

CONSOLIDATED FINANCIAL REPORT

**THE CORPORATION OF THE
MUNICIPALITY OF CHARLTON AND DACK**

DISTRICT OF TIMISKAMING

YEAR ENDED DECEMBER 31, 2018

INDEX

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

| | Page Number |
|---|--------------------|
| Management's Responsibility for the Financial Statements | 1 |
| Auditors' Report | 2 - 3 |
| Consolidated Statement of Financial Position | 4 |
| Consolidated Statement of Operations | 5 |
| Consolidated Statement of Change in Net Debt | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Consolidated Financial Statements | 8 - 21 |
| Cemetery Trust Fund | |
| – Notice to Reader | 22 |
| – Statement of Financial Position and Statement of Continuity | 23 |
| – Notes to the Financial Statements | 23 |

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the Corporation of the Municipality of Charlton and Dack are the responsibility of the Corporation of the Municipality of Charlton and Dack's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation of the Municipality of Charlton and Dack's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Kemp Elliott & Blair LLP, independent external auditors appointed by the Corporation of the Municipality of Charlton and Dack. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation of the Municipality of Charlton and Dack's financial statements.



Clerk-Treasurer / Chief Administrative Officer
Dan Thibeault

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Charlton and Dack:

Opinion

We have audited the consolidated financial statements of the Corporation of the Municipality of Charlton and Dack, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Municipality of Charlton and Dack as at December 31, 2018, and the results of its operations, change in net debt and 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 responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation of the Municipality of Charlton and Dack in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is responsible for assessing the Corporation of the Municipality of Charlton and Dack'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 Corporation of the Municipality of Charlton and Dack or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation of the Municipality of Charlton and Dack's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated 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 these 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 risks 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, intentional 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 purpose of expressing an opinion on the effectiveness of the Corporation of the Municipality of Charlton and Dack'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 events or conditions that may cast significant doubt on the Corporation of the Municipality of Charlton and Dack'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 Corporation of the Municipality of Charlton and Dack 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.

We 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.

Kemp Elliott & Blair LLP

Kemp Elliott & Blair LLP

Licensed Public Accountants
New Liskeard, Ontario
May 6, 2019

Chartered Professional Accountants

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

FINANCIAL ASSETS

| | 2018 | 2017 |
|---|----------------|----------------|
| Cash | \$ 148,334 | \$ - |
| Short-term investments – note 4 | 118,083 | 77,359 |
| Taxes receivable | 143,630 | 144,228 |
| Accounts receivable | 304,606 | 291,778 |
| Long-term receivable – tile drainage – note 5 | 134,232 | 147,712 |
| | <u>848,885</u> | <u>661,077</u> |

LIABILITIES

| | | |
|--|----------------|----------------|
| Bank indebtedness – note 6 | - | 75,737 |
| Accounts payable and accrued liabilities | 195,761 | 291,153 |
| Deferred revenue – obligatory reserve funds – note 7 | 14,786 | 20,777 |
| Deferred revenue – other – note 8 | 40,294 | - |
| Landfill closure and post-closure liability – note 9 | 17,490 | 17,490 |
| Municipal debt – tile drainage – note 5 | 134,232 | 147,712 |
| Municipal debt – other – note 10 | 313,761 | 251,137 |
| | <u>716,324</u> | <u>804,006</u> |

NET FINANCIAL ASSETS (DEBT)

132,561 (142,929)

NON-FINANCIAL ASSETS

| | | |
|-----------------------------------|------------------|------------------|
| Tangible capital assets – note 17 | 4,584,208 | 4,322,620 |
| Inventories of supplies | 5,804 | 7,375 |
| | <u>4,590,012</u> | <u>4,329,995</u> |

ACCUMULATED SURPLUS – note 12

\$ 4,722,573 \$ 4,187,066

Contingent liabilities - note 13

The accompanying notes form an integral part of these consolidated financial statements.

On behalf of Council:

M.W. Bond
Reeve

[Signature]
Clerk-Treasurer / Chief Administrative Officer

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | 2018 Budget (Note 1) | 2018 Actual | 2017 Actual |
|--|----------------------------|---------------------|---------------------|
| REVENUES | | | |
| Operating revenues | | | |
| Municipal taxation | \$ 618,200 | \$ 631,454 | \$ 593,282 |
| Water user charges | 167,066 | 240,787 | 166,132 |
| User charges | 29,792 | 186,542 | 43,777 |
| Provincial grants | 251,850 | 252,016 | 252,921 |
| Federal grants | - | 3,500 | 6,476 |
| Investment income | 150 | 923 | - |
| Penalties and interest on taxes | 15,000 | 17,108 | 15,637 |
| Provincial Offences Act revenues | 10,000 | 10,998 | 10,606 |
| Gain (loss) on disposal of tangible capital assets | - | 2,002 | (81,940) |
| Other | 40,329 | 80,287 | 25,856 |
| | <u>1,132,387</u> | <u>1,425,617</u> | <u>1,032,747</u> |
| Capital revenues | | | |
| Provincial grants | 308,123 | 269,166 | 1,121,397 |
| Federal grants | 44,564 | 73,384 | 92,779 |
| Donations | - | - | 17,500 |
| | <u>352,687</u> | <u>342,550</u> | <u>1,231,676</u> |
| Total revenues | <u>1,485,074</u> | <u>1,768,167</u> | <u>2,264,423</u> |
| EXPENDITURES | | | |
| General government | 258,990 | 264,046 | 256,971 |
| Protection to persons and property | 133,924 | 142,243 | 130,824 |
| Transportation services | 403,914 | 431,383 | 375,471 |
| Environmental services | 219,995 | 265,370 | 225,018 |
| Health services | 95,500 | 98,676 | 84,321 |
| Social and family services | 70,800 | 70,958 | 68,788 |
| Recreation and cultural services | 67,950 | 62,715 | 69,751 |
| Planning and development | 6,150 | 6,882 | 14,182 |
| Total expenditures | <u>1,257,223</u> | <u>1,342,273</u> | <u>1,225,326</u> |
| ANNUAL SURPLUS | 227,851 | 425,894 | 1,039,097 |
| Accumulated surplus from Fire Department – note 1 | - | 109,613 | - |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | <u>4,187,066</u> | <u>4,187,066</u> | <u>3,147,969</u> |
| ACCUMULATED SURPLUS, END OF YEAR – note 12 | <u>\$ 4,414,917</u> | <u>\$ 4,722,573</u> | <u>\$ 4,187,066</u> |

The accompanying notes form an integral part of these consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2018

| | 2018 Budget (Note 11) | 2018 Actual | 2017 Actual |
|--|-----------------------------|-------------------|---------------------|
| ANNUAL SURPLUS | \$ 227,851 | \$ 425,894 | \$ 1,039,097 |
| Acquisition of tangible capital assets | (355,842) | (399,733) | (1,395,433) |
| Amortization of tangible capital assets | 192,650 | 228,650 | 186,187 |
| Consumption of inventories of supplies | - | 1,571 | 878 |
| Proceeds from sale of tangible capital assets | - | 2,002 | 31,348 |
| Loss (gain) on sale of tangible capital assets | - | (2,002) | 81,940 |
| Increase (decrease) in net financial assets (debt) | 64,659 | 256,382 | (55,983) |
| Net financial assets from Fire Department – note 1 | - | 19,108 | - |
| Net debt, beginning of year | (142,929) | (142,929) | (86,946) |
| NET FINANCIAL ASSETS (DEBT), END OF YEAR | \$ (78,270) | \$ 132,561 | \$ (142,929) |

The accompanying notes form an integral part of these consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

| OPERATIONS | 2018 | 2017 |
|---|-------------------|--------------------|
| Annual surplus | \$ 425,894 | \$ 1,039,097 |
| Charges not affecting cash – | | |
| Amortization of tangible capital assets | 228,650 | 186,187 |
| Loss (gain) on sale of tangible capital assets | (2,002) | 81,940 |
| Transfer of reserve from Fire Department – note 1 | 19,108 | - |
| | <u>671,650</u> | <u>1,307,224</u> |
| Other sources (uses) of cash – | | |
| Change in taxes receivable | 598 | (55,470) |
| Change in accounts receivable | (12,828) | (252,804) |
| Change in inventories for resale | - | 4,507 |
| Change in long-term receivable – tile drainage | 13,480 | 1,306 |
| Change in accounts payable and accrued liabilities | (95,392) | 206,547 |
| Change in deferred revenue – obligatory reserve funds | (5,991) | (18,705) |
| Change in deferred revenue – other | 40,294 | - |
| Change in inventories of supplies | 1,571 | 878 |
| | <u>(58,268)</u> | <u>(113,741)</u> |
| Total cash provided by operations | <u>613,382</u> | <u>1,193,483</u> |
| CAPITAL TRANSACTIONS | | |
| Acquisition of tangible capital assets | (399,733) | (1,395,433) |
| Proceeds from sale of tangible capital assets | 2,002 | 31,348 |
| Total cash used for capital transactions | <u>(397,731)</u> | <u>(1,364,085)</u> |
| INVESTING TRANSACTIONS | | |
| Acquisition of short-term investments | <u>(40,724)</u> | <u>(41,965)</u> |
| FINANCING TRANSACTIONS | | |
| Municipal debt proceeds – tile drainage | 9,600 | 19,100 |
| Municipal debt repayments – tile drainage | (23,080) | (20,406) |
| Municipal debt proceeds – other | 118,662 | 59,970 |
| Municipal debt repayments – other | (56,038) | (51,123) |
| Total cash provided by financing transactions | <u>49,144</u> | <u>7,541</u> |
| INCREASE (DECREASE) IN CASH | 224,071 | (205,026) |
| Cash (bank indebtedness), beginning of year | <u>(75,737)</u> | <u>129,289</u> |
| CASH (BANK INDEBTEDNESS), END OF YEAR | <u>\$ 148,334</u> | <u>\$ (75,737)</u> |
| REPRESENTED BY | | |
| Cash (bank indebtedness) | <u>\$ 148,334</u> | <u>\$ (75,737)</u> |

The accompanying notes form an integral part of these consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

The Corporation of the Municipality of Charlton and Dack is a Municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act 2001, Provincial Offences Act and other related legislation.

1. Accounting policies

The consolidated financial statements of the Corporation of the Municipality of Charlton and Dack are the representation of management and council and are prepared in accordance with generally accepted accounting principles for local government as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing.

Use of estimates

Management has made estimates and assumptions that affect the amounts reported in preparing these consolidated financial statements. Significant areas requiring the use of management estimates relate to the determination of tangible capital assets historical cost, estimated useful life and related amortization and landfill post-closure costs.

Basis of consolidation

The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves and changes in investment in tangible capital assets of the Municipality and include the activities of all committees of Council which are:

The Corporation of the Municipality of Charlton and Dack District Cemeteries
The Corporation of the Municipality of Charlton and Dack Waterworks

The following joint local board is proportionally consolidated:

The Englehart & Area Fire Department

2018 represents the first year the Fire Department is reporting separately from the Town of Englehart. Opening cash, tangible capital assets, reserves and net financial assets were transferred to the board at their book value as of January 1, 2018 and Charlton and Dack's portion has been reflected as a transfer in from the fire department.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

Non-consolidated entities

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

Timiskaming District Health Unit
District of Timiskaming Social Services Administration Board

Although these are joint local boards they run autonomously to provide those services mandated by the Province. The Municipality has no control over these programs or their financing. These joint local boards are not proportionately consolidated. The yearly requisitions of these boards are expensed by the Municipality in its statements.

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. **Accounting policies – continued**
Non-consolidated entities – continued

Central Timiskaming Planning Board

This joint local board provides planning services to the municipalities of Englehart, Evanturel, Chamberlain and Charlton and Dack. This joint local board is not proportionally consolidated as the overall impact would not be considered significant to the statements. The yearly requisition as well as the planning fee revenues are transferred to this organization and are expensed by the Municipality in its financial statements. The Municipality's share of the accumulated surplus at the end of 2018 was \$3,760 (2017 \$2,592).

Timiskaming Municipal Building Association Chief Building Officer

The Timiskaming Municipal Building Association Chief Building Officer is a joint cost sharing arrangement for 21 municipalities. The operations of this board are not proportionately consolidated into these statements because the Corporation of the Municipality of Charlton and Dack does not have control of the board. Building Permit revenues are transferred to this organization.

Accounting for school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these statements.

Trust funds

Trust funds and their related operation administered by the Municipality are not consolidated, but are reported separately on the Trust Funds "Statement of Continuity" and "Statement of Financial Position".

Short-term investments

Short-term investments are recorded at cost. Investment income earned on surplus funds is reported as revenue in the period earned.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|----------------------|---------------|
| Land improvements | 20 - 50 years |
| Buildings | 50 years |
| Equipment | 10 years |
| Automotive equipment | 10 - 25 years |
| Roads | 10 - 30 years |
| Underground networks | 50 years |
| Bridges and culverts | 25 - 75 years |

A full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for use.

The Municipality has a capitalization threshold of \$10,000, so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value.

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. **Accounting policies – continued**

Deferred revenue – obligatory reserve funds

The Municipality receives Federal Gas Tax funding under the authority of the Federal legislation. These funds, by their nature, are restricted in their use and until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Inventories of supplies

Inventories of supplies held for consumption are recorded at lower of cost or replacement cost.

Revenue recognition

Government transfers (provincial and federal grants)

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulation is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Fees, service charges and other revenue

Fees, service charges and other revenue are recognized when earned.

2. **Operations of school boards**

Further to note 1, the taxation levied on behalf of and due to the school boards is:

| | 2018 | 2017 |
|--|------------|------------|
| | \$ 136,830 | \$ 123,895 |

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3. **Contributions to Joint Boards**

Further to note 1, the following contributions were made by the Municipality to these boards:

| | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|
| Timiskaming District Health Unit | \$ 24,124 | \$ 17,735 |
| District of Timiskaming Social Services Administration Board | \$ 133,772 | \$ 128,335 |
| Central Timiskaming Planning Board | \$ 750 | \$ 750 |

4. **Short-term investments**

| | <u>2018</u> | <u>2017</u> |
|---|-------------|-------------|
| Guaranteed Income Certificates (GICs) with CIBC | \$ 118,083 | \$ 77,359 |

Current year balance consists of two GICs scheduled to mature July and May, 2019 and are earning interest at 1.05% per annum.

5. **Long-term receivable and municipal debt – tile drainage**

The Municipality is liable for long-term liabilities with respect to tile drainage loans for which the responsibility for the payment of principal and interest has been assumed by specific ratepayers. The total amount outstanding as at December 31, 2018 is \$134,232 (2017 \$147,712) and is reflected as municipal debt and long-term receivables on the "Consolidated Statement of Financial Position".

6. **Bank indebtedness**

The Municipality has a \$100,000 business operating line negotiated with CIBC with a balance outstanding of \$nil (2017 - \$75,737). Interest is at bank prime plus 0.5% (currently 4.45%).

7. **Deferred revenue – obligatory reserve funds**

Deferred revenue – obligatory reserve funds consist of the following:

| | <u>December 31 2017</u> | <u>Funds Received</u> | <u>Revenue Earned</u> | <u>December 31 2018</u> |
|-----------------|-----------------------------|---------------------------|---------------------------|-----------------------------|
| Federal Gas Tax | \$ 20,777 | \$ 43,058 | \$ 49,049 | \$ 14,786 |

8. **Deferred revenue – other**

Deferred revenue – other consist of the following:

| | <u>December 31 2017</u> | <u>Funds Received</u> | <u>Revenue Earned</u> | <u>December 31 2018</u> |
|----------------------------------|-----------------------------|---------------------------|---------------------------|-----------------------------|
| Provincial grants | | | | |
| OCIF – formula funding | \$ - | \$ 46,782 | \$ 21,257 | \$ 25,525 |
| AMO – Main Street revitalization | - | 38,399 | 23,630 | 14,769 |
| | <u>\$ -</u> | <u>\$ 85,181</u> | <u>\$ 44,887</u> | <u>\$ 40,294</u> |

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

9. **Landfill closure and post-closure liability**

These obligations relate to the recognition of closure and post-closure costs. The Municipality's estimated liability for these expenses is recognized as the landfill site's capacity is used. The reported liability represents the portion of the estimated total expenses recognized as at December 31, 2018. The liability and annual expense is calculated based on the ratio of current usage to the total capacity of the site and the discounted estimated future cash flows associated with closure and post-closure activities. The yearly increase in the estimated liability is designed to ensure that the total estimated costs of closure and post-closure activities are reflected as an obligation at the time of closure of the landfill site. The costs and life expectancy were last reviewed in a study done in 2006. At that time the landfill site was expected to reach capacity in approximately 2031 and have closure and post-closure costs estimated at \$50,000.

10. **Municipal debt**

The balance of the municipal debt reported on the "Consolidated Statement of Financial Position" consists of the following loans:

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| Term loan with CIBC, payable in monthly installments of \$3,427 plus interest at the bank's prime lending rate plus 0.5% (currently 4.45%) final installment due October 2022. The debt relates to the purchase of a backhoe and a grader. | \$ 160,035 | \$ 201,162 |
| Term loan with CIBC, payable in monthly installments of \$999 plus interest at the bank's prime lending rate plus 0.5% (currently 4.45%) final installment due February 2022. The debt relates to the purchase of new roads equipment. | 37,981 | 49,975 |
| Term loan with CIBC, payable in monthly installments of \$416.66 plus interest at the bank's prime lending rate plus 0.5% (currently 4.45%) final installment due October 2038. The debt relates to the replacement of the Clarkville water lines. | 97,083 | - |
| Term loan with OCWA, payable in monthly installments of \$1,118.74 plus interest at 2.765%, final installment due January 2021. The debt relates to the purchase of equipment. | <u>18,662</u> | <u>-</u> |
| | <u>\$ 313,761</u> | <u>\$ 251,137</u> |

Principal payments are due as follows:

| | |
|--------|-------------------|
| 2019 | \$ 62,470 |
| 2020 | 71,318 |
| 2021 | 59,237 |
| 2022 | 43,652 |
| 2023 | 5,000 |
| 2024 + | <u>72,084</u> |
| | <u>\$ 313,761</u> |

The debt is to be repaid from general municipal revenues. Total interest paid on the loans in 2018 was \$11,299 (2017 \$7,516).

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

11. Budget

The Budget adopted by Council was not prepared on a basis consistent with that used to report actual result according to Public Sector Accounting Standards used on the Consolidated Statement of Operations on page 5. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The actual budget is reflected in note 19. It expenses all tangible capital expenditures, does not include amortization expense, reflects proceeds of long-term debt as a revenue, principal repayments of long-term debt as an expense and the full proceeds from the sale of tangible capital assets as a revenue. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the financial plan adopted by Council with adjustments as follows:

| | <u>2018</u> |
|---|-------------------|
| Actual budget surplus for the year – note 19 | \$ 21,219 |
| Add: Investment in tangible capital assets | 355,842 |
| Long-term debt repayments | 53,121 |
| Less: Estimated amortization | (192,650) |
| Proceeds from long term debt | <u>(9,681)</u> |
| Budget surplus per statement of operations – page 5 | <u>\$ 227,851</u> |

12. Accumulated surplus

Reserves represent an appropriation of surplus for a specific purpose, determined by council, are non-statutory and subject to change by council at any time.

| | <u>2018</u> | <u>2017</u> |
|-------------------------------------|---------------------|---------------------|
| Reserves and deficits | | |
| Working capital reserve | \$ 387,174 | \$ 245,112 |
| Cemetery reserve | 31,718 | 35,734 |
| Heritage Centre reserve | 6,108 | 908 |
| Clarksville water reserve | 18,928 | 4,530 |
| Bradley Subdivision water deficit | (4,404) | (9,526) |
| Charlton water reserve (deficit) | 20,934 | (78,135) |
| Fireworks reserve | 1,527 | - |
| Fire department reserve – note 1 | 33,038 | - |
| Parkland reserve | 4,000 | - |
| | <u>499,023</u> | <u>198,623</u> |
| Amounts to be recovered | | |
| Unfinanced municipal debt | (313,761) | (251,137) |
| Unfinanced capital expenditures | (52,701) | (90,415) |
| | <u>(366,462)</u> | <u>(341,552)</u> |
| Net financial assets (debt) | <u>132,561</u> | <u>(142,929)</u> |
| Non-financial assets | | |
| Invested in tangible capital assets | 4,584,208 | 4,322,620 |
| Inventories of supplies | 5,804 | 7,375 |
| | <u>4,590,012</u> | <u>4,329,995</u> |
| Accumulated surplus | <u>\$ 4,722,573</u> | <u>\$ 4,187,066</u> |

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

12. **Accumulated surplus – continued**

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

13. **Contingent liabilities**

Non-consolidated Entities

The Municipality is contingently liable for the deficits and long-term debt of the non-consolidated entities.

Post-employment benefits

Municipal employees retiring do not receive any retirement allowance that either vests or accrues over the period of employment. Sick benefits do not accrue and are not vested. The Municipality recognizes the expense for sick time when the event obliges the Municipality to pay. No other post-employment benefits are payable by the Municipality.

Ontario Municipal Employees Retirement Fund

All permanent, full-time employees of the Municipality are eligible to be members of the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

As this is a multi-employer pension plan, the contributions by the Municipality are recognized as an expenditure. No pension liability for this type of plan is recognized in the Municipality's consolidated financial statements. Contributions made by the Municipality to OMERS for 2018 were \$23,124 (2017 - \$19,450). The plan had an actuarial deficit of \$5.4 billion at the end of 2017 (2018 information not available).

Funding agreements

Under the terms of various funding agreements, the Municipality could have provincial and federal grants become repayable if it is determined that funding was applied towards ineligible costs or if other terms of the agreements were not met. At year end management is of the opinion that all conditions have been met and funding was applied towards eligible costs.

14. **Cemetery donation**

In 2002, a donation from an estate for \$46,695 was received. These funds are to be used for cemetery related costs only and have been placed in a reserve for that purpose. Interest is credited to the reserve and specific cemetery related expenses are paid out by the reserve. The reserve balance at December 31, 2018 is \$31,718 (2017 \$35,734).

15. **Trust Funds**

Trust funds administered by the Municipality amounting to \$46,033 (2017 \$45,483) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

16. **Segmented information**

The Corporation of the Municipality of Charlton and Dack is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protection Services, Transportation Services, Environmental Services, Health Services, Social and Family Services, Recreational and Cultural Services and Planning and Development Services. Service areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these service areas. Departments disclosed in the Segmented Information, along with the services they provide, are as follows:

General Government Services

General government services consists of departments that are responsible for adopting bylaws, adopting administrative policy, levying taxes; acquiring, disposing and managing municipal assets, ensuring effective financial management, monitoring performance and ensuring that high quality municipal service standards are met.

Protection Services

Protection services consists of departments that are responsible for the enforcement of laws, prevention of crime, and maintenance of peace, order, and security by protecting life, property and the environment through the provision of emergency response, thus ensuring safe homes and safe communities.

Transportation Services

Transportation services consists of departments that are responsible for the delivery of municipal public works services related to planning, design, construction, cleaning, repair, snow removal and signage of roadway systems.

Environmental Services

Environmental services include water services as well as garbage and recycling services.

Health Services

The Municipality funds a range of public health services through the Timiskaming Health Unit and provides ambulance services through the District Social Services Administration Board. The Municipality also provides cemetery services.

Social and Family Services

The Municipality funds a range of family and social services through the District Social Services Administration Board which includes social housing, childcare and general assistance.

Recreation and Cultural Services

Recreation and cultural services consists of departments that are responsible for providing, facilitating the development of, and maintaining high quality parks, recreational facilities, and cultural services.

Planning and Development Services

Planning and development services consists of departments that are responsible for preparing land use plans, bylaws and policies for sustainable development of the Municipality and for reviewing and approving new development.

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Segmented information – continued | | | | | | | Total | 2018 | 2017 |
|---|-----------------------------------|------------------------|----------------------------|---------------------------|--------------------|----------------------------------|---|-----------------|-------------------|---------------------|
| | General Government Services | Protection Services | Transportation Services | Environmental Services | Health Services | Social and Family Services | Recreation and Cultural Services | | | |
| Revenues | | | | | | | | | | |
| Operating revenues | | | | | | | | | | |
| Municipal taxation | \$ 631,454 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 631,454 | \$ 593,282 |
| Water user charges | - | - | - | 240,787 | - | - | - | - | 240,787 | 166,132 |
| User charges | 5,643 | 25,307 | 7,010 | 136,716 | 3,666 | - | 8,200 | - | 186,542 | 43,777 |
| Provincial grants | 250,400 | - | - | - | - | - | 1,446 | 170 | 252,016 | 252,921 |
| Federal grants | - | - | - | - | - | - | 3,500 | - | 3,500 | 6,476 |
| Investment income | 923 | - | - | - | - | - | - | - | 923 | - |
| Penalties and interest on taxes | 17,108 | - | - | - | - | - | - | - | 17,108 | 15,637 |
| Provincial Offences Act revenues | - | 10,998 | - | - | - | - | - | - | 10,998 | 10,606 |
| Gain (loss) on disposal of tangible capital assets | - | - | 2,002 | - | - | - | - | - | 2,002 | (81,940) |
| Other | 31,105 | 2,941 | 13,223 | 5,008 | - | - | 22,010 | 6,000 | 80,287 | 25,856 |
| | <u>936,633</u> | <u>39,246</u> | <u>22,235</u> | <u>382,511</u> | <u>3,666</u> | <u>-</u> | <u>35,156</u> | <u>6,170</u> | <u>1,425,617</u> | <u>1,032,747</u> |
| Capital revenues | | | | | | | | | | |
| Provincial grants | 23,631 | - | - | 245,535 | - | - | - | - | 269,166 | 1,121,397 |
| Federal grants | - | - | 36,663 | 36,721 | - | - | - | - | 73,384 | 92,779 |
| Donation | - | - | - | - | - | - | - | - | - | 17,500 |
| | <u>23,631</u> | <u>-</u> | <u>36,663</u> | <u>282,256</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>342,550</u> | <u>1,231,676</u> |
| Total revenues | <u>960,264</u> | <u>39,246</u> | <u>58,898</u> | <u>664,767</u> | <u>3,666</u> | <u>-</u> | <u>35,156</u> | <u>6,170</u> | <u>1,768,167</u> | <u>2,264,423</u> |
| Expenditures | | | | | | | | | | |
| Wages and benefits | 170,455 | 11,687 | 146,598 | 13,852 | - | - | - | - | 342,592 | 289,107 |
| Long-term debt interest | - | - | 9,197 | 2,102 | - | - | - | - | 11,299 | 8,981 |
| Materials | 22,659 | 14,174 | 147,132 | 54,135 | 5,218 | - | 40,962 | 5,936 | 290,216 | 224,706 |
| Contracted services | 61,926 | 21,140 | 15,781 | 108,799 | 6,100 | - | 1,446 | - | 215,192 | 271,316 |
| Rents and financial expenses | 5,693 | 73 | - | 1,899 | - | - | - | - | 7,665 | 10,871 |
| External transfers | - | 88,762 | - | - | 86,939 | 70,958 | - | - | 246,659 | 234,158 |
| Amortization | 3,313 | 6,407 | 112,675 | 84,583 | 419 | - | 20,307 | 946 | 228,650 | 186,187 |
| Total expenditures | <u>264,046</u> | <u>142,243</u> | <u>431,383</u> | <u>265,370</u> | <u>98,676</u> | <u>70,958</u> | <u>62,715</u> | <u>6,882</u> | <u>1,342,273</u> | <u>1,225,326</u> |
| Annual surplus (deficit) | <u>\$ 696,218</u> | <u>\$ (102,997)</u> | <u>\$ (372,485)</u> | <u>\$ 399,397</u> | <u>\$ (95,010)</u> | <u>\$ (70,958)</u> | <u>\$ (27,559)</u> | <u>\$ (712)</u> | <u>\$ 425,894</u> | <u>\$ 1,039,097</u> |

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

| | 2018 | | | | | | | | | |
|--|---------------------------|----------------------------------|------------------------|--------------------------|---|--|-----------------------------------|--|-------------------------|--|
| | Opening Cost Dec 31, 2017 | Additions and Transfers (note 1) | Disposals Dec 31, 2018 | Ending Cost Dec 31, 2018 | Opening Accumulated Amortization Dec 31, 2017 | Accumulated Amortization on Disposals and Transfers (note 1) | Current Amortization Dec 31, 2018 | Ending Accumulated Amortization Dec 31, 2018 | Net Assets Dec 31, 2018 | |
| 17. Schedule of tangible capital assets | | | | | | | | | | |
| General | | | | | | | | | | |
| Land | \$ 23,481 | \$ - | \$ - | \$ 23,481 | \$ - | \$ - | \$ - | \$ - | \$ 23,481 | |
| Land improvements | 49,720 | - | - | 49,720 | 18,650 | - | 1,598 | 20,248 | 29,472 | |
| Buildings | 1,513,266 | 23,631 | - | 1,536,897 | 722,175 | - | 33,281 | 755,456 | 781,441 | |
| Automotive equipment | 601,324 | 98,882 | 25,450 | 674,756 | 128,998 | (15,907) | 49,328 | 162,419 | 512,337 | |
| Equipment | 1,512,168 | 275,373 | - | 1,787,541 | 1,423,919 | 102,844 | 33,234 | 1,559,997 | 227,544 | |
| Construction in progress | 57,855 | - | 57,855 | - | - | - | - | - | - | |
| Infrastructure | | | | | | | | | | |
| Roads | 755,511 | - | - | 755,511 | 275,767 | - | 29,799 | 305,566 | 449,945 | |
| Water distribution lines | 997,629 | 1,412,078 | - | 2,409,707 | 621,363 | - | 48,195 | 669,558 | 1,740,149 | |
| Bridges and culverts | 1,758,018 | 36,663 | - | 1,794,681 | 958,915 | - | 32,269 | 991,184 | 803,497 | |
| Municipal drains | 47,342 | - | - | 47,342 | 30,054 | - | 946 | 31,000 | 16,342 | |
| Construction in progress | 1,186,147 | - | 1,186,147 | - | - | - | - | - | - | |
| Total | \$ 8,502,461 | \$ 1,846,627 | \$ 1,269,452 | \$ 9,079,636 | \$ 4,179,841 | \$ 86,937 | \$ 228,650 | \$ 4,495,428 | \$ 4,584,208 | |

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

17. Schedule of tangible capital assets – continued

| | 2018 | | 2017 | | Ending Cost Dec 31, 2017 | Additions Dec 31, 2017 | Disposals Dec 31, 2017 | Opening Accumulated Amortization Dec 31, 2016 | Current Amortization Dec 31, 2017 | Ending Accumulated Amortization Dec 31, 2017 | Net Assets Dec 31, 2017 |
|--------------------------|---------------------------|--------------------------|---|------------------------|--------------------------|------------------------|------------------------|---|-----------------------------------|--|-------------------------|
| | Opening Cost Dec 31, 2016 | Ending Cost Dec 31, 2016 | Opening Accumulated Amortization Dec 31, 2016 | Disposals Dec 31, 2016 | | | | | | | |
| General | | | | | | | | | | | |
| Land | \$ 23,481 | \$ - | \$ - | \$ - | \$ 23,481 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 23,481 |
| Land improvements | 49,720 | - | - | - | 49,720 | - | - | 17,052 | 1,598 | 18,650 | 31,070 |
| Buildings | 1,513,266 | - | - | - | 1,513,266 | - | - | 689,367 | 32,808 | 722,175 | 791,091 |
| Automotive equipment | 712,216 | 65,922 | 176,814 | 601,324 | 601,324 | 147,010 | 64,914 | 147,010 | 46,902 | 128,998 | 472,326 |
| Equipment | 1,500,930 | 49,894 | 38,656 | 1,512,168 | 1,512,168 | 1,438,543 | 37,269 | 1,438,543 | 22,645 | 1,423,919 | 88,249 |
| Construction in progress | - | 57,855 | - | 57,855 | 57,855 | - | - | - | - | - | 57,855 |
| Infrastructure | | | | | | | | | | | |
| Roads | 719,896 | 35,615 | - | 755,511 | 755,511 | 245,968 | - | 245,968 | 29,799 | 275,767 | 479,744 |
| Water distribution lines | 997,629 | - | - | 997,629 | 997,629 | 601,410 | - | 601,410 | 19,953 | 621,363 | 376,266 |
| Bridges and culverts | 1,758,018 | - | - | 1,758,018 | 1,758,018 | 927,379 | - | 927,379 | 31,536 | 958,915 | 799,103 |
| Municipal drains | 47,342 | - | - | 47,342 | 47,342 | 29,108 | - | 29,108 | 946 | 30,054 | 17,288 |
| Construction in progress | - | 1,186,147 | - | 1,186,147 | 1,186,147 | - | - | - | - | - | 1,186,147 |
| Total | \$ 7,322,498 | \$ 1,395,433 | \$ 215,470 | \$ 8,502,461 | \$ 8,502,461 | \$ 4,095,837 | \$ 102,183 | \$ 4,095,837 | \$ 186,187 | \$ 4,179,841 | \$ 4,322,620 |

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

18. **CHARLTON AND DACK WATERWORKS****Charlton Waterworks**

| | <u>2018</u> | <u>2017</u> |
|---|------------------|--------------------|
| REVENUE | | |
| Water service charges and other water revenue | \$ 201,439 | \$ 128,986 |
| Provincial grants – capital | 24,335 | 25,665 |
| Federal grants – capital | 24,335 | 25,665 |
| Proceeds from long term debt | 18,662 | - |
| Other – Hydro rebate | 5,008 | - |
| | <u>273,779</u> | <u>180,316</u> |
| EXPENDITURES | | |
| Wages | 2,400 | 2,565 |
| Water transmission, distribution and repair | 110,528 | 123,282 |
| Bad debt expense | 975 | 1,180 |
| Capital expenditures | 60,807 | 57,886 |
| | <u>174,710</u> | <u>184,913</u> |
| Annual surplus (deficit) | 99,069 | (4,597) |
| Accumulated deficit, beginning of year | <u>(78,135)</u> | <u>(73,538)</u> |
| Accumulated surplus (deficit), end of year | <u>\$ 20,934</u> | <u>\$ (78,135)</u> |

Bradley Subdivision Waterworks

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| REVENUE | | |
| Water service charges and other water revenue | \$ 23,386 | \$ 22,832 |
| EXPENDITURES | | |
| Wages | 600 | 600 |
| Water transmission, distribution and repair | 17,664 | 22,474 |
| | <u>18,264</u> | <u>23,074</u> |
| Annual surplus (deficit) | 5,122 | (242) |
| Accumulated deficit, beginning of year | <u>(9,526)</u> | <u>(9,284)</u> |
| Accumulated deficit, end of year | <u>\$ (4,404)</u> | <u>\$ (9,526)</u> |

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

18. **CHARLTON AND DACK WATERWORKS - continued****Clarksville Waterworks**

| | 2018 | 2017 |
|---|-----------|-------------|
| REVENUE | | |
| Water service charges and other water revenue | \$ 18,887 | \$ 17,164 |
| Provincial grants – capital | 221,200 | 1,095,732 |
| Federal grants – capital | 12,386 | - |
| Proceeds from long term debt | 100,000 | - |
| | 352,473 | 1,112,896 |
| EXPENDITURES | | |
| Wages | 600 | 450 |
| Water transmission, distribution and repair | 16,110 | 14,155 |
| Capital expenditures | 225,931 | 1,186,147 |
| Repayment of long term debt – principal | 2,917 | - |
| – interest | 2,102 | - |
| | 247,660 | 1,200,752 |
| Annual surplus (deficit) | 104,813 | (87,856) |
| Accumulated surplus (deficit), beginning of year | (85,885) | 1,971 |
| Accumulated surplus (deficit), end of year | \$ 18,928 | \$ (85,885) |
| Accumulated surplus (deficit) is made up of: | | |
| Reserve | \$ 18,928 | \$ 4,530 |
| Unfinanced capital expenditures | - | (90,415) |
| | \$ 18,928 | \$ (85,885) |

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

19. Budgeting

The Municipality budgets to determine an appropriate tax rate based on all budgeted revenues and expenditures.

The consolidated statement of operations on page 5 has been modified here to exclude amortization and to include tangible capital asset expenditures and the principal repayments on long-term debt.

This modified statement of operations (budget based) is consistent with the budget format used and is presented here with the 2018 budget.

| | 2018 Budget | 2018 Actual | 2017 Actual |
|---|------------------|-------------------|--------------------|
| REVENUES | | | |
| Operating revenues | | | |
| Municipal taxation | \$ 618,200 | \$ 631,454 | \$ 593,282 |
| Water user charges | 167,066 | 240,787 | 166,132 |
| User charges | 29,792 | 186,542 | 43,777 |
| Provincial grants | 251,850 | 252,016 | 252,921 |
| Federal grants | - | 3,500 | 6,476 |
| Investment income | 150 | 923 | - |
| Penalties and interest on taxes | 15,000 | 17,108 | 15,637 |
| Provincial Offences Act revenues | 10,000 | 10,998 | 10,606 |
| Other | 40,329 | 80,287 | 25,856 |
| | <u>1,132,387</u> | <u>1,423,615</u> | <u>1,114,687</u> |
| Capital revenues | | | |
| Provincial grants | 308,123 | 269,166 | 1,121,397 |
| Federal grants | 44,564 | 73,384 | 92,779 |
| Donations | - | - | 17,500 |
| Proceeds from long-term debt | 9,681 | 118,662 | 59,970 |
| Proceeds from sale of tangible capital assets | - | 2,002 | 31,348 |
| | <u>362,368</u> | <u>463,214</u> | <u>1,322,994</u> |
| Total revenues | <u>1,494,755</u> | <u>1,886,829</u> | <u>2,437,681</u> |
| EXPENDITURES | | | |
| Operating expenditures | | | |
| General government | 255,690 | 260,733 | 253,658 |
| Protection to persons and property | 127,274 | 135,836 | 130,824 |
| Transportation services | 292,114 | 317,137 | 262,831 |
| Environmental services | 174,495 | 180,787 | 179,481 |
| Health services | 95,100 | 98,257 | 83,902 |
| Social and family services | 70,800 | 70,958 | 68,788 |
| Recreation and cultural services | 43,950 | 42,408 | 45,541 |
| Planning and development | 5,150 | 5,936 | 13,236 |
| | <u>1,064,573</u> | <u>1,112,052</u> | <u>1,038,261</u> |
| Capital expenditures | 355,842 | 399,733 | 1,395,433 |
| Debt principal repayments | 53,121 | 56,038 | 51,122 |
| Total expenditures | <u>1,473,536</u> | <u>1,567,823</u> | <u>2,484,816</u> |
| Surplus (deficit) - full budget base | \$ 21,219 | \$ 319,006 | \$ (47,135) |

NOTICE TO READER

To the Members of Council, Inhabitants
and Ratepayers of the Corporation
of the MUNICIPALITY OF CHARLTON AND DACK:

On the basis of information provided by management, we have compiled the statement of financial position of the CEMETERY TRUST FUND of the CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK as at December 31, 2018 and the statement of continuity for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

KEMP ELLIOTT & BLAIR LLP

Kemp Elliott & Blair LLP

Licensed Public Accountants
New Liskeard, Ontario
May 6, 2019

Chartered Professional Accountants

(Unaudited – See Notice to Reader)

THE CORPORATION OF THE MUNICIPALITY OF CHARLTON AND DACK**CHARLTON AND DACK DISTRICT CEMETERIES****PERPETUAL CARE TRUST FUND****STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2018**

| FINANCIAL ASSETS | <u>2018</u> | <u>2017</u> |
|---|------------------|------------------|
| Due from the Corporation of the Municipality of Charlton and Dack | \$ - | \$ 339 |
| Short-term deposits | <u>46,151</u> | <u>45,144</u> |
| | <u>\$ 46,151</u> | <u>\$ 45,483</u> |
| LIABILITIES | | |
| Due to the Corporation of the Municipality of Charlton and Dack | \$ 118 | \$ - |
| FUND BALANCE | | |
| Perpetual care fund | <u>46,033</u> | <u>45,483</u> |
| | <u>\$ 46,151</u> | <u>\$ 45,483</u> |

STATEMENT OF CONTINUITY**FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>2018</u> | <u>2017</u> |
|--|------------------|------------------|
| Balance, beginning of year | \$ 45,483 | \$ 44,413 |
| Perpetual Care receipts – note 2 re: sale of plots, headstone maintenance | <u>550</u> | <u>1,070</u> |
| Balance, end of year | <u>\$ 46,033</u> | <u>\$ 45,483</u> |

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting Policies**

Accounting is on a cash basis

Interest earned by the fund each year is transferred to the revenue fund of the Corporation of the Municipality of Charlton and Dack and is not reported in the Cemetery Trust Funds statements.

2. Perpetual Care Receipts

The perpetual care fund reflects only receipts held and maintained by the Municipality which looks after the Charlton, St. Stephen and Brentha cemeteries.