

**ANNUAL REPORT**  
**OF THE**  
**PRINCE EDWARD ISLAND**  
**CROWN BUILDING CORPORATION**  
**FOR THE YEAR ENDING**  
**31 MARCH 2017**

TO HIS HONOUR

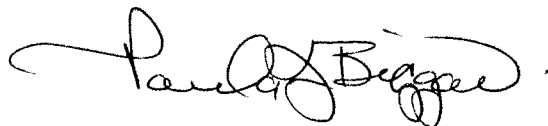
THE HONOURABLE H. FRANK LEWIS  
Lieutenant Governor of The Province of  
Prince Edward Island

May It Please Your Honour:

I respectfully submit herewith, for the information of Your Honour and the Legislature of Prince Edward Island, the Annual Report of the Crown Building Corporation for the fiscal year ended 31 March 2017.

I have the honour to be Sir:

Your Obedient Servant,

A handwritten signature in black ink, appearing to read "Paula J. Biggar". The signature is fluid and cursive, with a long horizontal flourish extending to the left.

Paula J. Biggar  
Minister  
Department of Transportation  
Infrastructure & Energy

**PRINCE EDWARD ISLAND  
CROWN BUILDING CORPORATION**

Charlottetown  
Prince Edward Island  
June 12, 2017

Honourable Paula J. Biggar  
Prince Edward Island  
Crown Building Corporation  
Charlottetown, P.E.I.

Madam:

I have the honour to submit herewith a report of the activities of the Prince Edward Island Crown Building Corporation for the year ended 31 March 2017.

An Act to establish the Prince Edward Island Crown Building Corporation was passed on 5 April 1962. Subsequently, Orders-in-Council appointed successive Presidents and Directors. During the period 1962-66, the Corporation functioned as an administrative and financing agency for site preparation, planning, design and construction of the Provincial Administrative Buildings in Charlottetown, and from 1966 to 1984 the Corporation generally limited its activities to that of financial agency responsible for amortizing construction costs of the Administrative Buildings.

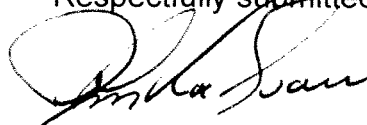
An amendment to the Prince Edward Island Crown Building Corporation Act (RSPEI 1974, Cap. C-30), assented to 11 May 1984, enabled the Corporation to plan, design, and construct the buildings, facilities, and equipment necessary to accommodate the veterinary teaching facility, known as the College, to be established as part of the University of Prince Edward Island; and to assume the financial obligation of Prince Edward Island, all pursuant to the Agreement of 3 June 1983, on behalf of the government of Canada and the Governments of the Provinces of Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland.

Bylaws of the Corporation were approved by Lieutenant Governor-in-Council on 30 August, 1984, and subsequently, amended bylaws were approved on 15 November 1984.

Objects and powers of the Corporation were approved by the Lieutenant Governor-in-Council on 30 August 1984.

The audited financial statements of this Report cover details of costs.

Respectfully submitted,



John MacQuarrie  
Secretary  
Crown Building Corporation

**PRINCE EDWARD ISLAND  
CROWN BUILDING CORPORATION**

Financial Statement  
March 31, 2017

## **Management's Report**

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

The financial statement has been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of this statement are management's responsibility. Management is responsible for the notes to the financial statement and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statement.

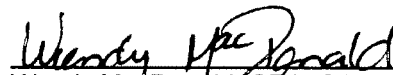
Management is responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Minister of the Department of Transportation, Infrastructure and Energy is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The Auditor General conducts an independent examination, in accordance with Canadian generally accepted auditing standards, and expresses her opinion on the financial statement. The Auditor General has full and free access to financial information and management of the Prince Edward Island Crown Building Corporation and can meet when required.

On behalf of the Prince Edward Island Crown Building Corporation

  
\_\_\_\_\_  
John MacQuarrie  
Director

  
\_\_\_\_\_  
Wendy MacDonald, CPA, CA  
Director of Finance and Human Resources

May 11, 2017



**Prince Edward Island    Île-du-Prince-Édouard**

Office of the  
Auditor General  
PO Box 2000, Charlottetown PE  
Canada C1A 7N8

Bureau du  
vérificateur général  
C.P. 2000, Charlottetown PE  
Canada C1A 7N8

**INDEPENDENT AUDITOR'S REPORT**

**To the Minister of the  
Department of Transportation, Infrastructure and Energy**

I have audited the financial statement of the **Prince Edward Island Crown Building Corporation**, which comprises the statement of financial position as at March 31, 2017, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on this financial statement based on my audit. I conducted the audit in accordance with Canadian generally accepted auditing standards. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statement presents fairly, in all material respects, the financial position of the Corporation as at March 31, 2017, in accordance with Canadian public sector accounting standards.

**B. Jane MacAdam, CPA, CA  
Auditor General**

**Charlottetown, Prince Edward Island  
May 11, 2017**

**PRINCE EDWARD ISLAND  
CROWN BUILDING CORPORATION**

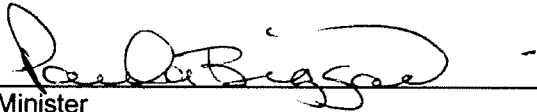
Statement of Financial Position  
March 31, 2017

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	2017	2016
	\$	\$
<b>Financial Assets</b>	—	—
<b>Liabilities</b>	—	—
<b>Net Financial Assets</b>	—	—
<b>Non Financial Assets</b>		
Tangible capital assets (Note 3)	<u>271,340</u>	<u>271,340</u>
<b>Accumulated Surplus</b>	<u>271,340</u>	<u>271,340</u>

(The accompanying notes are an integral part of this financial statement.)

Approved on behalf of the Prince Edward Island Crown Building Corporation



Minister  
Department of Transportation, Infrastructure and Energy

**PRINCE EDWARD ISLAND  
CROWN BUILDING CORPORATION**

Notes to Financial Statement  
March 31, 2017

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**1. Description of Business**

The Prince Edward Island Crown Building Corporation (the Corporation) is a Crown corporation established under the *Crown Building Corporation Act*.

The Corporation owns the Shaw and Sullivan Buildings, which house various provincial departments, agencies, Crown corporations, and equipment used by the province. Rent is not charged for space occupied. Maintenance and operating costs are the responsibility of the province.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statement is prepared by management in accordance with Canadian public sector accounting standards.

The statements of operations and accumulated surplus, changes in net financial assets and cash flow are not presented. The Corporation had no financial activity for the years ended March 31, 2016, and March 31, 2017, and therefore these statements are not considered necessary.

**a) Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, and/or construction of the asset. The province is responsible for the development, improvement, and/or betterment of the assets.

The cost of the tangible capital assets, excluding land, is amortized using the straight-line method over their estimated useful lives as follows:

Buildings	40 years
Equipment	5 years

**3. Tangible Capital Assets**

	<u>2017</u>	<u>2016</u>
	\$	\$
Land - cost	271,340	271,340
Buildings and equipment - cost	6,116,139	6,116,139
Less: accumulated amortization	<u>(6,116,139)</u>	<u>(6,116,139)</u>
Net book value	<u>271,340</u>	<u>271,340</u>



**PRINCE EDWARD ISLAND  
CROWN BUILDING CORPORATION**

Notes to Financial Statement  
March 31, 2017

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**4. Building Remediation**

The materials within some building components in the Shaw and Sullivan complex contain levels of asbestos requiring remediation. The province monitors the condition of those materials containing asbestos to ensure they are not posing a risk to the occupants of the buildings and will remove the material as the complex is repaired and/or renovated. Total cost to remediate has not been determined. Costs and potential liabilities associated with the remediation are the responsibility of the province.