

**The Corporation of the  
Township of Chisholm  
Financial Statements  
For the year ended December 31, 2019**

**The Corporation of the Township of Chisholm**  
**Financial Statements**  
For the year ended December 31, 2019

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## Independent Auditor's Report

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### To the Members of Council, Inhabitants and Ratepayers of the The Corporation of the Township of Chisholm

#### Opinion

We have audited the financial statements of The Corporation of the Township of Chisholm (the Township), which comprise the statement of financial position as at December 31, 2019, the statements of operations and accumulated surplus, change in net financial assets 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 financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2019, and its financial performance 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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 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 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.

#### Auditor's 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 auditor's 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 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 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 auditor's 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 auditor's report. However, future events or conditions may cause the Township 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.

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario  
May 12, 2020

**The Corporation of the Township of Chisholm  
Statement of Financial Position**

<b>December 31</b>	<b>2019</b>	<b>2018</b>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 418,693	\$ 626,686
Taxes receivable (Note 1)	265,791	315,586
Accounts receivable (Note 2)	370,379	163,258
Land held for sale	-	23,110
	<u>1,054,863</u>	<u>1,128,640</u>
<b>Liabilities</b>		
Accounts payable (Note 6)	183,073	135,954
Deferred revenue (Note 10)	193,915	499,707
Long-term liabilities (Note 7)	483,589	572,017
Post employment benefits accrual (Note 9)	15,866	14,093
Landfill closure and post closure accrual (Note 8)	194,170	180,429
	<u>1,070,613</u>	<u>1,402,200</u>
<b>Net financial assets (debt)</b>	<u>(15,750)</u>	<u>(273,560)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 4)	5,807,330	5,235,371
Inventories (Note 3)	56,359	57,661
	<u>5,863,689</u>	<u>5,293,032</u>
<b>Accumulated surplus (Note 12)</b>	<u>\$ 5,847,939</u>	<u>\$ 5,019,472</u>

Subsequent events (Note 17)

On behalf of Council:

\_\_\_\_\_, Clerk-Treasurer

\_\_\_\_\_, Mayor

## The Corporation of the Township of Chisholm Statement of Operations and Accumulated Surplus

For the year ended December 31	2019 Budget (Note 14)	2019 Actual	2018 Actual
<b>Revenues</b>			
Taxation (Note 13)	\$ 1,625,133	\$ 1,644,684	\$ 1,583,952
Government transfers and grants	1,323,465	1,587,045	648,519
Transfer from obligatory gas tax	-	105,089	90,972
User fees	31,150	38,987	41,602
Other	95,200	100,037	95,035
	<u>3,074,948</u>	<u>3,475,842</u>	<u>2,460,080</u>
<b>Expenses (Note 15)</b>			
Transportation services (Note 7)	1,477,621	1,272,614	1,443,100
General government	453,111	470,135	383,363
Protection to persons and property	340,190	339,477	330,084
Social and family services	297,645	297,645	284,120
Environmental services	105,284	126,472	40,537
Recreation and culture	52,441	48,561	56,086
Planning and development	56,752	47,169	30,997
Health services	45,195	45,302	44,645
	<u>2,828,239</u>	<u>2,647,375</u>	<u>2,612,932</u>
<b>Annual surplus (deficit)</b>	246,709	828,467	(152,852)
<b>Accumulated surplus, beginning of year</b>	<u>5,019,472</u>	<u>5,019,472</u>	<u>5,172,324</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 5,266,181</u>	<u>\$ 5,847,939</u>	<u>\$ 5,019,472</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## The Corporation of the Township of Chisholm Statement of Changes in Net Assets (Debt)

For the year ended December 31	2019 Budget (Note 14)	2019 Actual	2018 Actual
Annual surplus (deficit)	\$ 246,709	\$ 828,467	\$ (152,852)
Acquisition of tangible capital assets	(737,176)	(1,099,311)	(415,420)
Amortization of tangible capital assets	475,858	527,352	475,859
	<u>(14,609)</u>	<u>256,508</u>	<u>(92,413)</u>
Acquisition of inventories	-	(56,359)	(57,661)
Consumption of inventories	-	57,661	71,914
Deposits utilized	-	-	7,864
	<u>-</u>	<u>1,302</u>	<u>22,117</u>
<b>Increase in net financial assets (debt)</b>	<b>(14,609)</b>	<b>257,810</b>	<b>(70,296)</b>
<b>Net debt, beginning of year</b>	<b>(273,560)</b>	<b>(273,560)</b>	<b>(203,264)</b>
<b>Net financial assets (debt), end of year</b>	<b>\$ (288,169)</b>	<b>\$ (15,750)</b>	<b>\$ (273,560)</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## The Corporation of the Township of Chisholm Statement of Cash Flows

For the year ended December 31	2019	2018
<b>Cash provided by (used in)</b>		
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 828,467	\$ (152,852)
Items not involving cash		
Amortization of tangible capital assets	527,352	475,859
Gain on disposal of tangible capital assets	<u>(8,008)</u>	<u>(5,750)</u>
	1,347,811	317,257
Changes in non-cash operating balances		
Taxes receivable	49,795	(16,062)
Accounts receivable	(207,121)	49,618
Accounts payable	47,119	36,823
Deferred revenue	(305,792)	385,632
Post employment benefits accrual	1,773	(8,657)
Landfill closure and post closure accrual	13,741	(64,949)
Inventories	1,302	14,253
Prepaid expenses	<u>-</u>	<u>7,864</u>
	<u>948,628</u>	<u>721,779</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(1,099,311)	(415,420)
Proceeds on disposition of tangible capital assets	<u>31,118</u>	<u>5,750</u>
	<u>(1,068,193)</u>	<u>(409,670)</u>
<b>Financing transactions</b>		
Proceeds from long-term borrowing	-	252,000
Repayment of long-term liabilities	<u>(88,428)</u>	<u>(64,761)</u>
	<u>(88,428)</u>	<u>187,239</u>
<b>(Decrease) increase in cash and cash equivalents during the year</b>	<b>(207,993)</b>	<b>499,348</b>
Cash and cash equivalents, beginning of year	<u>626,686</u>	<u>127,338</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 418,693</b>	<b>\$ 626,686</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## The Corporation of the Township of Chisholm Summary of Significant Accounting Policies

December 31, 2019

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**Management Responsibility** The financial statements of The Corporation of the Township of Chisholm (the "Township") are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards ("PSAB"). The Township provides municipal services such as general government, fire, building, protection to persons, transportation, environmental, health, social, family, recreation, culture, planning and development services.

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

**Inventories** Inventory of supplies are stated at the lower of cost and replacement cost. Cost is generally determined on the first-in, first-out basis.

**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 donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Roads	10 to 45 years
Bridges and culverts	20 to 75 years
Buildings	50 to 60 years
Vehicles	5 to 15 years
Machinery and equipment	5 to 20 years
Computer hardware and software	5 to 10 years
Land improvements	20 to 25 years

A full year of amortization is taken in the year of acquisition

**Landfill Closure  
and Post-closure Accrual**

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

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# The Corporation of the Township of Chisholm

## Summary of Significant Accounting Policies

December 31, 2019

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### Retirement Benefits and Other Employee Benefit Plans

Liabilities for vacations and sick leave credits earned but not taken are accrued as earned.

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 current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

### Collection of Taxes on Behalf of School Boards

The Township collects taxation revenue on behalf of the school boards. The taxation revenues, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

### Trust Funds

Funds held in trust by the Township, and their related operations, are not included in these financial statements.

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## The Corporation of the Township of Chisholm Summary of Significant Accounting Policies

December 31, 2019

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### Revenue Recognition

- a. **Taxation** Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.
- b. **User fees and other** User fees and other revenue are recognized on an accrual basis.
- c. **Government transfers** Transfer payments, which include legislative grants, are recognized in the financial statements in the period in which the events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be determined.
- Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.
- Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

### Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

In particular, management's estimate for the landfill closure and post-closure liability is subject to measurement uncertainty. The estimate is based on assumptions and calculations contained in an engineer's report completed in 2018, modified as necessary for the passage of time and actual use of the landfill site. Actual results could differ significantly from those estimates because of the uncertainty related to future cost estimates and future use of the landfill site.

## The Corporation of the Township of Chisholm Notes to Financial Statements

**December 31, 2019**

### 1. Taxes Receivable

	2019	2018
Current taxes	\$ 193,672	\$ 201,321
Taxes in arrears	55,266	91,080
Interest	16,853	23,185
	\$ 265,791	\$ 315,586

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, the requisition made by the various local boards in respect of Regional 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 issuance 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.

### 2. Accounts Receivable

	2019	2018
Due from federal government	\$ 170,234	\$ 9,694
GST/HST receivable	169,991	100,544
Other receivables	30,154	53,020
	\$ 370,379	\$ 163,258

### 3. Inventories

	2019	2018
Granular A	\$ 6,096	\$ 13,988
Winter sand	36,200	27,376
Fuel	4,220	4,135
Culverts	9,843	12,162
	\$ 56,359	\$ 57,661

**The Corporation of the Township of Chisholm  
Notes to Financial Statements**

**December 31, 2019**

**4. Tangible Capital Assets**

	<b>2019</b>								
	Land	Roads	Bridges and Culverts	Buildings	Vehicles	Machinery and Equipment	Computer Hardware and Software	Work in Progress	Total
Cost, beginning of year	\$ 398,811	\$ 16,070,268	\$ 3,334,217	\$ 419,771	\$ 1,173,577	\$ 442,917	\$ 66,940	\$ 44,642	\$ 21,951,143
Additions	-	219,510	809,742	-	33,199	18,509	18,351	-	1,099,311
Disposals	-	-	-	-	(34,170)	-	-	-	(34,170)
Transfers	-	44,642	-	-	-	-	-	(44,642)	-
Cost, end of year	398,811	16,334,420	4,143,959	419,771	1,172,606	461,426	85,291	-	23,016,284
Accumulated amortization, beginning of year	-	13,691,760	2,050,539	135,408	722,615	50,313	65,137	-	16,715,772
Amortization	-	304,831	97,104	9,273	76,423	29,789	9,932	-	527,352
Disposals	-	-	-	-	(34,170)	-	-	-	(34,170)
Accumulated amortization, end of year	-	13,996,591	2,147,643	144,681	764,868	80,102	75,069	-	17,208,954
Net carrying amount, end of year	\$ 398,811	\$ 2,337,829	\$ 1,996,316	\$ 275,090	\$ 407,738	\$ 381,324	\$ 10,222	\$ -	\$ 5,807,330

**The Corporation of the Township of Chisholm  
Notes to Financial Statements**

**December 31, 2019**

**4. Tangible Capital Assets (continued)**

	2018								
	Land	Roads	Bridges and Culverts	Buildings	Vehicles	Machinery and Equipment	Computer Hardware and Software	Work in Progress	Total
Cost, beginning of year	\$ 398,811	\$ 15,943,795	\$ 3,334,217	\$ 419,771	\$ 1,161,278	\$ 171,269	\$ 66,940	\$ 44,642	\$ 21,540,723
Additions	-	126,473	-	-	17,299	271,648	-	-	415,420
Disposals	-	-	-	-	(5,000)	-	-	-	(5,000)
Cost, end of year	398,811	16,070,268	3,334,217	419,771	1,173,577	442,917	66,940	44,642	21,951,143
Accumulated amortization, beginning of year	-	13,413,344	1,969,980	122,332	654,512	27,996	56,749	-	16,244,913
Amortization	-	278,416	80,559	13,076	73,103	22,317	8,388	-	475,859
Disposals	-	-	-	-	(5,000)	-	-	-	(5,000)
Accumulated amortization, end of year	-	13,691,760	2,050,539	135,408	722,615	50,313	65,137	-	16,715,772
Net carrying amount, end of year	\$ 398,811	\$ 2,378,508	\$ 1,283,678	\$ 284,363	\$ 450,962	\$ 392,604	\$ 1,803	\$ 44,642	\$ 5,235,371

## The Corporation of the Township of Chisholm Notes to Financial Statements

**December 31, 2019**

### 5. Credit Facilities

The Township has a line of credit with a maximum credit limit of \$450,000. The line of credit is due on demand and bears interest at the bank's prime rate plus 0.75%, calculated and payable monthly. The line of credit is unsecured. The balance used at year end was \$Nil (2018 - \$Nil)

### 6. Accounts Payable

	2019	2018
Trade accounts payable	\$ 182,295	\$ 135,049
Due to school boards	778	905
	\$ 183,073	\$ 135,954

### 7. Long-term Liabilities

	2019	2018
Ontario Infrastructure and Lands Corporation 2.64%, due February 2027, repayable in semi-annual payments of \$13,446 principal and interest, secured by a specific piece of equipment.	\$ 181,896	\$ 203,556
Ontario Infrastructure and Lands Corporation 2.92%, due June 2022, repayable in semi-annual payments of \$11,604 principal and interest, secured by a specific piece of equipment.	55,559	76,680
OIPC debenture - 3.74%, due March 2020, repayable in semi-annual payments of \$9,059 principal and interest.	8,893	26,191
OIPC debenture - 3.24%, due December 2020, repayable in semi-annual payments of \$3,536 principal and interest.	6,904	13,590
Ontario Infrastructure and Lands Corporation 3.29%, due December 2028, repayable in semi-annual payments of \$14,889 principal and interest, secured by a specific piece of equipment.	230,337	252,000
	\$ 483,589	\$ 572,017

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## The Corporation of the Township of Chisholm Notes to Financial Statements

**December 31, 2019**

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### 7. Long-term Liabilities (continued)

Principal repayments for the next five years and thereafter are as follows:

2020	\$ 82,156
2021	68,332
2022	58,761
2023	48,740
2024	49,379
Thereafter	<u>176,221</u>
	<u>\$ 483,589</u>

Interest expense paid relating to the long-term debt above is \$16,638 (2018 - \$10,529) and has been included in transportation services expense on the statement of operations.

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### 8. Landfill Closure and Post-Closure Accrual

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Township's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$194,170 (2018 - \$180,429) and reflects a discount rate of 3.0% (2018 - 3.0%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. Future events could impact the established total expenses, capacity used or total capacity. If such events occur it would be treated as a change in estimate and dealt with prospectively.

The landfill is expected to reach its capacity in 18 years and the estimated remaining capacity is 17,850 cubic metres which is 45.00% (2018 - 47.00%) of the site's total capacity. The total discounted estimated future expenditures for closure and post-closure care are \$350,646 (2018 - \$340,433) leaving an amount to be recognized of \$156,476 (2018 - \$160,003). The estimated length of time needed for post-closure care is 25 years.

Municipal reserves for the landfill site total \$89,458 (2018 - \$78,783).

## The Corporation of the Township of Chisholm Notes to Financial Statements

**December 31, 2019**

### 9. Post Employment Benefits Accrual

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Township's employment.

The liability for these accumulated days, to the extent that they have accumulated and could be taken in cash by an employee on termination, amounted to \$15,866 (2018 - \$14,093) at the end of the year. The liability has been calculated using the salary rates in effect at the end of the respective fiscal period. The amount is not expected to be paid out in 2020.

### 10. Deferred Revenue

	2019	2018
<b>Deferred revenue, beginning of year</b>	<b>\$ 499,707</b>	<b>\$ 114,075</b>
Add:		
Federal gas tax contributions	160,282	80,456
OCIF contributions	136,187	374,514
AMO contributions	-	38,788
Cannabis legalization contributions	15,000	-
Interest earned	9,951	5,271
Less:		
Utilization of funds, Federal gas tax	(105,089)	(90,972)
Utilization of funds, OCIF	(499,188)	(22,425)
Utilization of funds, AMO	(22,935)	-
<b>Deferred revenue, end of year</b>	<b>\$ 193,915</b>	<b>\$ 499,707</b>

Gas tax revenue is provided by the Government of Canada. The use of the funding is established by the funding agreement signed between the Township and the Association of Municipalities of Ontario. Gas tax funding must be used towards designated projects as specified in the funding agreements.

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# The Corporation of the Township of Chisholm

## Notes to Financial Statements

December 31, 2019

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### 11. Ontario Municipal Employees Retirement System

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of full-time members of 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 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. OMERS provides pension services to almost half a million active and retired members and 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2019. The results of this valuation disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets at that date of \$104,290 million indicating a going concern actuarial deficit of \$3,397 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Township to OMERS for 2019 were \$41,074 (2018 - \$39,773).

## The Corporation of the Township of Chisholm Notes to Financial Statements

**December 31, 2019**

### 12. Accumulated Surplus

The Township segregates its accumulated surplus in the following categories:

	2019	2018
Investment in tangible capital assets (i)	\$ 5,807,330	\$ 5,235,371
Current fund	288,169	297,841
Amounts to be recovered (iii)	(693,625)	(766,539)
Reserves and reserve funds (ii)	446,065	252,799
	\$ 5,847,939	\$ 5,019,472

i) The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

ii) Capital reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

Fire department	\$ 111,741	\$ 95,175
Working funds	11,134	30,963
Capital expenses	10,685	10,685
One time efficiency	193,698	-
Parks equipment	2,038	2,038
Aggregate pits	19,600	19,600
Recreational prizes	329	329
Building department	1,983	9,827
Emergency planning	1,899	1,899
Election expenses	2,500	2,500
Landfill closure	89,458	78,783
Monitoring wells	1,000	1,000
Total reserve funds	\$ 446,065	\$ 252,799

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## The Corporation of the Township of Chisholm Notes to Financial Statements

**December 31, 2019**

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### 12. Accumulated Surplus (continued)

iii) Represents amounts to be recovered from future taxation revenues.

Landfill closure and post-closure costs to be recovered in future years	\$ 194,170	\$ 180,429
Capital outlay financed by long-term liabilities to be recovered in future years.	483,589	572,017
Post employment benefits liability to be recovered in future years	15,866	14,093
	<u>\$ 693,625</u>	<u>\$ 766,539</u>

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### 13. Taxation

	2019	2018
Taxation raised for municipal purposes	\$ 1,644,136	\$ 1,583,410
Payments in lieu of taxation	548	542
	<u>\$ 1,644,684</u>	<u>\$ 1,583,952</u>

Taxes of \$223,784 (2018 - \$227,603), net of adjustments, raised on behalf of and submitted to the school boards, have not been included in the above totals.

## The Corporation of the Township of Chisholm Notes to Financial Statements

**December 31, 2019**

### 14. Budget

The Budget By-law adopted by Council on May 24, 2019 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to \$Nil. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on May 24, 2019 with adjustments as follows:

	<b>2019</b>
Budget By-law surplus for the year	\$ -
Add:	
Capital expenses	737,176
Debt repayment	88,428
Transfers to reserve funds	17,675
Less:	
Amortization	475,858
Transfers from reserve funds	120,712
Budget surplus per statement of operations	<b>\$ 246,709</b>

### 15. Expenses by Object

	<b>2019</b>	<b>2018</b>
Salaries and benefits	\$ 699,711	\$ 695,840
Materials	679,562	740,222
Contracted services	711,533	676,431
Interest	16,638	10,529
External transfers	12,579	14,051
Amortization	527,352	475,859
	<b>\$ 2,647,375</b>	<b>\$ 2,612,932</b>

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# The Corporation of the Township of Chisholm

## Notes to Financial Statements

**December 31, 2019**

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### **16. Trust Fund**

The trust fund administered by the Township amounting to \$41,708 (2018 - \$41,208) has not been included in the Statement of Financial Position nor have its operations been included on the Statement of Operations.

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### **17. Subsequent Events**

Subsequent to year-end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Township, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Township's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Township is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Township's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Township will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

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# The Corporation of the Township of Chisholm

## Notes to Financial Statements

December 31, 2019

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### 18. Segment Disclosures

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

#### **Council**

This relates to the revenues and expenses that are directly attributable to municipal Council functions.

#### **General Government**

This relates to the revenues and expenses of the Township itself and cannot be directly attributed to specific segments.

#### **Protection to Persons**

Protection is comprised of police services, animal control and livestock evaluators. The police services work to ensure the safety and protection of the citizens and their property.

#### **Fire Department**

The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers.

#### **Building Department**

This department provides a number of services including maintenance and enforcement of building and construction codes.

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# The Corporation of the Township of Chisholm

## Notes to Financial Statements

**December 31, 2019**

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### 18. Segment Disclosures (continued)

#### **Transportation Services**

Transportation is responsible for maintaining the Township's roadway systems.

#### **Environmental Services**

Environmental services consists of providing recycling and waste disposal to citizens.

#### **Health, Social and Family Services**

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. Social and family services provides services that are meant to help the less fortunate in society. Social housing is provided to help shelter families and elderly in need. Child care funding is provided to subsidize day cares and to provide early learning programs. The ambulance service transports the injured to the hospital and provides emergency medical care to those in distress.

#### **Recreation and Culture**

Recreation and culture represents cultural activity support within the Township. This includes maintenance and upkeep of parks, running recreation programs, and providing library services.

#### **Planning and Development**

This department provides a number of services including municipal planning and review of all property development plans through its application process.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter segment transfers are measured on the basis of the percentage of budgeted expenses.

**The Corporation of the Township of Chisholm  
Notes to Financial Statements**

**December 31, 2019**

**18. Segment Disclosures (continued)**

	Council	General Government	Protection to Persons	Fire Department	Building Department	Transportation Services	Environmental Services	Health, Social & Family Services	Recreation & Culture	Planning & Development	Unallocated Amounts	2019 Total
<b>Revenues</b>												
<b>Government</b>												
transfers and grants	\$ -	\$ 282,400	\$ 590	\$ -	\$ -	\$ 773,763	\$ -	\$ -	\$ -	\$ 4,392	\$ 525,900	\$ 1,587,045
Taxation	-	-	-	-	-	-	-	-	-	-	1,644,684	1,644,684
Other	-	-	2,230	-	-	9,882	17,509	1,444	-	-	68,972	100,037
Transfer from obligatory gas tax reserve	-	-	-	-	-	105,089	-	-	-	-	-	105,089
User fees	-	3,000	-	-	15,982	-	1,888	-	-	18,117	-	38,987
	-	285,400	2,820	-	15,982	888,734	19,397	1,444	-	22,509	2,239,556	3,475,842
<b>Expenses</b>												
Salaries and benefits	16,402	263,814	8,266	34,512	-	355,926	20,791	-	-	-	-	699,711
Materials	2,343	95,519	2,862	57,372	-	403,260	69,861	2,107	6,612	39,626	-	679,562
Contracted services	-	77,920	189,042	-	21,586	7,274	35,820	340,840	31,508	7,543	-	711,533
Interest	-	-	-	-	-	16,638	-	-	-	-	-	16,638
External transfers	-	1,356	11,223	-	-	-	-	-	-	-	-	12,579
Amortization	-	12,781	-	14,614	-	489,516	-	-	10,441	-	-	527,352
	18,745	451,390	211,393	106,498	21,586	1,272,614	126,472	342,947	48,561	47,169	-	2,647,375
Annual (deficit) surplus	\$ (18,745)	\$ (165,990)	\$ (208,573)	\$ (106,498)	\$ (5,604)	\$ (383,880)	\$ (107,075)	\$ (341,503)	\$ (48,561)	\$ (24,660)	\$ 2,239,556	\$ 828,467

**The Corporation of the Township of Chisholm  
Notes to Financial Statements**

**December 31, 2019**

**18. Segment Disclosures (continued)**

	Council	General Government	Protection to Persons	Fire Department	Building Department	Transportation Services	Environmental Services	Health, Social & Family Services	Recreation & Culture	Planning & Development	Unallocated Amounts	2018 Total
<b>Revenues</b>												
Government transfers and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,502	\$ -	\$ -	\$ -	\$ 16,117	\$ 525,900	\$ 648,519
Taxation	-	-	-	-	-	-	-	-	-	-	1,583,952	1,583,952
Other	-	1,850	5,855	5,750	-	4,931	17,975	846	-	-	57,828	95,035
Transfer from obligatory gas tax reserve	-	-	-	-	-	90,972	-	-	-	-	-	90,972
User fees	-	2,340	-	-	18,428	-	7,498	-	-	13,336	-	41,602
	-	4,190	5,855	5,750	18,428	202,405	25,473	846	-	29,453	2,167,680	2,460,080
<b>Expenses</b>												
Salaries and benefits	25,461	204,130	7,817	32,272	-	407,354	18,806	-	-	-	-	695,840
Materials	6,541	73,176	4,177	59,566	-	576,386	(14,388)	2,033	9,754	22,977	-	740,222
Contracted services	-	60,800	185,733	-	17,540	5,597	36,120	326,732	35,890	8,019	-	676,431
Interest	-	-	-	-	-	10,529	-	-	-	-	-	10,529
External transfers	-	2,018	12,033	-	-	-	-	-	-	-	-	14,051
Amortization	-	11,237	-	10,946	-	443,235	-	-	10,441	-	-	475,859
	32,002	351,361	209,760	102,784	17,540	1,443,101	40,538	328,765	56,085	30,996	-	2,612,932
Annual (deficit) surplus	\$ (32,002)	\$ (347,171)	\$ (203,905)	\$ (97,034)	\$ 888	\$ (1,240,696)	\$ (15,065)	\$ (327,919)	\$ (56,085)	\$ (1,543)	\$ 2,167,680	\$ (152,852)