

CONSOLIDATED FINANCIAL REPORT

**THE CORPORATION OF THE
TOWNSHIP OF CHAMBERLAIN**

DISTRICT OF TIMISKAMING

YEAR ENDED DECEMBER 31, 2015

INDEX

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

	Page Number
Management's Responsibility for the Financial Statements	1
Auditors' Report	2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 18


MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the Township of Chamberlain are the responsibility of the Township of Chamberlain'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 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 Township of Chamberlain'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 Township of Chamberlain. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township of Chamberlain's financial statements.


Chief Administrative Officer/Clerk-Treasurer
Calvin Rodgers

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of the
CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN:

We have audited the accompanying consolidated financial statements of the CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of operations, consolidated statement of change in net financial assets and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management and Council's Responsibility for the consolidated financial statements

Management and council are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management and council determine is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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, the consolidated financial statements present fairly, in all material respects, the financial position of the CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN as at December 31, 2015, and its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kemp Elliott & Blair LLP

Kemp Elliott & Blair LLP

Licensed Public Accountants
New Liskeard, Ontario
February 2, 2016

Chartered Professional Accountants

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

FINANCIAL ASSETS

	2015	2014
Cash	\$ 36,552	\$ 40,660
Short-term investments – note 5	299,558	370,839
Taxes receivable	51,694	41,063
Accounts receivable	19,620	43,101
Long-term receivable – tile drainage – note 6	34,625	37,741
	<u>442,049</u>	<u>533,404</u>

LIABILITIES

Accounts payable and accrued liabilities	56,586	84,023
Deferred revenue – obligatory reserve funds – note 7	-	3,011
Landfill closure and post-closure liability – note 8	106,200	100,000
Municipal debt	-	111,666
Municipal debt – tile drainage – note 6	34,625	37,741
	<u>197,411</u>	<u>336,441</u>

NET FINANCIAL ASSETS

244,638 196,963

NON-FINANCIAL ASSETS

Tangible capital assets – note 14	1,294,262	1,357,285
Inventories of supplies	10,166	-
	<u>1,304,428</u>	<u>1,357,285</u>

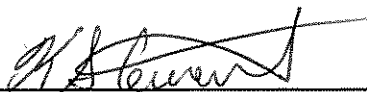
ACCUMULATED SURPLUS – note 11

\$ 1,549,066 \$ 1,554,248

Contingent liabilities and commitments – note 12

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

On behalf of Council:



Reeve



Chief Administrative Officer/Clerk-Treasurer

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 Budget (Note 4)	2015 Actual	2014 Actual
REVENUES			
Operating revenues			
Municipal taxation	\$ 494,985	\$ 497,199	\$ 479,721
User charges	38,750	40,554	66,915
Provincial grants	189,915	185,971	195,719
Federal grants	20,211	21,918	2,287
Investment income	3,200	4,908	2,372
Penalties and interest on taxes	5,000	6,029	4,673
Provincial Offences Act revenues	5,000	6,016	5,210
Loss on disposal of tangible capital assets	-	-	(1,999)
Other	500	5,022	991
	<u>757,561</u>	<u>767,617</u>	<u>755,889</u>
Capital revenues			
Federal grants	-	-	14,716
Total revenues	<u>757,561</u>	<u>767,617</u>	<u>770,605</u>
EXPENDITURES			
General government	215,180	197,795	220,586
Protection to persons and property	51,107	45,866	47,935
Transportation services	453,703	377,257	370,531
Environmental services	29,300	28,864	24,741
Health services	51,843	51,393	51,890
Social and family services	45,045	45,045	46,961
Recreation and cultural services	16,967	18,485	20,414
Planning and development	9,420	8,094	6,213
Total expenditures	<u>872,565</u>	<u>772,799</u>	<u>789,271</u>
ANNUAL DEFICIT	(115,004)	(5,182)	(18,666)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,554,248</u>	<u>1,554,248</u>	<u>1,572,914</u>
ACCUMULATED SURPLUS, END OF YEAR – note 11	<u>\$ 1,439,244</u>	<u>\$ 1,549,066</u>	<u>\$ 1,554,248</u>

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

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 Budget (Note 4)	2015 Actual	2014 Actual
ANNUAL DEFICIT	\$ (115,004)	\$ (5,182)	\$ (18,666)
Acquisition of tangible capital assets	-	(31,342)	(117,329)
Amortization of tangible capital assets	100,000	94,365	100,025
Loss on disposal of tangible capital asset	-	-	1,999
Acquisition of supplies inventory	-	(10,166)	-
Increase (decrease) in net financial assets	(15,004)	47,675	(33,971)
Net financial assets, beginning of year	196,963	196,963	230,934
NET FINANCIAL ASSETS, END OF YEAR	\$ 181,959	\$ 244,638	\$ 196,963

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

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATIONS	2015	2014
Annual deficit	\$ (5,182)	\$ (18,666)
Charges not affecting cash –		
Amortization	94,365	100,025
Loss on disposal of tangible capital asset	-	1,999
	<u>89,183</u>	<u>83,358</u>
Other sources (uses) of cash –		
Change in taxes receivable	(10,631)	(18,964)
Change in accounts receivable	23,481	25,862
Change in long-term receivable – tile drainage	3,116	(13,241)
Change in deferred revenue – obligatory reserve fund	(3,011)	3,011
Change in accounts payable and accrued liabilities	(27,437)	15,304
Change in landfill closure and post-closure liability	6,200	6,200
Change in supplies inventory	(10,166)	-
	<u>(18,448)</u>	<u>18,172</u>
Total cash provided by operations	<u>70,735</u>	<u>101,530</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(31,342)</u>	<u>(117,329)</u>
INVESTING ACTIVITIES		
Redemption of short-term investments	71,281	-
Acquisition of short-term investments	-	(156,327)
Total cash provided by (used for) investing activities	<u>71,281</u>	<u>(156,327)</u>
FINANCING TRANSACTIONS		
Municipal debt proceeds	-	125,000
Municipal debt proceeds – tile drainage	-	15,100
Municipal debt repayments	(111,666)	(92,735)
Municipal debt repayments – tile drainage	(3,116)	(1,860)
Total cash provided by (used for) financing activities	<u>(114,782)</u>	<u>45,505</u>
DECREASE IN CASH	<u>(4,108)</u>	<u>(126,621)</u>
Cash, beginning of year	<u>40,660</u>	<u>167,281</u>
CASH, END OF YEAR	<u>\$ 36,552</u>	<u>\$ 40,660</u>
REPRESENTED BY		
Cash	<u>\$ 36,552</u>	<u>\$ 40,660</u>

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

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

The Corporation of the Township of Chamberlain is a township 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 Township of Chamberlain 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 Canada as prescribed for Ontario municipalities by the Ministry of Municipal Affairs.

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 Township and include the activities of all committees of Council which are:

The Corporation of the Township of Chamberlain Library Board
The Corporation of the Township of Chamberlain Recreation Committee

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 Township 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 Township in its statements.

Englehart and Area Fire Department

This joint local board provides fire protection services to the Municipalities of Englehart, Evanturel, Chamberlain, and Charlton & Dack. This joint local board is not proportionally consolidated as the overall impact would not be considered significant to these statements. The yearly requisition of the board is expensed by the Township in its statements. Chamberlain's share of the accumulated surplus at the end of 2014 was \$20,500 (2015 information was not yet available).

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

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 & 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 statements. Chamberlain's share of the accumulated surplus at the end of 2014 was \$780 (2015 information was not yet available).

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 Chamberlain does not have voting control of the board. Building Permit revenues are transferred to this organization. Chamberlain's share of the accumulated surplus at the end of 2014 was \$7,818 (2015 information was not yet available).

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.

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:

Buildings	50 years
Vehicles	10 to 25 years
Equipment	5 to 25 years
Signage	10 years
Roads	7 to 30 years
Bridges and culverts	25 to 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 Township has no capitalization threshold for land and buildings, a capitalization threshold of \$10,000 for infrastructure systems and \$2,500 for all other assets. Individual assets of lesser value are expensed.

Inventories

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

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. **Accounting policies - continued**

Deferred revenue - obligatory reserve funds

The Township 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.

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 Township 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 Township 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 Township 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 Township 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:

	<u>2015</u>	<u>2014</u>
	\$ 224,965	\$ 223,137

3. **Contributions to Joint Boards**

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

	<u>2015</u>	<u>2014</u>
Timiskaming District Health Unit (THU)	\$ 14,208	\$ 14,724
District of Timiskaming Social Services Administration Board (DTSSAB)	\$ 82,230	\$ 83,677

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

3.	Contributions to Joint Boards - continued	<u>2015</u>	<u>2014</u>
	Cochrane Timiskaming Waste Management Board	\$ -	\$ 3,703
	Englehart and Area Fire Department	\$ 16,755	\$ 16,142
	Central Timiskaming Planning Board	\$ 750	\$ 775

4. **Budget**

The Budget adopted by Council was not prepared on a basis consistent with that used to report actual results according to Public Sector Accounting Standards used on the Consolidated Statement of Operations on page 3. 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 15. 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>2015</u>
Actual budget deficit for the year – note 15	\$ (40,000)
Add: Budgeted debt principal repayments	24,996
Less: Estimated amortization	<u>(100,000)</u>
Budget deficit per statement of operations – page 4	<u>\$ (115,004)</u>

5.	Short-term investments	<u>2015</u>	<u>2014</u>
	Guaranteed Income Certificates (GIC) with CIBC	\$ 299,558	\$ 370,839

Current year balance consists of four GICs, scheduled to mature between April, 2016 and September, 2018 and are earning interest at rates varying from 0.6% to 1.4%.

6. **Long-term receivable/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, 2015 is \$34,625 (2014 \$37,741) and is reflected as municipal debt and long-term receivables on the "Consolidated Statement of Financial Position".

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

Deferred revenue – obligatory reserve funds consist of the following:

	<u>December 31 2014</u>	<u>Funds Received</u>	<u>Revenue Earned</u>	<u>December 31 2015</u>
Federal Gas Tax	\$ 3,011	\$ 17,199	\$ 20,210	\$ -

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

8. Landfill closure and post-closure costs

These obligations relate to the recognition of closure and post-closure liability. The Township'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, 2015. 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 were last reviewed in a study done in 2003. At that time the landfill site was expected to have closure and post-closure costs estimated at \$180,000. A new study was done in 2014 on life expectancy and the landfill site is now expected to reach capacity in 2028.

9. Comparative information

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year. The changes do not affect the prior annual surplus.

10. Revolving line of credit

The Township has a \$100,000 business operating line negotiated with the CIBC bank with a balance outstanding of \$nil (2014 - \$nil). Interest is at bank prime plus 1.25% (currently 3.95%).

11. 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.

	2015	2014
Reserves		
Working capital reserve	\$ 154,475	\$ 219,828
ONR crossing reserve	12,000	12,000
Machinery replacement reserve	36,369	36,369
Ball diamond reserve	7,500	7,500
Recreation committee reserve	34,294	32,932
	<u>244,638</u>	<u>308,629</u>
Amounts to be recovered		
Unfinanced municipal debt	-	(111,666)
Net financial assets	<u>244,638</u>	<u>196,963</u>
Non-financial assets		
Invested in tangible capital assets	1,294,262	1,357,285
Inventories of supplies	10,166	-
	<u>1,304,428</u>	<u>1,357,285</u>
Accumulated surplus	<u>\$ 1,549,066</u>	<u>\$ 1,554,248</u>

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.

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

12. **Contingent liabilities and commitments**

Non-consolidated Entities

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

Post-employment benefits

Permanent full time employees are allowed to bank 1.5 sick days per month to a maximum of 60 days. This policy is new in 2015 and the estimated liability related to the banked time was \$3,500 and is recorded in the financial statements of the Township. No other post-employment benefits are payable by the Township.

Ontario Municipal Employees Retirement Fund

All permanent, full-time employees of the Township 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 Township are recognized as an expenditure. No pension liability for this type of plan is recognized in the Township's consolidated financial statements. Contributions made by the Township to OMERS for 2015 were \$16,689 (2014 - \$nil). The plan had an actuarial deficit of \$7.1 billion at the end of 2014 (2015 information is not yet available).

Funding agreements

Under the terms of various funding agreements, the Township 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.

13. **Segmented information**

The Corporation of the Township of Chamberlain 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.

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

13. **Segmented information - continued**

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

The Environmental services consists of departments that are responsible for the collection and disposal of garbage and recycling services.

Health Services

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

Social and Family Services

The Township 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

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

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

13. Segmented information – continued	General							Total 2015	Total 2014	
	Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services			Planning and Development Services
Revenues										
Operating revenues	\$ 497,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 497,199	\$ 479,721
Municipal taxation	401	826	28,825	7,270	-	-	3,232	-	40,554	66,915
User charges	154,000	-	25,000	3,154	-	-	761	3,056	185,971	195,719
Provincial grants	-	-	20,210	-	-	-	-	1,708	21,918	2,287
Federal grants	4,660	-	-	-	-	-	248	-	4,908	2,372
Investment income	6,029	-	-	-	-	-	-	-	6,029	4,673
Penalties and interest on taxes	-	6,016	-	-	-	-	-	-	6,016	5,210
Provincial Offences Act revenues	-	-	-	-	-	-	-	-	-	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	(1,999)
Other	501	-	-	4,521	-	-	-	-	5,022	991
Capital revenues	662,790	6,842	74,035	14,945	-	-	4,241	4,764	767,617	755,889
Federal grants	-	-	-	-	-	-	-	-	-	14,716
Total revenues	662,790	6,842	74,035	14,945	-	-	4,241	4,764	767,617	770,605
Expenditures										
Wages and benefits	118,037	-	112,770	10,358	-	-	-	-	241,165	253,614
Long-term debt interest	-	-	2,739	-	-	-	-	-	2,739	2,645
Materials	48,793	578	165,986	129	-	-	2,490	6,286	224,262	219,165
Contracted services	26,236	45,288	2,986	18,264	-	-	15,692	1,808	110,274	111,443
Rents and financial expenses	805	-	-	-	-	-	-	-	805	1,642
External transfers	-	-	2,751	-	51,393	45,045	-	-	99,189	100,737
Amortization	3,924	-	90,025	113	-	-	303	-	94,365	100,025
Total expenditures	197,795	45,866	377,257	28,864	51,393	45,045	18,485	8,094	772,799	789,271
Annual surplus (deficit)	\$ 464,995	\$ (39,024)	\$ (303,222)	\$ (13,919)	\$ (51,393)	\$ (45,045)	\$ (14,244)	\$ (3,330)	\$ (5,182)	\$ (18,666)

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

14. **Schedule of tangible capital assets**

	2015						
	Opening Cost Dec 31, 2014	Additions Dec 31, 2015	Ending Cost Dec 31, 2015	Opening Accumulated Amortization Dec 31, 2014	Current Amortization Dec 31, 2015	Ending Accumulated Amortization Dec 31, 2015	Net Assets Dec 31, 2015
General							
Land	\$ 19,990	\$ -	\$ 19,990	\$ -	\$ -	\$ -	\$ 19,990
Buildings	618,422	-	618,422	254,045	11,438	265,483	352,939
Vehicles	557,470	-	557,470	215,732	27,066	242,798	314,672
Equipment	22,872	-	22,872	20,187	647	20,834	2,038
Signage	6,500	-	6,500	6,500	-	6,500	-
Infrastructure							
Roads	383,698	-	383,698	170,256	25,593	195,849	187,849
Bridges and culverts	1,127,753	31,342	1,159,095	712,700	29,621	742,321	416,774
Total	\$ 2,736,705	\$ 31,342	\$ 2,768,047	\$ 1,379,420	\$ 94,365	\$ 1,473,785	\$ 1,294,262

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

14. **Schedule of fangible capital assets -- continued**

	2015		2014		Ending Cost Dec 31, 2014	Opening Accumulated Amortization Dec 31, 2013	Additions	Disposals	Accumulated Amortization on Disposals	Current Amortization	Ending Accumulated Amortization Dec 31, 2014	Net Assets Dec 31, 2014
	Opening Cost Dec 31, 2013	Ending Cost Dec 31, 2014	Opening Accumulated Amortization Dec 31, 2013	Disposals								
General												
Land	\$ 19,990	\$ 19,990	\$ -	\$ -	\$ 19,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,990
Buildings	618,422	618,422	-	-	618,422	242,607	-	-	-	11,438	254,045	364,377
Vehicles	450,136	557,470	117,329	9,995	557,470	195,611	7,996	7,996	28,117	215,732	215,732	341,738
Equipment	22,872	22,872	-	-	22,872	19,540	-	-	647	20,187	20,187	2,685
Signage	6,500	6,500	-	-	6,500	6,500	-	-	-	-	6,500	-
Infrastructure												
Roads	383,698	383,698	-	-	383,698	139,427	-	-	-	30,829	170,256	213,442
Bridges and culverts	1,127,753	1,127,753	-	-	1,127,753	683,706	-	-	-	28,994	712,700	415,053
Total	\$ 2,629,371	\$ 2,736,705	\$ 117,329	\$ 9,995	\$ 2,736,705	\$ 1,287,391	\$ 7,996	\$ 7,996	\$ 100,025	\$ 1,379,420	\$ 1,357,285	

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

15. Budgeting

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

The consolidated statement of operations on page 4 has been modified here to exclude amortization and to include tangible capital asset expenditures and the principal repayment on long-term debt.

This modified statement of operations (budget based) is consistent with the budget format used and is presented here with the 2015 budget.

REVENUES	2015 Budget	2015 Actual	2014 Actual
Operating revenues			
Municipal taxation	\$ 494,985	\$ 497,199	\$ 479,721
User charges	38,750	40,554	66,915
Provincial grants	189,915	185,971	195,719
Federal grants	20,211	21,918	2,287
Investment income	3,200	4,908	2,372
Penalties and interest on taxes	5,000	6,029	4,673
Provincial Offences Act revenues	5,000	6,016	5,210
Other	500	5,022	991
	<u>757,561</u>	<u>767,617</u>	<u>757,888</u>
Capital revenues			
Federal grants	-	-	14,716
Proceeds from long-term debt	-	-	125,000
Total revenues	<u>757,561</u>	<u>767,617</u>	<u>897,604</u>
 EXPENDITURES			
Operating expenditures			
General government	211,280	193,871	216,662
Protection to persons and property	51,107	45,866	47,935
Transportation services	358,003	297,398	274,846
Environmental services	29,200	28,751	24,628
Health services	51,843	51,393	51,890
Social and family services	45,045	45,045	46,961
Recreation and cultural services	16,667	18,182	20,111
Planning and development	9,420	8,094	6,213
	<u>772,565</u>	<u>688,600</u>	<u>689,246</u>
Capital expenditures	-	31,342	117,329
Long-term debt repayment	24,996	111,666	92,735
Total expenditures	<u>797,561</u>	<u>831,608</u>	<u>899,310</u>
 Deficit full budget base			
(budgeted to be transferred from reserves)	<u>\$ (40,000)</u>	<u>\$ (63,991)</u>	<u>\$ (1,706)</u>

THE CORPORATION OF THE TOWNSHIP OF CHAMBERLAIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

16. **Correction of prior period**

The Township has a recreation committee which by error had not previously been consolidated. This error was discovered in the current year and has been corrected retroactively. As a result, the December 31, 2014 figures, presented for comparative purposes, have been restated from those previously reported as follows:

	As previously Reported	Increase (decrease)	As restated
Statement of Financial Position			
Cash	\$ 28,396	\$ 12,264	\$ 40,660
Short-term investments	350,170	20,669	370,839
Net financial assets	164,031	32,932	196,963
Statements of Operations and Accumulated Surplus			
Revenue – User charges	63,424	3,491	66,915
Expenditures – Recreation and cultural services	17,063	3,351	20,414
Annual deficit	(18,806)	140	(18,666)