

THE REGIONAL MUNICIPALITY OF NIAGARA

SINKING FUND STATEMENT OF FINANCIAL POSITION

As at December 31, 2017 (In thousands of dollars)

	2017	2016
FINANCIAL ASSETS		
Cash	\$ 252	\$ 201
Interest receivable	35	38
Due from operating fund	5	8
Investments (note 2)	11,873	9,953
	12,165	10,200
LIABILITIES		
Accounts payable and accrued liabilities	4	4
Sinking fund requirements		
City of St. Catharines	1,431	1,205
The Regional Municipality of Niagara	10,540	8,875
	11,975	10,084
Accumulated surplus and net financial assets	\$ 190	\$ 116

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

THE REGIONAL MUNICIPALITY OF NIAGARA

SINKING FUND STATEMENT OF OPERATIONS AND CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2017 (In thousands of dollars)

	2017	2016
REVENUES		
Contributions	\$ 1,512	\$ 1,512
Investment Income	457	397
Total revenues	1,969	1,909
EXPENSES		
Professional fees and dues	4	5
Provision for sinking fund requirements	1,891	1,828
Total expenses	1,895	1,833
Annual Surplus	74	76
Accumulated surplus and net financial assets, beginning of year	116	40
Accumulated surplus and net financial assets, end of year	\$ 190	\$ 116

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

THE REGIONAL MUNICIPALITY OF NIAGARA

SINKING FUND STATEMENT OF CASH FLOWS

For the year ended December 31, 2017 (In thousands of dollars)

	2017	2016
OPERATING ACTIVITIES		
Annual surplus	\$ 74	\$ 76
Change in non-cash assets and liabilities:		
Interest receivable	3	(18)
Due from operating fund	3	6
Accounts payable and accrued liabilities	-	(2)
Net change in cash from operating activities	80	62
INVESTING ACTIVITIES		
Purchase of investments	(1,920)	(1,891)
Net change in cash from investing activities	(1,920)	(1,891)
FINANCING ACTIVITIES		
Increase in sinking fund requirements	1,891	1,828
Net change in cash from financing activities	1,891	1,828
Net change in cash	51	(1)
Cash, beginning of year	201	202
Cash, end of year	\$ 252	\$ 201

The accompanying notes are an integral part of these financial statements

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO SINKING FUND FINANCIAL STATEMENTS

For the year ended December 31, 2017 (In thousands of dollars)

1. Significant accounting policies:

The financial statements of sinking funds of The Regional Municipality of Niagara (the "Region") are the representation of management prepared in accordance with Canadian public sector accounting standards.

The sinking fund is a separate fund maintained for the purpose of providing for the repayment of all sinking fund debt when it becomes due and payable. The debt issued on June 30, 2010 subject to repayment through the sinking fund is \$78,079. The sinking fund is proportionally held 88.05% by the Region and 11.95% by the City of St. Catharines. Annual interest payments on the sinking fund debt are \$4,060.

Significant accounting policies adopted by the Region for the sinking funds are as follows:

(a) Basis of accounting:

The Region's sinking fund follows the accrual method of accounting for revenues and expenses.

(b) Sinking fund requirements:

The requirements of the sinking fund represent the amounts required which, together with interest compounded annually, will be sufficient to retire the related debentures at maturity. The requirements were calculated using a rate of 3.5% per annum.

(d) Investment income:

Investment income is reported as revenue in the period earned.

2. Investments:

The investments consist of municipal bonds and are carried at cost. At December 31, 2017 the investments have a market value of \$12,856 (2016 - \$10,313).