

Financial Statements

**THE CORPORATION OF THE  
TOWNSHIP OF CARLING**

Year ended December 31, 2017



KPMG LLP  
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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of  
The Corporation of the Township of Carling

We have audited the accompanying financial statements of The Corporation of the Township of Carling, which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and notes, comprising 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.

### *Auditors' 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 our 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, we consider 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 is sufficient and appropriate to provide a basis for our audit opinion.



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*Opinion*

In our opinion, these financial statements present fairly, in all material respects the financial position of The Corporation of the Township of Carling as at December 31, 2017, and its results of operations, its change in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 22, 2018

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
<b>Financial assets</b>		
Cash and cash equivalents	\$ 4,239,231	\$ 3,607,913
Taxes receivable	370,340	303,901
Accounts receivable	255,088	127,319
Portfolio investments (note 2)	-	82,664
	<u>4,864,659</u>	<u>4,121,797</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	758,018	386,174
Deferred revenue - obligatory reserve funds (note 4)	602,266	514,270
Deferred revenue	67,202	108,361
Net long-term debt (note 5)	2,764,298	3,069,054
Solid waste closure and post-closure liabilities (note 6)	87,000	62,174
	<u>4,278,784</u>	<u>4,140,033</u>
Net financial assets (debt)	585,875	(18,236)
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	8,992,798	8,672,577
Inventory	52,995	23,805
Prepaid expenses and deposits	4,878	8,840
	<u>9,050,671</u>	<u>8,705,222</u>
Accumulated surplus	\$ 9,636,546	\$ 8,686,986

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

On behalf of Council:

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Chief Administrative Officer

  
\_\_\_\_\_  
Treasurer

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 12)	2017	2016
<b>Revenue:</b>			
Taxation (note 8)	\$ 4,319,766	\$ 4,338,350	\$ 4,026,064
Government grants - Federal	143,420	211,973	175,112
Government grants - Provincial	732,400	778,333	746,905
User fees and service charges	190,886	207,131	153,466
Donations	-	179,550	-
Other	110,025	129,954	116,801
Gain on sale of tangible capital assets	-	2,444	6,893
<b>Total revenue</b>	<b>5,496,497</b>	<b>5,847,735</b>	<b>5,225,241</b>
<b>Expenses:</b>			
General government	990,005	932,551	934,134
Protection services	1,006,823	970,452	850,686
Transportation services	1,424,603	1,369,712	2,009,778
Environmental services	308,454	283,856	214,450
Health services	350,329	342,696	339,204
Social and family services	609,237	609,236	600,682
Recreational and cultural services	248,084	245,614	202,830
Planning and development	162,884	144,058	114,771
<b>Total expenses</b>	<b>5,100,419</b>	<b>4,898,175</b>	<b>5,266,535</b>
<b>Annual surplus (deficit)</b>	<b>396,078</b>	<b>949,560</b>	<b>(41,294)</b>
<b>Accumulated surplus, beginning of year</b>	<b>8,686,986</b>	<b>8,686,986</b>	<b>8,728,280</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 9,083,064</b>	<b>\$ 9,636,546</b>	<b>\$ 8,686,986</b>

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

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Statement of Change in Net Financial Assets (Debt)

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 12)	2017	2016
Annual surplus (deficit)	\$ 396,078	\$ 949,560	\$ (41,294)
Acquisition of tangible capital assets		(1,029,335)	(649,891)
Amortization of tangible capital assets	-	640,058	591,900
Gain on sale of tangible capital assets	-	(2,444)	(6,893)
Proceeds on sale of tangible capital assets	-	71,500	27,500
Adjustment to net realizable value	-	-	627,771
Change in inventory	-	(29,190)	(23,805)
Change in prepaid expenses and deposits	-	3,962	88,577
Change in net financial assets	396,078	604,111	613,865
Net financial assets (debt), beginning of year	(18,236)	(18,236)	(632,101)
Net financial assets (debt), end of year	\$ 377,842	\$ 585,875	\$ (18,236)

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

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 949,560	\$ (41,294)
Items not involving cash:		
Amortization of tangible capital assets	640,058	591,900
Loss (gain) on sale of tangible capital assets	(2,444)	(6,893)
Adjustment to net realizable value	-	627,771
Increase (decrease) in solid waste closure and post-closure liabilities	24,826	(60,000)
	1,612,000	1,111,484
Change in non-cash assets and liabilities:		
Increase in taxes receivable	(66,439)	(49,022)
Decrease (increase) in accounts receivable	(127,769)	61,649
Increase in inventory	(29,190)	(23,805)
Decrease in prepaid expenses and deposits	3,962	88,577
Increase payable and accrued liabilities	371,844	84,291
Increase (decrease) in deferred revenue	46,837	(62,366)
Net change in cash from operating activities	1,811,245	1,210,808
Capital activities:		
Proceeds on disposition of tangible capital assets	71,500	27,500
Acquisition of tangible capital assets	(1,029,335)	(649,891)
Net change in cash from capital activities	(957,835)	(622,391)
Investing activities:		
Decrease in portfolio investments	82,664	11,728
Net change in cash from investing activities	82,664	11,728
Financing activities:		
Repayment of obligations under long-term debt	(304,756)	(305,836)
Net change in cash from financing activities	(304,756)	(305,836)
Net change in cash and cash equivalents	631,318	294,309
Cash and cash equivalents, beginning of year	3,607,913	3,313,604
Cash and cash equivalents, end of year	\$ 4,239,231	\$ 3,607,913

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

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

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The Corporation of the Township of Carling (the "Municipality") is a single-tier municipality in Ontario and operates under the provisions of the Community Charter. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and other related legislation.

## 1. Significant accounting policies:

The financial statements of the Municipality are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

### (a) Basis of accounting:

Sources of financing 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 revenues, expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

### (b) Cash and cash equivalents:

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

### (c) Trust funds:

Trust funds and their related operations administered by the Municipality are not included in these financial statements but are reported separately on the Trust Funds statement of continuity and statement of financial position.

### (d) Revenue recognition:

The Municipality prepares tax billings based on assessment rolls issued by Municipal Property Assessment Corporation, in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.



# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

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## 1. Significant accounting policies (continued):

### (e) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donations, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset as follows:

Assets	Useful Life - Years
Buildings and land improvements	15 to 50
Vehicles	10 to 25
Roads infrastructures	10 to 40
Machinery and equipment	10 to 25
Furniture and fixtures	10 to 20
Computers	5 to 10

Tangible capital assets under construction are recorded at cost. Amortization is recorded at 50% in the year of acquisition.

### (f) Collection of taxes on behalf of other taxation authorities:

The Municipality collects taxation revenue on behalf of the Near North District School Board and Nipissing-Parry Sound Catholic District School Board. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these entities are not reflected in these financial statements.

### (g) Pension plan:

The Municipality is an employer member of the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Municipality records as pension expense the amount paid to OMERS during the year plus any amounts owing to OMERS for the year ended.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

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## 1. Significant accounting policies (continued):

(h) Deferred revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

(i) Government transfers:

Revenue is recognized when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(j) Solid waste landfill sites:

The estimated costs to close and maintain solid waste landfill sites are based on the estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

(k) Liability for contaminated sites:

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Municipality is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

(l) 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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for taxes and user charges receivable, accounts receivable, and estimating provisions for accrued liabilities and landfill closure and post-closure liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

## 2. Portfolio investments:

	2017	2016
Universe corporate and bond funds – at market value	\$ –	\$ 60,663
Money market – at market value	–	22,001
	\$ –	\$ 82,664

The portfolio investments are restricted for federal gas tax funding.

## 3. Retirement benefits:

### *Municipal Employees Retirement System*

OMERS provides pension services to more than 461,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to estimated present value of all pension benefits that members have earned to date. Because OMERS is a multi-employer plan, any pension plan surpluses or deficit are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the municipality to OMERS for 2017 were \$96,223 (2016 - \$80,703).

## 4. Deferred revenue:

	December 31, 2016	Contributions received	Revenue recognized	December 31, 2017
Federal gas tax <sup>1</sup>	\$ 75,982	\$ 79,817	\$ –	\$ 155,799
Parkland <sup>2</sup>	438,288	8,179	–	446,467
	\$ 514,270	\$ 87,996	\$ –	\$ 602,266

- 1) Gas tax revenue is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Province of Ontario. Gas tax funding may be used towards designated community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.
- 2) The parkland reserved funds have been set aside as required by Provincial legislation which restricts how these funds may be used and, under certain circumstances, how these funds may be refunded.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

## 5. Long-term debt:

Net long-term debt reported on the statement of financial position is comprised of the following:

	2017	2016
Debenture #1, repayable in annual principal payments, ranging from \$108,000 to \$149,000 over the term of debenture, interest rate ranging from 1.7% to 5%, maturing July 2020	\$ 427,000	\$ 557,000
Infrastructure Ontario Debenture #2, repayable in semi-annual principal payments of \$48,704, interest at 3.24%, maturing July 2027	826,366	895,319
Infrastructure Ontario Debenture #3, repayable in semi-annual principal payments of \$38,997, interest at 3.78%, maturing September 2028	696,630	746,864
Infrastructure Ontario Debenture #4, repayable in semi-annual principal payments of \$44,008, interest at 3.79%, maturing February 2029	814,302	869,871
	<u>\$ 2,764,298</u>	<u>\$ 3,069,054</u>

Principal payments on the long-term debt are as follows:

2018	\$ 317,050
2019	329,573
2020	343,332
2021	201,337
2022	208,595
Thereafter	1,364,411
	<u>\$ 2,764,298</u>

The above long-term liabilities 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.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

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## **6. Solid waste closure and post-closure liabilities:**

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Municipality's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$87,000 (2016 - \$62,174) and reflects a discount rate of 3.73% (2016 - 3.38%).

The liability is based on estimates and assumptions extending over the remaining life of the landfill. The landfill is expected to reach its capacity in 25 years and the estimated remaining capacity is 23,300 (2016 - 24,300) cubic metres which is 64% (2016 - 66%) of the site's total capacity. The total undiscounted estimated future expenditures for closure and post-closure care are \$284,936 (2016 - \$284,936) leaving an amount to be recognized of \$197,936 (2016 - \$222,762). The estimated length of time needed for post-closure care is 20 years.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

## 7. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Land	\$ 387,648	232,550	-	620,198
Building and land improvements	2,952,357	483,170	(111,107)	3,324,420
Vehicles	1,281,229	23,943	(54,016)	1,251,156
Road infrastructures	8,951,267	65,011	(156,144)	8,860,134
Machinery and equipment	1,345,484	-	-	1,345,484
Furniture and fixtures	78,798	-	-	78,798
Computers	162,033	-	-	162,033
Assets under construction	-	224,661	-	224,661
<b>Total</b>	<b>\$ 15,158,816</b>	<b>1,029,335</b>	<b>(321,267)</b>	<b>15,866,884</b>

Accumulated Amortization	Balance at December 31, 2016	Amortization	Disposals and adjustments	Balance at December 31, 2017
Land	\$ -	-	-	-
Building and land improvements	413,560	70,568	(56,108)	428,020
Vehicles	700,700	89,398	(39,959)	750,139
Road infrastructures	4,605,194	396,882	(156,144)	4,845,932
Machinery and equipment	618,973	65,622	-	684,595
Furniture and fixtures	37,471	4,395	-	41,866
Computers	110,341	13,193	-	123,534
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 6,486,239</b>	<b>640,058</b>	<b>(252,211)</b>	<b>6,874,086</b>

	Net book value, December 31, 2016	Net book value, December 31, 2017
Land	\$ 387,648	620,198
Building and land improvements	2,538,797	2,896,400
Vehicles	580,529	501,017
Road infrastructures	4,346,073	4,014,202
Machinery and equipment	726,511	660,889
Furniture and fixtures	41,327	36,932
Computers	51,692	38,499
Assets under construction	-	224,661
<b>Total</b>	<b>\$ 8,672,577</b>	<b>8,992,798</b>

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

## 7. Tangible capital assets (continued):

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Land	\$ 387,648	-	-	387,648
Building and land improvements	2,952,357	-	-	2,952,357
Vehicles	1,244,848	243,206	(206,825)	1,281,229
Road infrastructures	8,737,137	391,393	(177,263)	8,951,267
Machinery and equipment	1,494,043	-	(148,559)	1,345,484
Furniture and fixtures	78,798	-	-	78,798
Computers	146,741	15,292	-	162,033
<b>Total</b>	<b>\$ 15,041,572</b>	<b>649,891</b>	<b>(532,647)</b>	<b>15,158,816</b>

Accumulated Amortization	Balance at December 31, 2015	Amortization	Disposals and adjustments	Balance at December 31, 2016
Land	\$ -	-	-	-
Building and land improvements	351,261	62,299	-	413,560
Vehicles	806,663	80,255	(186,218)	700,700
Road infrastructures	3,791,669	363,017	450,508	4,605,194
Machinery and equipment	698,668	68,864	(148,559)	618,973
Furniture and fixtures	33,076	4,395	-	37,471
Computers	97,271	13,070	-	110,341
<b>Total</b>	<b>\$ 5,778,608</b>	<b>591,900</b>	<b>115,731</b>	<b>6,486,239</b>

	Net book value, December 31, 2015	Net book value, December 31, 2016
Land	\$ 387,648	387,648
Building and land improvements	2,601,096	2,538,797
Vehicles	438,185	580,529
Road infrastructures	4,945,468	4,346,073
Machinery and equipment	795,375	726,511
Furniture and fixtures	45,722	41,327
Computers	49,470	51,692
<b>Total</b>	<b>\$ 9,262,964</b>	<b>8,672,577</b>

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

## 8. Taxation:

	2017	2016
Property taxes	\$ 6,133,216	\$ 5,920,460
Payments to school boards	(1,794,866)	(1,894,396)
Available for general municipal purposes	\$ 4,338,350	\$ 4,026,064

## 9. Trust funds:

Trust funds administered by the Municipality amounting to \$52,406 (2016 - \$51,230) have not been included in the financial position nor have their operations been included in the statement of operations and accumulated surplus.

## 10. Collateral guarantee:

The Municipality and other participating municipalities have provided to the Canadian Imperial Bank of Commerce guarantees for the long-term loan owing by Belvedere Heights Home for the Aged, based on their 1977 equalized assessments. The amount of the Municipality's guarantee is limited to \$354,318.

## 11. Contributions to unconsolidated joint boards:

The following contributions were made to these joint boards:

	2017	2016
North Bay Parry Sound Health Unit	\$ 38,239	\$ 38,239
District of Parry Sound Social Services Administration Board	449,192	455,142
District of Parry Sound (West) Belvedere Heights Home for the Aged	160,045	145,540
Parry Sound Area Industrial Park	13,575	13,393
	\$ 661,051	\$ 652,314



# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

## 12. Budget:

The budget was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). As a result, the budget figures presented in the Statement of Operations and Accumulated Surplus required the following adjustments:

	2017
Financial plan (budget) surplus for the year	\$ -
Add:	
Capital expenditures	2,531,579
Principal repayments on long-term debt	304,755
Less:	
Budgeted transfers from accumulated surplus	(1,775,372)
Amortization	(640,058)
Landfill adjustment	(24,826)
<b>Budget surplus per statement of operations</b>	<b>\$ 396,078</b>

## 13. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2017	2016
Surplus (deficit):		
Invested in tangible capital assets	\$ 6,131,537	5,554,153
General municipal	(1,360,647)	(1,187,232)
Amounts to be recovered:		
Unfinanced landfill liability	(87,000)	(62,174)
Total surplus	4,683,890	4,304,747
Reserves	4,952,656	4,382,239
<b>Accumulated surplus</b>	<b>\$ 9,636,546</b>	<b>8,686,986</b>

## 14. Comparative information:

Certain of the 2016 comparative information have been reclassified to conform to the current year presentation.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

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## 15. Segmented information:

The Municipality is a diversified municipal government institution that provides a wide range of services to citizens. Services include police, fire and water and roads. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

(a) General government:

This item related to the revenue and expenses that related to the operations of the Municipality itself and cannot be directly attributed to a specific segment. As well, bio forest, water quality, fish management and environmental issues are included in this segment.

(b) Protection services:

Protection is comprised of fire prevention, building inspections, by-law enforcement and police. The Municipality does have a fire department. Forest fires not including structural fires is by agreement with the Ministry of Natural Resources. Fire prevention and education programs are delivered by the Municipality. The Municipality by way of agreement, funds the Ontario Provincial Police.

(c) Transportation services:

Transportation is responsible for maintaining and upgrading roads in the Municipality.

(d) Environmental services:

Environmental services consists of providing waste disposal to citizens.

(e) Health Services:

Health services are comprised of public health unit which works to improve the overall health of the population and overcome health inequalities by provided services to individuals and communities. Health services also oversees the care and maintenance of the cemetery.

(f) Social and family services:

Social service provides services that help the less fortunate in society. Social housing is provided to help shelter families and elderly in need.

(g) Recreation and culture:

Recreational programs and cultural programs like seniors' program, softball, yoga, etc. are provided at the community centre. The Municipality provides dock facilities for its residents. Also, the Municipality provides library services through a contract with the Parry Sound Public Library Board to assist with its citizens' information needs.

(h) Planning and development:

This department provides a number of services including severances, zonings and review of all property and development plans through its application process.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2017

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**15. Segmented information (continued):**

For each segment separately reported in the schedule below, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These municipal services are funded primarily by taxation such as property tax revenue.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the summary of significant accounting policies.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Note 15 - Segmented Information (continued)

Year ended December 31, 2017

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2017 Total
<b>Revenue:</b>									
Government grants - federal	\$ -	22,973	-	-	-	-	189,000	-	211,973
Government grants - provincial	689,600	-	52,394	29,116	-	-	7,223	-	778,333
User fees and services charges	6,881	126,153	8,112	7,600	4,085	-	38,534	15,766	207,131
Donations	-	-	-	-	-	-	179,550	-	179,550
Other	105,986	21,707	-	1,608	653	-	-	-	129,954
Gain (loss) on sale of tangible capital assets	-	-	4,443	-	-	-	(1,999)	-	2,444
	802,467	170,833	64,949	38,324	4,738	-	412,308	15,766	1,509,385
<b>Expenses:</b>									
Salaries and benefits	583,546	366,164	406,617	92,711	9,008	-	70,359	71,286	1,599,691
Supplies and services	274,081	111,439	345,779	46,227	5,194	609,236	64,532	865	1,457,353
Interest	26,826	-	82,875	-	-	-	-	-	109,701
Rental	3,774	-	12,110	-	-	-	2,000	-	17,884
Fee and contract services	-	430,778	33,235	131,118	327,397	-	79,053	71,907	1,073,488
Amortization of tangible capital assets	44,324	62,071	489,096	13,800	1,097	-	29,670	-	640,058
	932,551	970,452	1,369,712	283,856	342,696	609,236	245,614	144,058	4,898,175
Excess (deficiency) of revenue over expenses	(130,084)	(799,619)	(1,304,763)	(245,532)	(337,958)	(609,236)	166,694	(128,292)	(3,388,790)
<b>Funded through:</b>									
Taxation									4,338,350
Annual surplus									\$ 949,560

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Note 15 - Segmented Information (continued)

Year ended December 31, 2017

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2016 Total
<b>Revenue:</b>									
Government grants - federal	\$ -	24,821	150,291	-	-	-	-	-	175,112
Government grants - provincial	688,800	-	25,000	25,882	-	-	7,223	-	746,905
User fees and services charges	7,030	103,475	1,104	8,865	4,190	-	17,202	11,600	153,466
Other	88,075	24,996	-	2,983	647	-	100	-	116,801
Gain on sale of tangible capital asset	-	6,893	-	-	-	-	-	-	6,893
	783,905	160,185	176,395	37,730	4,837	-	24,525	11,600	1,199,177
<b>Expenses:</b>									
Salaries and benefits	585,701	342,275	418,628	97,954	10,446	-	41,500	49,435	1,545,939
Supplies and services	272,720	114,350	374,845	(30,706)	4,683	600,682	56,310	3,323	1,396,207
Interest	27,103	-	87,113	-	-	-	-	-	114,216
Rental	4,409	-	8,815	-	-	-	723	-	13,947
Fee and contract services	-	345,337	29,930	133,401	322,978	-	82,896	62,013	976,555
Amortization and change in net realizable value of tangible capital assets	44,201	48,724	1,090,447	13,801	1,097	-	21,401	-	1,219,671
	934,134	850,686	2,009,778	214,450	339,204	600,682	202,830	114,771	5,266,535
Deficiency of revenue over expenses	(150,229)	(690,501)	(1,833,383)	(176,720)	(334,367)	(600,682)	(178,305)	(103,171)	(4,067,358)
<b>Funded through:</b>									
Taxation									4,026,064
Annual deficit									\$ (41,294)