

Financial Statements

**THE CORPORATION OF THE  
TOWNSHIP OF CARLING**

Year ended December 31, 2018



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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the financial statements of The Corporation of the Township of Carling (the "Township"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2018, and its results of operations and accumulated surplus, its changes in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibility of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Township's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Township's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 7, 2019

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents	\$ 1,946,709	\$ 4,239,231
Taxes receivable (note 2)	324,599	370,340
Accounts receivable	1,069,085	255,088
	<u>3,340,393</u>	<u>4,864,659</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	790,356	758,018
Deferred revenue - obligatory reserve funds (note 4)	101,039	602,266
Deferred revenue	67,682	67,202
Net long-term debt (note 5)	2,447,248	2,764,298
Solid waste closure and post-closure liabilities (note 6)	88,000	87,000
	<u>3,494,325</u>	<u>4,278,784</u>
Net financial assets (debt)	(153,932)	585,875
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	12,118,988	8,992,798
Inventory	36,764	52,995
Prepaid expenses and deposits	6,608	4,878
	<u>12,162,360</u>	<u>9,050,671</u>
Accumulated surplus (note 8)	\$ 12,008,428	\$ 9,636,546

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, 2018, with comparative information for 2017

	Budget (note 11)	2018	2017
Revenue:			
Taxation	\$ 4,689,801	4,751,844	\$ 4,338,350
Government grants - Federal	247,152	1,037,643	189,000
Government grants - Provincial	811,120	888,514	800,272
User fees and service charges	133,680	236,030	209,252
Donations	-	-	179,550
Parkland revenue	-	353,284	-
Investment income	32,000	75,788	46,696
Other	86,303	151,637	82,171
Gain (loss) on sale of tangible capital assets	-	(33,501)	2,444
Total revenue	6,000,056	7,461,239	5,847,735
Expenses:			
General government	1,025,236	945,206	932,551
Protection services	1,005,626	1,019,660	970,452
Transportation services	1,405,426	1,457,067	1,369,712
Environmental services	278,649	290,037	283,856
Health services	356,102	345,901	342,696
Social and family services	608,796	608,797	609,236
Recreational and cultural services	260,165	285,738	245,614
Planning and development	178,027	136,951	144,058
Total expenses	5,118,027	5,089,357	4,898,175
Annual surplus	882,029	2,371,882	949,560
Accumulated surplus, beginning of year	9,636,546	9,636,546	8,686,986
Accumulated surplus, end of year	\$ 10,518,575	\$ 12,008,428	\$ 9,636,546

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, 2018, with comparative information for 2017

	Budget (note 11)	2018	2017
Annual surplus	\$ 882,029	\$ 2,371,882	\$ 949,560
Acquisition of tangible capital assets	(3,624,217)	(3,819,074)	(1,029,335)
Amortization of tangible capital assets	659,383	659,383	640,058
Loss (gain) on sale of tangible capital assets	-	33,501	(2,444)
Proceeds on sale of tangible capital assets	-	-	71,500
Change in inventory	-	16,231	(29,190)
Change in prepaid expenses and deposits	-	(1,730)	3,962
Change in net financial assets	(2,082,805)	(739,807)	604,111
Net financial assets (debt), beginning of year	585,875	585,875	(18,236)
Net financial assets (debt), end of year	\$ (1,496,930)	\$ (153,932)	\$ 585,875

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, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,371,882	\$ 949,560
Items not involving cash:		
Amortization of tangible capital assets	659,383	640,058
Loss (gain) on sale of tangible capital assets	33,501	(2,444)
Increase in solid waste closure and post-closure liabilities	1,000	24,826
	<u>3,065,766</u>	<u>1,612,000</u>
Change in non-cash assets and liabilities:		
Decrease (increase) in taxes receivable	45,741	(66,439)
Increase in accounts receivable	(813,997)	(127,769)
Decrease (increase) in prepaid expenses and deposits	(1,730)	3,962
Increase in accounts payable and accrued liabilities	32,338	371,844
Increase (decrease) in deferred revenue	(500,747)	46,837
Decrease (increase) in inventory	16,231	(29,190)
Net change in cash from operating activities	<u>1,843,602</u>	<u>1,811,245</u>
Capital activities:		
Proceeds on disposition of tangible capital assets	-	71,500
Acquisition of tangible capital assets	(3,819,074)	(1,029,335)
Net change in cash from capital activities	<u>(3,819,074)</u>	<u>(957,835)</u>
Investing activities:		
Decrease in portfolio investments	-	82,664
Net change in cash from investing activities	<u>-</u>	<u>82,664</u>
Financing activities:		
Repayment of obligations under long-term debt	(317,050)	(304,756)
Net change in cash from financing activities	<u>(317,050)</u>	<u>(304,756)</u>
Net change in cash and cash equivalents	<u>(2,292,522)</u>	<u>631,318</u>
Cash and cash equivalents, beginning of year	4,239,231	3,607,913
Cash and cash equivalents, end of year	<u>\$ 1,946,709</u>	<u>\$ 4,239,231</u>

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, 2018

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The Corporation of the Township of Carling (the "Township") 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 Township 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 Township 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 and 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 Township 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 Township 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, 2018

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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:

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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

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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 Township 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 Township 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 Township has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Township 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, 2018

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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 Township 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, 2018

### 2. Taxes receivable:

	2018	2017
Current	\$ 212,595	\$ 234,456
Past due	86,737	102,499
Penalties and interest	25,267	33,385
	\$ 324,599	\$ 370,340

### 3. Credit facilities:

The Township has available a \$2,250,000 (2017 - \$2,250,000) demand line of credit. This unsecured line of credit bears interest at the bank's prime rate less 0.75%. At December 31, 2018, \$Nil (2017 - \$Nil) has been drawn against this facility.

### 4. Deferred revenue:

	December 31, 2017	Contributions received	Revenue recognized	December 31, 2018
Federal gas tax <sup>1</sup>	\$ 155,799	\$ 82,889	\$ 238,688	\$ -
Parkland <sup>2</sup>	446,467	7,856	353,284	101,039
	\$ 602,266	\$ 90,745	\$ 591,972	\$ 101,039

- 1) Gas tax revenue is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Township 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, 2018

### 5. Long-term debt:

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

	2018	2017
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	\$ 291,000	\$ 427,000
Infrastructure Ontario Debenture #2, repayable in semi-annual principal payments of \$48,704, interest at 3.24%, maturing July 2027	755,161	826,366
Infrastructure Ontario Debenture #3, repayable in semi-annual principal payments of \$38,997, interest at 3.78%, maturing September 2028	644,480	696,630
Infrastructure Ontario Debenture #4, repayable in semi-annual principal payments of \$44,008, interest at 3.79%, maturing February 2029	756,607	814,302
	<u>\$ 2,447,248</u>	<u>\$ 2,764,298</u>

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

2019	\$ 329,573
2020	343,332
2021	201,337
2022	208,595
2023	216,116
Thereafter	1,148,295
	<u>\$ 2,447,248</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, 2018

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

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

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 reported liability is based on estimates and assumptions with respect to events extending over terms using the best information available to management. Future events may result in significant changes to the estimated total expenditures; capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the most recent 10-year annual average of Long-Term Government of Canada Benchmark Bond Yields of 2.77% and the discounted future cash flows for post-closure care activities at the 10-year running average inflation rate for Non-Residential Building Construction Price Indices of 2.03%. The estimated total landfill closure and post-closure care expenditures are calculated to be \$227,262 (2017 - \$241,557). The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2018, an amount of \$88,000 (2017 - \$87,000) with respect to landfill closure and post-closure liabilities has been accrued.

The estimated remaining capacity of the landfill site is 61% of its total estimated capacity and its estimated remaining life is approximately 25 years. The period for post-closure care is estimated to be 20 years.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2018

## 7. Tangible capital assets:

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$ 620,198	216,762	-	836,960
Building and land improvements	3,324,420	204,531	-	3,528,951
Vehicles	1,251,156	236,454	(47,375)	1,440,235
Road infrastructures	8,860,134	856,652	(276,629)	9,440,157
Machinery and equipment	1,345,484	40,704	(67,319)	1,318,869
Furniture and fixtures	78,798	14,945	-	93,743
Computers	162,033	26,257	(13,162)	175,128
Assets under construction	224,661	2,222,769	-	2,447,430
<b>Total</b>	<b>\$ 15,866,884</b>	<b>3,819,074</b>	<b>(404,485)</b>	<b>19,281,473</b>

Accumulated Amortization	Balance at December 31, 2017	Amortization	Disposals and adjustments	Balance at December 31, 2018
Land	\$ -	-	-	-
Building and land improvements	428,020	87,165	-	515,185
Vehicles	750,139	100,875	(47,375)	803,639
Road infrastructures	4,845,932	390,519	(276,629)	4,959,822
Machinery and equipment	684,595	64,056	(39,740)	708,911
Furniture and fixtures	41,866	4,769	-	46,635
Computers	123,534	11,999	(7,240)	128,293
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 6,874,086</b>	<b>659,383</b>	<b>(370,984)</b>	<b>7,162,485</b>

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land	\$ 620,198	836,960
Building and land improvements	2,896,400	3,013,766
Vehicles	501,017	636,596
Road infrastructures	4,014,202	4,480,335
Machinery and equipment	660,889	609,958
Furniture and fixtures	36,932	47,108
Computers	38,499	46,835
Assets under construction	224,661	2,447,430
<b>Total</b>	<b>\$ 8,992,798</b>	<b>12,118,988</b>

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2018

## 7. Tangible capital assets (continued):

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, 2018

### 8. Accumulated surplus:

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

	2018	2017
Surplus (deficit):		
Invested in tangible capital assets	\$ 9,671,740	6,228,500
General municipal	(701,309)	(315,610)
Amounts to be recovered:		
Unfinanced landfill liability	(88,000)	(87,000)
Total surplus	8,882,431	5,825,890
Reserves	3,125,997	3,810,656
Accumulated surplus	\$ 12,008,428	9,636,546

### 9. Trust funds:

Trust funds administered by the Township amounting to \$53,056 (2017 - \$52,406) have not been included in the statement of financial position nor have their operations been included in the statement of operations and accumulated surplus.

### 10. Contributions to unconsolidated joint boards:

The following contributions were made to these joint boards:

	2018	2017
North Bay Parry Sound Health Unit	\$ 38,239	\$ 38,239
District of Parry Sound Social Services Administration Board	444,990	449,192
District of Parry Sound (West) Belvedere Heights		
Home for the Aged	163,806	160,045
Parry Sound Area Industrial Park	13,970	13,575
	\$ 661,005	\$ 661,051

# THE CORPORATION OF THE TOWNSHIP OF CARLING

## Notes to Financial Statements

Year ended December 31, 2018

### 11. 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:

	2018
Financial plan (budget) surplus for the year	\$ -
Add:	
Capital expenditures	3,624,217
Principal repayments on long-term debt	317,050
Less:	
Budgeted transfers from reserves	(2,398,855)
Amortization	(659,383)
Landfill adjustment	(1,000)
<b>Budget surplus per statement of operations and accumulated surplus</b>	<b>\$ 882,029</b>

### 12. Pension agreements:

The Township makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS) (the "Plan"), which is a multi-employer plan, on behalf of certain members of its staff. The Plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2018 was \$101,519 (2017 - \$96,223) for current service.

### 13. Operations of school boards:

During the year, the following taxation revenue was raised and remitted to the school boards:

	2018	2017
Taxation	\$ 1,720,420	\$ 1,794,865

### 14. Contingencies:

The Township is involved in claims and litigation in the normal course of operations. The outcomes of these actions are not determinable and, accordingly, no amounts have been reflected in the accounts of the Township for this matter. Any settlements or awards will be recorded in the period they become determinable.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2018

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## 15. Public sector salary disclosure:

During 2018, one employee was paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Township.

## 16. Comparative information:

Certain of the 2017 comparative information have been reclassified to conform to the current year presentation.

## 17. Segmented information:

The Township 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:

General government is related to the revenue and expenses that are related to the operations of the Township 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 Township 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 Township. The Township by way of agreement, funds the Ontario Provincial Police.

### (c) Transportation services:

Transportation is responsible for providing the winter and summer maintenance, the repair and the construction of the municipal roads system including bridges and culvers.

### (d) Environmental services:

Environmental services includes providing the management and maintenance of landfill sites and transfer stations to provide waste disposal services 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.

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Notes to Financial Statements

Year ended December 31, 2018

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## 17. Segmented information (continued):

### (g) Recreation and culture:

Recreational programs and cultural programs like seniors' program, softball, yoga, etc. are provided at the community centre. The Township provides dock facilities for its residents. Also, the Township 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.

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 17 - Segmented Information (continued)

Year ended December 31, 2018

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2018 Total
<b>Revenue:</b>									
Government grants - federal	\$ -	-	238,688	-	-	-	798,955	-	1,037,643
Government grants - provincial	760,977	34,008	50,000	36,306	-	-	7,223	-	888,514
User fees and services charges	11,280	175,802	14,565	7,116	1,855	-	7,862	17,550	236,030
Parkland revenue	-	-	-	-	-	-	353,284	-	353,284
Investment income	74,862	-	-	-	926	-	-	-	75,788
Other	129,912	21,725	-	-	-	-	-	-	151,637
Gain (loss) on sale of tangible capital assets	(5,922)	-	(27,579)	-	-	-	-	-	(33,501)
	971,109	231,535	275,674	43,422	2,781	-	1,167,324	17,550	2,709,395
<b>Expenses:</b>									
Salaries, wages and benefits	576,594	383,937	437,031	106,907	6,383	-	37,500	51,485	1,599,837
Interest on long-term debt	24,376	-	72,887	-	-	-	-	-	97,263
Materials	169,714	128,510	376,074	81,607	4,415	-	120,041	3,044	883,405
Contracted services	125,219	446,684	36,063	72,278	-	-	5,080	75,422	760,746
Rental	4,733	-	40,827	15,444	-	-	3,507	-	64,511
Transfer to other governments and the public	-	-	-	-	334,006	608,797	74,409	7,000	1,024,212
Amortization of tangible capital assets	44,570	60,529	494,185	13,801	1,097	-	45,201	-	659,383
	945,206	1,019,660	1,457,067	290,037	345,901	608,797	285,738	136,951	5,089,357
Excess (deficiency) of revenue over expenses	25,903	(788,125)	(1,181,393)	(246,615)	(343,120)	(608,797)	881,586	(119,401)	(2,379,962)
<b>Funded through:</b>									
Taxation									4,751,844
Annual surplus									\$ 2,371,882

# THE CORPORATION OF THE TOWNSHIP OF CARLING

Note 17 - Segmented Information (continued)

Year ended December 31, 2018

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2017 Total
Revenue:									
Government grants - federal	\$ -	-	-	-	-	-	189,000	-	189,000
Government grants - provincial	689,600	22,973	52,394	28,082	-	-	7,223	-	800,272
User fees and services charges	6,291	126,928	8,112	9,536	4,085	-	38,534	15,766	209,252
Donations	-	-	-	-	-	-	179,550	-	179,550
Investment income	46,043	-	-	-	653	-	-	-	46,696
Other	60,533	20,932	-	706	-	-	-	-	82,171
Gain (loss) on sale of tangible capital asset	-	-	4,443	-	-	-	(1,999)	-	2,444
	802,467	170,833	60,506	38,324	4,738	-	414,307	15,766	1,509,385
Expenses:									
Salaries, wages and benefits	583,546	366,164	406,617	92,711	9,008	-	70,359	71,286	1,599,691
Interest on long-term debt	26,826	-	82,875	-	-	-	-	-	109,701
Materials	157,683	111,439	308,813	102,006	5,194	-	64,660	865	750,660
Contracted services	116,398	430,778	70,201	71,635	-	-	6,237	64,907	760,156
Rental	3,774	-	12,110	3,704	-	-	2,000	-	21,588
Transfer to other governments and the public	-	-	-	-	327,397	609,236	72,688	7,000	1,016,321
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)	(1,309,206)	(245,532)	(337,958)	(609,236)	168,693	(128,292)	(3,388,790)
Funded through:									
Taxation									4,338,350
Annual surplus									\$ 949,560