

**Township of Lanark Highlands
Consolidated Statement of Operations**

For the year ended December 31	(Note 16) Budget	2016	2015
	\$	\$	\$
REVENUES			
Taxation ▶ residential	4,348,641	4,319,078	4,262,062
▶ commercial	153,672	153,672	124,359
▶ garbage collection	137,700	138,572	137,643
▶ other governments	60,000	64,504	60,699
User charges ▶ recreation and culture	135,010	134,646	190,280
▶ roads	43,800	43,431	46,581
▶ other	141,866	154,580	264,191
Government transfers	1,613,965	1,621,503	1,579,702
Contribution from developers	---	---	21,870
Licences and permits	55,000	89,390	54,163
Investment income	45,000	138,919	118,514
Penalties and interest on taxes	160,000	154,149	169,335
Provincial offenses	50,000	37,453	38,290
TOTAL REVENUES	6,944,654	7,049,897	7,067,689
EXPENDITURES			
General government	1,038,800	914,109	916,979
Protection to persons and property	1,823,978	1,739,030	1,572,102
Transportation services	2,851,148	2,744,179	2,762,892
Environmental services	695,368	632,021	625,493
Health services	1,800	775	1,354
Recreation and cultural services	492,037	512,017	497,385
Planning and development	101,774	102,343	137,500
TOTAL EXPENDITURES	7,004,905	6,644,474	6,513,705
NET REVENUES (EXPENDITURES) FROM OPERATIONS	(60,251)	405,423	553,984
OTHER			
Grants and transfers related to capital Government transfers	267,000	267,000	1,099,088
ANNUAL SURPLUS	206,749	672,423	1,653,072
MUNICIPAL EQUITY, BEGINNING OF YEAR	19,476,923	19,476,923	17,823,851
MUNICIPAL EQUITY, END OF YEAR	19,683,672	20,149,346	19,476,923

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

Township of Lanark Highlands
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31	(Note 16) Budget	2016	2015
	\$	\$	\$
ANNUAL SURPLUS	206,749	672,423	1,653,072
Amortization of tangible capital assets	870,143	867,965	826,346
Acquisition of tangible capital assets	(876,000)	(483,040)	(1,321,141)
Acquisition of supplies inventories	---	36,770	(1,655)
	(5,857)	421,695	(496,450)
INCREASE IN NET FINANCIAL ASSETS	200,892	1,094,118	1,156,622
NET FINANCIAL ASSETS, BEGINNING OF YEAR	8,568,896	8,568,896	7,412,274
NET FINANCIAL ASSETS, END OF YEAR	8,769,780	9,663,014	8,568,896

Draft for Discussion Purposes Only

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

**Township of Lanark Highlands
Consolidated Statement of Financial Position**

December 31	2016	2015
	\$	\$
ASSETS		
Financial Assets		
Cash and short term deposits	10,803,272	10,074,192
Taxes receivable (allowance \$29,958)	1,144,559	1,109,075
Accounts receivable	181,110	370,204
	12,128,941	11,553,471
LIABILITIES		
Financial Liabilities		
Accounts payable and accrued liabilities	205,159	422,194
Accrued landfill closure and post closures (note 10)	670,861	598,095
Prepaid property taxes	230,858	208,802
Deferred revenues (note 4)	876,593	978,442
Long term liabilities (note 5)	482,456	777,042
	2,465,927	2,984,575
NET FINANCIAL ASSETS	9,663,014	8,568,896
NON-FINANCIAL ASSETS		
Tangible capital assets (note 14)	10,457,982	10,842,907
Inventories	28,350	65,120
	10,486,332	10,908,027
Contingent Liabilities (note 12)		
MUNICIPAL EQUITY (note 6)	20,149,346	19,476,923

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

Township of Lanark Highlands
Five Year Financial Review
(not subject to audit)

December 31	2016	2015	2014	2013	2012
Population (Statistics Canada)	10,228	10,228	10,228	10,228	10,228
Number of Households (MPAC)	3,756	3,736	3,710	3,681	3,609
Taxable Assessment (000's)					
	\$	\$	\$	\$	\$
Residential and farm	767,179	733,143	697,576	660,230	632,028
Commercial and industrial	21,421	18,346	16,387	14,835	14,776
Total	788,600	751,489	713,963	675,065	646,804
Commercial, industrial as % of assessment	2.71%	2.44%	2.29%	2.19%	2.34%
Rates of Taxation					
Residential					
▸ for general municipal purposes	0.571964	0.591540	0.612954	0.624252	0.628536
▸ for county purposes	0.373000	0.379779	0.392978	0.410042	0.418354
▸ for school board purposes	0.188000	0.195000	0.203000	0.221000	0.221000
Total	1.132964	1.166319	1.208932	1.255294	1.26789
Multi-Residential (municipal)	1.314709	1.379842	1.532390	1.506370	1.553578
Commercial (municipal)	0.975879	0.995050	1.015534	1.017987	1.003916
Industrial (municipal)	1.557793	1.518363	1.589346	1.689541	1.803807
Tax Arrears ▸ percentage of current levy (<10%)**	13.16%	12.64%	12.94%	14.87%	14.53%
Taxes Transferred (000's)					
▸ County	2,922	2,854	2,803	2,821	2,734
▸ School Boards	1,532	1,532	1,497	1,523	1,344
Revenues (000's)					
	\$	\$	\$	\$	\$
▸ Taxation and payments in lieu	4,676	4,585	4,550	4,482	4,292
▸ Government transfers	1,622	1,580	1,616	1,467	1,593
▸ Fees and service charges	333	501	484	455	705
▸ Other	420	402	427	575	651
▸ Revenues related to capital assets	267	1,099	---	226	259
Total	7,318	8,167	7,077	7,205	7,500
Expenditures (000's)					
▸ Operations	6,644	6,514	7,048	6,706	7,030
▸ Amortization	868	826	810	927	1,248
Net Financial Assets (Net Debt)					
▸ % of Operating Revenue (>(20%)) **	137.07%	121.24%	97.09%	98.46%	100.54%
▸ % of Taxation (>(50%)) **	206.66%	186.90%	151.02%	153.30%	169.65%

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

Township of Lanark Highlands
Five Year Financial Review
(not subject to audit)

December 31	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Long Term Debt					
▸ Net long term debt (000's)	482	777	1,062	491	640
▸ Long term debt charges (000's)	329	336	294	208	212
▸ Annual repayment limit (000's)	1,357	1,364	1,397	1,283	1,263
▸ Long term debt per household	128	208	286	133	177
▸ Debt charges (000's)					
▸ tax supported	329	336	294	208	212
Municipal Equity (000's)					
▸ Surplus and Reserves	10,658	9,411	8,538	7,429	7,984
▸ Invested in capital assets	9,491	10,066	9,286	10,366	9,313
▸ Asset consumption ratio	61.06%	58.73%	59.32%	56.81%	57.29%
▸ Reserves as % of operating expenses (>20%) **	160.90%	153.37%	130.96%	137.40%	126.22%
Financial Indicators					
▸ Sustainability					
▸ financial assets to liabilities	4.92	3.87	2.86	3.28	4.09
▸ financial assets to liabilities excluding long term debt	6.12	5.23	3.91	3.92	5.61
▸ long term debt to tangible capital assets	0.05	0.08	0.10	0.05	0.06
▸ capital reserves to accumulated amortization	53.29%	54.35%	52.89	54.33	58.03
▸ Flexibility					
▸ Debt charges to total operating revenue (<5%) **	4.68%	4.76%	4.21%	2.14%	1.98%
▸ Total operating revenue to taxable assessment	0.89%	0.94%	0.99%	1.03%	1.12%
▸ Working capital to operating expenses (>10%) **	175.98%	167.68%	132.62%	135.70%	140.47%
▸ Vulnerability					
▸ Operating government transfers					
▸ to operating revenue	23.00%	22.35%	22.84%	21.02%	22.00%
▸ Total government transfers					
▸ to total revenues	26.79%	37.90%	22.84%	23.03%	24.62%