

Financial Statements

**THE CORPORATION OF THE  
TOWNSHIP OF CARLING**

Year ended December 31, 2016



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, 2016, 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.



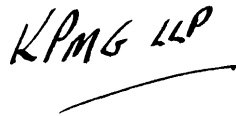
*Opinion*

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, 2016, 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.

*Other Matters*

The financial statements of The Corporation of the Township of Carling as at and for the year ended December 31, 2015 were audited by another auditor who expressed an unqualified opinion on those financial statements on July 26, 2016.

*KPMG LLP*

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that tapers at both ends, serving as a decorative underline.

Chartered Professional Accountants, Licensed Public Accountants

May 23, 2017

Sudbury, Canada

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Statement of Financial Position

December 31, 2016, with comparative information for 2015


	2016	2015 (as restated - note 2)
<b>Financial assets</b>		
Cash and cash equivalents	\$ 3,607,913	\$ 3,313,604
Taxes receivable	303,901	254,879
Accounts receivable	127,319	188,968
Portfolio investments (note 3)	82,664	94,392
	<u>4,121,797</u>	<u>3,851,843</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	411,931	327,640
Deferred revenue - obligatory reserve funds (note 5)	514,270	580,136
Deferred revenue	33,234	29,734
Net long-term debt (note 6)	3,118,424	3,424,260
Solid waste closure and post-closure liabilities (note 7)	62,174	122,174
	<u>4,140,033</u>	<u>4,483,944</u>
Net financial assets (debt)	(18,236)	(632,101)
<b>Non-financial assets</b>		
Tangible capital assets (note 8)	8,672,577	9,262,964
Prepaid expenses and deposits	32,645	97,417
	<u>8,705,222</u>	<u>9,360,381</u>
Accumulated surplus	\$ 8,686,986	\$ 8,728,280

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, 2016, with comparative information for 2015

	Budget (note 13)	2016	2015 (as restated - note 2)
<b>Revenue:</b>			
Taxation (note 9)	\$ 3,998,451	\$ 4,026,064	\$ 3,644,575
Government grants - Federal	90,886	175,112	39,680
Government grants - Provincial	731,100	746,905	731,723
User fees and service charges	100,550	153,466	138,847
Other	85,000	123,694	152,163
<b>Total revenue</b>	<b>5,005,987</b>	<b>5,225,241</b>	<b>4,706,988</b>
<b>Expenses:</b>			
General government	907,263	907,024	1,023,098
Protection services	835,996	850,686	784,007
Transportation services	1,018,395	2,036,881	1,411,443
Environmental services	276,850	214,450	232,116
Health services	348,145	339,211	331,196
Social and family services	600,682	600,682	583,064
Recreational and cultural services	180,287	202,830	210,285
Planning and development	118,802	114,771	121,192
<b>Total expenses</b>	<b>4,286,420</b>	<b>5,266,535</b>	<b>4,696,401</b>
<b>Annual surplus (deficit)</b>	<b>719,567</b>	<b>(41,294)</b>	<b>10,587</b>
<b>Accumulated surplus, beginning of year</b>	<b>8,728,280</b>	<b>8,728,280</b>	<b>8,717,693</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 9,447,847</b>	<b>\$ 8,686,986</b>	<b>\$ 8,728,280</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, 2016, with comparative information for 2015

	Budget (note 13)	2016	2015 (as restated - note 2)
Annual surplus (deficit)	\$ 719,567	\$ (41,294)	\$ 10,587
Acquisition of tangible capital assets	(500,291)	(649,891)	(371,451)
Amortization of tangible capital assets	-	591,900	531,928
Gain on sale of tangible capital assets	-	(6,893)	-
Proceeds on sale of tangible capital assets	-	27,500	-
Adjustment to net realizable value (note 1(a))	-	627,771	6,626
Change in prepaid expenses and deposits	-	64,772	(17,937)
Change in net financial assets	219,276	613,865	159,753
Net financial assets (debt), beginning of year	(632,101)	(632,101)	(791,854)
Net financial assets (debt), end of year	\$ (412,825)	\$ (18,236)	\$ (632,101)

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, 2016, with comparative information for 2015

	2016	2015
		(as restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (41,294)	\$ 10,587
Items not involving cash:		
Amortization of tangible capital assets	591,900	531,928
Gain (loss) on sale of tangible capital assets	(6,893)	6,626
Adjustment to net realizable value (note 1(a))	627,771	-
Solid waste closure and post-closure liabilities	(60,000)	(47,871)
	1,111,484	501,270
Change in non-cash assets and liabilities:		
Decrease (increase) in taxes receivable	(49,022)	151,895
Decrease in accounts receivable	61,649	22,438
Decrease (increase) in prepaid expenses and inventories of supplies	64,772	(18,332)
Increase (decrease) payable and accrued liabilities	84,291	(508,875)
Increase (decrease) in deferred revenue	(62,366)	129,956
Net change in cash from operating activities	1,210,808	278,352
Capital activities:		
Proceeds on disposition of tangible capital assets	27,500	-
Acquisition of tangible capital assets	(649,891)	(371,857)
Net change in cash from capital activities	(622,391)	(371,857)
Investing activities:		
Decrease (increase) in portfolio investments	11,728	(21,841)
Net change in cash from investing activities	11,728	(21,841)
Financing activities:		
Repayment of obligations under long-term debt	(305,836)	(283,846)
Net change in cash from financing activities	(305,836)	(283,846)
Net change in cash and cash equivalents	294,309	(399,192)
Cash and cash equivalents, beginning of year	3,313,604	3,712,796
Cash and cash equivalents, end of year	\$ 3,607,913	\$ 3,313,604

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, 2016

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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.

(d) 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.

(e) 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, 2016

## 1. Significant accounting policies (continued):

### (f) 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.

### (g) 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.

### (h) 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, 2016

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## 1. Significant accounting policies (continued):

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

During 2016, the Municipality revised its estimate of the useful lives of depreciable assets due to the condition of the existing infrastructure and the known useful lives of similar infrastructure at surrounding Municipalities. The changes have been applied prospectively. The change in the basis of depreciation has had the effect of adjusting net realizable value by \$627,771 in the current year.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Notes to Financial Statements

Year ended December 31, 2016

### 2. Correction of prior error:

In accordance with Public Sector Accounting Board ("PSAB") Section 1300, Government Reporting Entity, the Municipality is required to consolidate those organization that are controlled by the government. In determining whether control exists, certain indicators must be met. As at December 31, 2015 and for the year ended, the Municipality consolidated the balances and activity of the Parry Sound Area Industrial Park (the "Park") into the financial statements of the Municipality. In this case, at December 31, 2015, the Park does not meet any of the required indicators of control and is therefore not controlled by the Municipality.

This correction has changed amounts reported in the prior period as follows:

Accumulated surplus at January 1, 2015:		
Accumulated surplus, as previously reported	\$	10,327,392
Accumulated surplus, Parry Sound Area Industrial Park		(1,609,699)
	\$	8,717,693
Accumulated surplus for December 31, 2015:		
Annual surplus, as previously reported	\$	55,905
Annual deficit, Parry Sound Area Industrial Park		(45,318)
Annual surplus, as restated	\$	10,587

### 3. Portfolio investments:

	2016	2015
Universe corporate and bond funds – at market value	\$ 60,663	\$ 60,954
Money market – at market value	22,001	33,438
	\$ 82,664	\$ 94,392

The portfolio investments are restricted for federal gas tax funding.

### 4. 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 2016 were \$80,703 (2015 - \$77,865).

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Notes to Financial Statements

Year ended December 31, 2016

### 5. Deferred revenue:

	December 31, 2015	Contributions received	Revenue recognized	December 31, 2016
Federal gas tax <sup>1</sup>	\$ 148,692	\$ 77,580	\$ 150,291	\$ 75,982
Parkland <sup>2</sup>	431,444	6,845	–	438,288
	<b>\$ 580,136</b>	<b>\$ 84,425</b>	<b>\$ 150,291</b>	<b>\$ 514,270</b>

- 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.

### 6. Long-term debt:

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

	2016	2015
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	\$ 570,151	\$ 694,478
Debenture #2, repayable in semi-annual principal payments of \$48,704, interest at 3.24%, maturing July 2027	909,666	979,694
Debenture #3, repayable in semi-annual principal payments of \$38,997, interest at 3.78%, maturing September 2028	755,208	809,800
Debenture #4, repayable in semi-annual principal payments of \$44,008, interest at 3.79%, maturing February 2029	883,399	940,288
	<b>\$ 3,118,424</b>	<b>\$ 3,424,260</b>

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2016

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## 6. Long-term debt (continued):

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

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2017	\$	354,125
2018		317,050
2019		329,573
2020		343,333
2021		201,337
Thereafter		1,573,006
	\$	3,118,424

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Included in long-term debt is accrued interest of \$49,370 (2015 - \$61,526).

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.

## 7. 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 \$62,174 (2015 - \$122,174) and reflects a discount rate of 3.38% (2015 - 2.68%).

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 28 years and the estimated remaining capacity is 24,300 (2015 - 25,400) cubic metres which is 66% (2015 - 70%) of the site's total capacity. The total undiscounted estimated future expenditures for closure and post-closure care are \$284,936 (2015 - \$402,080) leaving an amount to be recognized of \$222,762 (2015 - \$279,906). 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, 2016

## 8. Tangible capital assets:

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, 2016

## 8. Tangible capital assets (continued):

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Land	\$ 84,027	303,621	-	387,648
Building and land improvements	2,952,357	-	-	2,952,357
Vehicles	1,244,848	-	-	1,244,848
Road infrastructures	8,684,457	59,306	(6,626)	8,737,137
Machinery and equipment	1,485,519	8,524	-	1,494,043
Furniture and fixtures	78,798	-	-	78,798
Computers	146,741	-	-	146,741
<b>Total</b>	<b>\$ 14,676,747</b>	<b>371,451</b>	<b>(6,626)</b>	<b>15,041,572</b>

Accumulated Amortization	Balance at December 31, 2014	Amortization	Balance at December 31, 2015
Land	\$ -	-	-
Building and land improvements	288,962	62,299	351,261
Vehicles	735,176	71,487	806,663
Road infrastructures	3,487,811	303,858	3,791,669
Machinery and equipment	620,376	78,292	698,668
Furniture and fixtures	28,161	4,915	33,076
Computers	86,194	11,077	97,271
<b>Total</b>	<b>\$ 5,246,680</b>	<b>531,928</b>	<b>5,778,608</b>

	Net book value, December 31, 2014	Net book value, December 31, 2015
Land	\$ 84,027	387,648
Building and land improvements	2,663,395	2,601,096
Vehicles	509,672	438,185
Road infrastructures	5,196,646	4,945,468
Machinery and equipment	865,143	795,375
Furniture and fixtures	50,637	45,722
Computers	60,547	49,470
<b>Total</b>	<b>\$ 9,430,067</b>	<b>9,262,964</b>

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2016

## 9. Taxation:

	2016	2015
Property taxes	\$ 5,920,460	\$ 5,527,358
Payments to school boards	(1,894,396)	(1,882,783)
Available for general municipal purposes	\$ 4,026,064	\$ 3,644,575

## 10. Trust Funds:

Trust funds administered by the Municipality amounting to \$51,230 (2015 - \$50,411) have not been included in the financial position nor have their operations been included in the statement of operations and accumulated surplus.

## 11. 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.

## 12. Contributions to unconsolidated joint boards:

The following contributions were made to these joint boards:

	2016	2015
North Bay Parry Sound Health Unit	\$ 38,239	\$ 37,289
District of Parry Sound Social Services Administration Board	455,142	447,621
District of Parry Sound (West) Belvedere Heights Home for the Aged	145,540	135,443
	\$ 638,921	\$ 620,353



# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2016

## 13. 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:

	2016
Financial plan (budget) surplus for the year	\$ -
Add:	
Capital expenditures	500,291
Principal repayments on long-term debt	293,681
Less:	
Budgeted transfers from accumulated surplus	(74,405)
<b>Budget surplus per statement of operations</b>	<b>\$ 719,567</b>

## 14. Accumulated surplus:

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

	2016	2015
Surplus (deficit):		
Invested in tangible capital assets	\$ 5,554,153	5,838,704
General municipal	(1,187,232)	(1,341,665)
Amounts to be recovered:		
Unfinanced landfill liability	(62,174)	(122,174)
Total surplus	4,304,747	4,374,865
Reserves	4,382,239	4,353,415
<b>Accumulated surplus</b>	<b>\$ 8,686,986</b>	<b>8,728,280</b>

## 15. Comparative information:

Certain of the 2015 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, 2016

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## 16. 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, 2016

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## **16. 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 16 - Segmented Information

Year ended December 31, 2016

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2016 Total
Revenue:									
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	31,889	-	2,983	647	-	100	-	123,694
	783,905	160,185	176,395	37,730	4,837	-	24,525	11,600	1,199,177
Expenses:									
Salaries and benefits	585,701	342,275	418,628	97,954	10,446	-	41,500	49,435	1,545,939
Supplies and services	272,713	114,350	374,845	(30,706)	4,690	600,682	56,310	3,323	1,396,207
Interest	4,409	-	114,216	-	-	-	-	-	118,625
Rental	-	-	8,815	-	-	-	723	-	9,538
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
	907,024	850,686	2,036,881	214,450	339,211	600,682	202,830	114,771	5,266,535
Deficiency of revenues over expenses	(123,119)	(690,501)	(1,860,486)	(176,720)	(334,374)	(600,682)	(178,305)	(103,171)	(4,067,358)
Funded through:									
Taxation									4,026,064
Annual deficit									\$ (41,294)

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Note 16 - Segmented Information (continued)

Year ended December 31, 2016

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2015 Total
									(as restated note 2)
Revenue:									
Government grants - federal	\$ -	39,680	-	-	-	-	-	-	39,680
Government grants - provincial	656,800	-	27,890	39,810	-	-	7,223	-	731,723
User fees and services charges	4,737	77,454	6,527	10,545	4,644	-	11,502	23,438	138,847
Other	103,280	41,590	-	1,923	4,370	-	1,000	-	152,163
	764,817	158,724	34,417	52,278	9,014	-	19,725	23,438	1,062,413
Expenses:									
Salaries and benefits	569,418	402,145	420,228	104,759	11,446	-	39,551	46,709	1,594,256
Supplies and services	404,712	94,134	472,294	(12,162)	8,135	583,064	53,697	485	1,604,359
Interest	5,664	-	64,828	-	-	-	-	-	70,492
Rental	-	-	39,902	-	-	-	724	-	40,626
Fee and contract services	-	242,500	7,607	124,111	311,615	-	94,909	73,998	854,740
Amortization of tangible capital assets	43,304	45,228	406,584	15,408	-	-	21,404	-	531,928
	1,023,098	784,007	1,411,443	232,116	331,196	583,064	210,285	121,192	4,696,401
Deficiency of revenues over expenses	(258,281)	(625,283)	(1,377,026)	(179,838)	(322,182)	(583,064)	(190,560)	(97,754)	(3,633,988)
Funded through:									
Taxation									3,644,575
Annual surplus									\$ 10,587