportionate share of the total number of devices.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

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# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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### 16. SEGMENTED INFORMATION, continued

#### **General Government**

General government consists of the activities of Council and general financial and administrative management of the County and its programs and services.

#### **Protection Services**

Protection services include emergency measures and provincial offences operations for the County of Hastings and the Cities of Belleville and Quinte West and land ambulance services for the Counties of Hastings and Prince Edward and the Cities of Belleville and Quinte West.

#### **Transportation Services**

The activities of the transportation function include construction and maintenance of the County's roads and bridges and transfer of federal gas tax funding to the lower tier municipalities.

#### **Health Services**

The health services function consists of Land Ambulance services for the Counties of Hastings, Prince Edward and the Cities of Belleville and Quinte West and contributions to the Doctor Recruitment Program, Health Care facilities and to the local Health Unit.

#### **Social and Family Services**

Social and family services consist of general assistance, homes for the aged and child care services to inhabitants of the County of Hastings and the Cities of Belleville and Quinte West.

#### **Social Housing**

Social housing services provides affordable housing to qualified inhabitants of the County of Hastings and the Cities of Belleville and Quinte West.

#### **Planning and Development**

The planning and development services function manages commercial, industrial and residential development within the County.

### 17. TRUST FUNDS

Trust funds administered by the County amounting to \$178,167 (2015 - \$169,612) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the County for the benefit of others, they are not presented as part of the County's financial position or operations.

### 18. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

# CORPORATION OF THE COUNTY OF HASTINGS

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2016

	General			Infrastructure		Totals
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	
	\$	\$	\$	\$	\$	\$
<b>COST</b>						
Balance, beginning of year	11,423,378	106,940,983	10,409,829	3,331,485	3,198,934	4,156,238
Add: additions during the year	469,053	3,332,153	1,182,320	626,098	693,968	250,904
Less: disposals during the year	276,917	587,776	-	1,162,338	240,879	-
Internal transfers	-	3,866,657	119,825	-	83,195	(4,069,677)
Balance, end of year	11,615,514	113,552,017	11,711,974	2,795,245	3,735,218	337,465
<b>ACCUMULATED AMORTIZATION</b>						
Balance, beginning of year	1,539,314	38,376,454	4,857,542	2,241,789	2,030,343	-
Add: additions during the year	112,099	2,986,867	699,992	588,030	95,709	-
Less: disposals during the year	60,341	452,483	-	1,143,711	240,879	-
Balance, end of year	1,591,072	40,910,838	5,557,534	1,686,108	1,885,173	-
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	10,024,442	72,641,179	6,154,440	1,109,137	1,850,045	337,465
						92,116,708



# CORPORATION OF THE COUNTY OF HASTINGS

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2016

	General Government \$	Protection Services \$	Transportation Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	3,062,469	(234,185)	56,600	3,405,538	3,069,644	3,064,879	1,236,120	13,661,065
User charges	390,619	5,735	46,500	92,875	8,597,516	5,996,170	74,463	15,203,878
Government transfers - operating	145,200	-	-	7,750,362	60,838,120	4,660,474	320	73,394,476
Government transfers - capital	-	-	900,400	-	-	787,892	-	1,688,292
Other municipalities	169,845	109,060	-	7,762,066	7,644,667	7,190,332	-	22,875,970
Provincial Offences Act - fines	-	1,666,334	-	-	-	-	-	1,666,334
Federal gas tax earned	-	-	1,154,974	-	-	-	-	1,154,974
Investment income	70,656	7,961	-	-	78,008	40,781	-	197,406
Other	-	-	-	-	86,245	-	-	86,245
Gain (loss) on disposal of tangible capital assets	-	-	-	10,883	-	519,663	-	530,546
<b>Total revenues</b>	<b>3,838,789</b>	<b>1,554,905</b>	<b>2,158,474</b>	<b>19,021,724</b>	<b>80,313,200</b>	<b>22,260,191</b>	<b>1,310,903</b>	<b>130,458,186</b>
<b>Expenses</b>								
Salaries and benefits	4,795,410	568,732	-	13,788,721	29,631,129	3,487,454	829,909	53,101,355
Interest charges	83,782	-	-	-	838,342	298,828	-	1,220,952
Materials	1,535,487	37,248	(55,222)	2,114,134	3,978,161	7,177,933	166,139	14,953,880
Contracted services	1,249,856	348,795	32,291	315,204	11,067,713	932,392	27,147	13,973,398
Rents and financial	87,435	27,574	-	282,062	302,052	1,326,132	23,235	2,048,490
External transfers	111,780	334,570	1,154,974	1,334,468	28,537,628	5,294,309	105,000	36,872,729
Amortization	422,828	-	99,241	756,396	1,405,986	1,798,246	-	4,482,697
Internal transfers	(929,319)	141,834	-	-	711,842	87,643	(12,000)	-
Allocated administration	(3,466,314)	121,555	-	457,944	2,263,755	489,300	133,760	-
<b>Total expenses</b>	<b>3,890,945</b>	<b>1,580,308</b>	<b>1,231,284</b>	<b>19,048,929</b>	<b>78,736,608</b>	<b>20,892,237</b>	<b>1,273,190</b>	<b>126,653,501</b>
<b>Net surplus/(deficit)</b>	<b>(52,156)</b>	<b>(25,403)</b>	<b>927,190</b>	<b>(27,205)</b>	<b>1,576,592</b>	<b>1,367,954</b>	<b>37,713</b>	<b>3,804,685</b>

# CORPORATION OF THE COUNTY OF HASTINGS

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2015

	General Government \$	Protection Services \$	Transportation Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	2,801,003	(292,408)	56,400	3,370,421	3,170,119	2,878,758	1,211,677	13,195,970
User charges	354,462	11,914	49,605	23,163	8,415,018	5,832,400	67,770	14,754,332
Government transfers - operating	170,800	-	-	7,901,869	60,544,179	4,204,772	55,009	72,876,629
Government transfers - capital	12,269	-	83,195	-	-	245,462	-	340,926
Other municipalities	135,928	107,443	-	7,406,312	7,841,033	6,830,807	-	22,321,523
Provincial Offences Act - fines	-	1,601,511	-	-	-	-	-	1,601,511
Federal gas tax earned	-	-	1,154,974	-	-	-	-	1,154,974
Investment income	76,125	8,776	-	-	88,591	42,329	-	215,821
Donations	-	-	-	-	4,000	-	-	4,000
Other	-	-	-	-	47,669	-	-	47,669
Gain (loss) on disposal of tangible capital assets	-	-	-	28,439	(116,917)	(1,653)	-	(90,131)
<b>Total revenues</b>	<b>3,550,587</b>	<b>1,437,236</b>	<b>1,344,174</b>	<b>18,730,204</b>	<b>79,993,692</b>	<b>20,032,875</b>	<b>1,334,456</b>	<b>126,423,224</b>
<b>Expenses</b>								
Salaries and benefits	4,427,214	561,836	-	13,339,883	28,880,225	3,377,588	892,564	51,479,310
Interest charges	26,276	-	-	-	942,300	342,146	-	1,310,722
Materials	1,133,454	50,917	11,005	2,154,280	4,031,328	7,816,160	162,677	15,359,821
Contracted services	1,172,216	328,642	31,930	421,997	10,349,106	902,061	8,830	13,214,782
Rents and financial	95,384	25,664	29,884	281,877	319,130	1,420,102	59,032	2,231,073
External transfers	126,749	281,598	1,154,974	1,337,628	29,861,021	4,870,480	68,000	37,700,450
Amortization	369,930	-	103,350	755,616	1,435,670	1,775,388	-	4,439,954
Internal transfers	(746,816)	137,200	-	-	621,616	-	(12,000)	-
Allocated administration	(3,262,566)	113,079	-	420,712	2,124,320	480,000	124,455	-
<b>Total expenses</b>	<b>3,341,841</b>	<b>1,498,936</b>	<b>1,331,143</b>	<b>18,711,993</b>	<b>78,564,716</b>	<b>20,983,925</b>	<b>1,303,558</b>	<b>125,736,112</b>
<b>Net surplus/(deficit)</b>	<b>208,746</b>	<b>(61,700)</b>	<b>13,031</b>	<b>18,211</b>	<b>1,428,976</b>	<b>(951,050)</b>	<b>30,898</b>	<b>687,112</b>

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Hastings

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the County of Hastings, which comprise the statement of financial position as at December 31, 2016, the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

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

#### *Basis for Qualified Opinion*

In common with many municipal trust funds, amounts are received through donations and receipts from residents, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these amounts was limited to the amounts recorded in the records of the Trust Funds and we were not able to determine whether any adjustments might be necessary to donations, resident receipts, assets and fund balances at the end of the year.

#### *Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the County of Hastings as at December 31, 2016 and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Collins Barrow Kawarthas LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 3, 2017

# CORPORATION OF THE COUNTY OF HASTINGS

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2016

	Benevolent Trust \$	Centennial Manor \$	Hastings Manor \$	2016 Total \$	2015 Total \$
<b>FINANCIAL ASSETS</b>					
Cash	526	78,767	56,470	135,763	128,158
Investment (note 3)	40,342	-	-	40,342	40,000
Accrued interest	104	-	-	104	73
Due from Hastings Manor	-	-	1,958	1,958	3,595
	40,972	78,767	58,428	178,167	171,826
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	-	-	-	-	219
Due to Centennial Manor	-	-	-	-	1,995
	-	-	-	-	2,214
<b>FUND BALANCES</b>	40,972	78,767	58,428	178,167	169,612
	40,972	78,767	58,428	178,167	171,826

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE COUNTY OF HASTINGS

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2016

	Benevolent Trust \$	Centennial Manor \$	Hastings Manor \$	2016 Total \$	2015 Total \$
<b>BALANCES - beginning of year</b>	40,625	74,296	54,691	169,612	170,686
<b>RECEIPTS</b>					
Interest earned	374	-	-	374	378
Received from residents	-	48,488	111,288	159,776	181,448
Donations	-	17,905	11,733	29,638	12,485
	374	66,393	123,021	189,788	194,311
<b>EXPENSES</b>					
Personal needs	-	61,073	118,118	179,191	180,541
Refunds to residents	-	-	1,066	1,066	520
Donations	-	849	100	949	6,204
Other	27	-	-	27	8,120
	27	61,922	119,284	181,233	195,385
<b>BALANCES - end of year</b>	40,972	78,767	58,428	178,167	169,612

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

# CORPORATION OF THE COUNTY OF HASTINGS

## TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the County's best information and judgment. Actual results could differ from these estimates.

### 2. PURPOSE OF TRUSTS

Benevolent Trust - On November 25, 1987, the Corporation of the County of Hastings (through Hastings Centennial Manor) was bequeathed with funds from the estate of Robert Clark. Interest on the funds are to be used to purchase items for the enjoyment of the residents, not covered by the Home's normal operating budget.

Centennial Manor and Hastings Manor - These funds are for these Homes for the Aged, Long Term Care residents and represent their personal funds that are to be used exclusively for the residents' personal items.

### 3. INVESTMENT

This investment is stated at cost which approximates market value and consists of a term deposit which earns interest at the rate of 1.24% (2015 - 0.85%) and matures on December 15, 2017.