

Township of Prince
Consolidated Financial Statements
For the year ended December 31, 2018

Township of Prince
Consolidated Financial Statements
For the year ended December 31, 2018

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Mayor: Ken Lamming

CAO/Clerk-Treasurer: Peggy Greco

December 31, 2018

Township of Prince

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Township of Prince and all the information in this annual report are the responsibility of management and have been approved by the Mayor and CAO / Clerk-Treasurer on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the municipality's assets are appropriately accounted for and adequately safeguarded.

The municipal Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers and inhabitants of the municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the municipality's consolidated financial statements.



Mayor



CAO / Clerk-Treasurer



Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Township of Prince Opinion

We have audited the consolidated financial statements of Township of Prince (the Entity) which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2018 and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with the 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 Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 these 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 consolidated 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Entity'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 Entity'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 consolidated 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
August 13, 2019

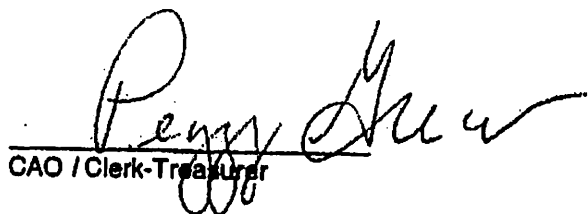
Township of Prince

Consolidated Statement of Financial Position

December 31	2018	2017
		Restated (see note 12)
Financial assets		
Cash and short term investments	\$ 1,191,416	\$ 1,034,835
Taxes receivable	179,822	163,876
Accounts receivable	231,425	613,906
	<u>1,602,663</u>	<u>1,812,617</u>
Liabilities		
Accounts payable and accrued liabilities	129,608	240,788
Deferred revenue (Note 4)	108,433	210,563
	<u>238,041</u>	<u>451,351</u>
Net financial assets	<u>1,364,622</u>	<u>1,361,266</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	4,645,712	4,208,217
Prepaid expenses	27,590	14,354
	<u>4,673,302</u>	<u>4,222,571</u>
Accumulated surplus (Note 3)	<u>\$ 6,037,924</u>	<u>\$ 5,583,837</u>

On behalf of the Council:


Mayor


CAO / Clerk-Treasurer

Township of Prince

Consolidated Statement of Operations

For the year ended December 31	Budget	2018	2017
			Restated (see note 12)
Revenue			
Taxation (Note 2)	\$ 1,221,648	\$ 1,245,838	\$ 1,174,694
Government grants - Provincial	349,189	832,181	938,778
Government grants - Federal	65,675	242,945	229,665
Other municipalities	-	8,000	-
User fees and service charges	159,730	51,150	47,921
Licences, permits and rents	41,200	19,852	20,179
Interest fines and penalties	24,000	27,969	24,538
Investment income	30,500	18,571	26,306
Other	10,000	2,600	10,669
	<u>1,901,942</u>	<u>2,449,106</u>	<u>2,472,750</u>
Expenses			
General government	376,658	355,750	334,010
Protection services	292,994	307,967	274,324
Transportation services	288,070	294,384	294,535
Environmental services	74,300	80,016	83,232
Health services	103,672	110,499	100,787
Social and family services	334,325	706,285	575,634
Recreation and cultural services	91,341	133,171	125,081
Planning and development	(335,763)	6,947	4,643
	<u>1,225,597</u>	<u>1,995,019</u>	<u>1,792,246</u>
Annual surplus	676,345	454,087	680,504
Accumulated surplus, beginning of year	<u>5,583,837</u>	<u>5,583,837</u>	<u>4,903,333</u>
Accumulated surplus, end of year	<u>\$ 6,260,182</u>	<u>\$ 6,037,924</u>	<u>\$ 5,583,837</u>

The accompanying notes are an integral part of these financial statements.

Township of Prince

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget	2018	2017
			Restated (see note 12)
Annual surplus	\$ 676,345	\$ 454,087	\$ 680,504
Acquisition of tangible capital assets	(239,730)	(622,626)	(931,714)
Amortization of tangible capital assets	-	160,205	125,311
Loss on disposal of tangible capital assets	-	6,170	-
Proceeds on sale of tangible capital assets	-	18,756	-
Prepaid expenses and inventory of supplies	-	(13,236)	(1,178)
Net change in net financial assets	436,615	3,356	(127,077)
Net financial assets, beginning of year	1,361,266	1,361,266	1,488,343
Net financial assets, end of year	\$ 1,797,881	\$ 1,364,622	\$ 1,361,266

The accompanying notes are an integral part of these financial statements.

Township of Prince

Consolidated Statement of Cash Flows

For the year ended December 31	2018	2017
		Restated (see note 12)
Operating transactions		
Annual surplus	\$ 454,087	\$ 680,504
Amortization	160,205	125,311
Loss on disposal of tangible capital assets	6,170	-
	<u>620,462</u>	<u>805,815</u>
Changes in non-cash working capital balances		
Taxes receivable	(15,946)	13,910
Accounts receivable	382,481	(549,229)
Other current assets	(13,236)	(1,178)
Accounts payable and accrued liabilities	(111,180)	163,770
Deferred revenue	(102,130)	(10,649)
	<u>760,451</u>	<u>422,439</u>
Capital transactions		
Acquisition of tangible capital assets	(622,626)	(931,714)
Proceeds on sale of tangible capital assets	18,756	-
	<u>(603,870)</u>	<u>(931,714)</u>
Net change in cash and cash equivalents	156,581	(509,275)
Cash and cash equivalents, beginning of year	1,034,835	1,544,110
Cash and cash equivalents, end of year	\$ 1,191,416	\$ 1,034,835

The accompanying notes are an integral part of these financial statements.

Township of Prince

Notes to Consolidated Financial Statements

December 31, 2018

1. Summary of significant accounting policies

The consolidated financial statements of the municipality have been prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Basis of Consolidation These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of all municipal organizations, committees and boards which are owned or controlled by the municipality, including the following:

Prince Township Library Board
Prince Township Parent/Child Resource Centre
Prince Township Museum Board

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

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:

Land improvements	20 to 25 years
Buildings	20 to 40 years
Machinery and equipment	3 to 20 years
Vehicles	4 to 20 years
Furnishings and fixtures	5 to 20 years
Infrastructure - bridges, culverts & streetlights	25 to 75 years
Infrastructure - road bases	40 years
Infrastructure - road paved surface	25 years

Collection of Taxes on Behalf of Other Taxation Authorities The municipality collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.

Trust Funds Funds held in trust by the municipality and their related operations are not included in these consolidated financial statements. The financial activity and financial position of the trust funds are reported separately.

Retirement Benefits and Other Employee Benefit Plans The municipality provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan. The municipality's contributions due during the period are expensed as incurred. The municipality provides other post-employment benefits. These costs accumulate over the period of service provided by employees and are determined using management's best estimates.

Township of Prince

Consolidated Summary of Significant Accounting Policies

December 31, 2018

1. Summary of significant accounting policies *(continued)*

Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.
Revenue Recognition	<p>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. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.</p> <p>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.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p>
Use of Estimates	The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Township of Prince
Notes to Consolidated Financial Statements

December 31, 2018

2. Taxation	2018	2017
Residential and multi-residential	\$ 1,452,926	\$ 1,370,078
Commercial and industrial	76,604	73,954
Taxation from other governments	23,314	41,378
	1,552,844	1,485,410
Deduct: amounts received or receivable for school boards	(307,006)	(310,716)
	\$ 1,245,838	\$ 1,174,694

3. Accumulated surplus	2018	2017
Reserves set aside for specific purposes by Council		
Working funds	\$ 735,638	\$ 691,380
Other	368,055	368,055
Museum restoration	11,791	11,898
Recreation, current purposes	31,397	31,397
Roads	115,443	103,778
Fire	74,000	74,000
Parks	40,900	40,900
	1,377,224	1,321,408
Reserve funds set aside for specific purposes by Council		
Fire	26,325	26,325
Total reserves	1,403,549	1,347,733
Equity in tangible capital assets	4,645,710	4,208,217
General deficit	(25,681)	-
Library surplus	23,837	29,920
Museum deficit	(5,890)	(8,339)
Parent and Child Resource Centre surplus (deficit)	(3,601)	6,306
	\$ 6,037,924	\$ 5,583,837

Allocation of annual surplus

	2018	2017
Equity in tangible capital assets	\$ 437,493	\$ 806,403
Reserve and reserve funds	55,816	(124,047)
General deficit	(25,681)	-
Library deficit	(6,083)	(2,305)
Museum surplus (deficit)	2,449	(1,769)
Parent and Child Resource Centre surplus (deficit)	(9,907)	2,222
	\$ 454,087	\$ 680,504

Township of Prince
Notes to Consolidated Financial Statements

December 31, 2018

4. Deferred revenue

	<u>2018</u>	<u>2017</u>
Other deferred revenue	\$ 38,379	\$ 5,291
Parks - Obligatory	70,054	64,028
Federal Gas Tax - Obligatory	-	141,244
	<u>\$ 108,433</u>	<u>\$ 210,563</u>

Deferred revenue continuity

	<u>2018</u>	<u>2017</u>
Balance, beginning of year:	\$ 210,563	\$ 216,459
Contributions	71,702	87,132
	<u>282,265</u>	<u>303,591</u>
Contributions used	173,832	93,028
	<u>\$ 108,433</u>	<u>\$ 210,563</u>

5. Post employment and retirement benefits

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

The municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$33,114 (2017 - \$29,128) to the plan. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expense. Contribution amounts are determined by OMERS which adjusts rates to reflect actuarial requirements. Any surplus or deficit of the pension plan is not included in the municipality's financial statements.

The municipality's employees accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The cost of the benefits is determined using management's best estimate.

The liability for these accumulated days, amounted to \$- (2017 - \$-) at the end of the year.

6. Trust funds

Trust funds administered by the Township amounting to \$69,034 (2017 - \$63,078) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

Township of Prince

Notes Consolidated to Financial Statements

December 31, 2018

7. Credit facility

The municipality has established a \$300,000 bank operating line of credit bearing interest at prime and secured by a general security agreement. As at December 31, 2018, a balance of NIL was outstanding on this credit facility.

8. Contingencies and commitments

Legal claims

A claim has been made against the Township related to a personal injury. No provision has been recorded in these financial statements as the outcome is not determinable. Any loss resulting from the resolution of the claim will be charged to operations in the year of resolution.

9. Public Sector Salary Disclosure Act

For Township of Prince, no employees were paid salaries, as defined in the Public Sector Salary Disclosure Act, 1996 of \$100,000 or more.

10. Segmented information

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Township of Prince Notes Consolidated to Financial Statements

December 31, 2018

10. Segmented information (continued)

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental

The environmental department consists of solid waste disposal. The department provides drinking water to ratepayers, collecting and treating wastewater, and providing garbage collection and waste minimization programs and facilities for solid waste disposal.

Health

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries

Social and family

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing. In addition, the municipality provides alternative residential services for seniors.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, rink facilities, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2.

Township of Prince
Notes Consolidated to Financial Statements

December 31, 2018

11. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 8, 2018 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council on May 8, 2018 with adjustments as follows:

Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	470,335
Less:	
Net inter-fund transfers from reserves	366,213
Amortization	<u>(160,203)</u>
Budget surplus per statement of operations	<u>\$ 676,345</u>

12. Prior period adjustment

During the year it was discovered that there was deferred revenue understated in prior years. As a result, prior year accumulated surplus, investment income, and annual surplus were overstated, while deferred revenues were understated. The financial statement amounts that are presented for comparative purposes have been restated to adjust this as follows:

Increase in 2017 deferred revenue	\$ 43,299
Decrease in 2017 investment income	\$ 3,098
Decrease in 2017 annual surplus	\$ 3,098
Decrease in 2017 accumulated surplus, beginning of year	\$ 40,201
Decrease in 2017 accumulated surplus, end of year	\$ 43,299

Township of Prince
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended December 31, 2018

	Land	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in progress	Total
Cost, beginning of year	\$ 139,416	\$ 244,095	\$ 188,377	\$ 180,445	\$ 34,171	\$ 4,574,578	\$ 660,098	\$ 6,021,180
Additions	-	200,499	32,319	-	-	158,008	231,800	622,626
Disposals	(24,926)	-	-	-	-	-	-	(24,926)
Capitalized construction	-	363,690	-	-	-	296,408	(660,098)	-
Cost, end of year	114,490	808,284	220,696	180,445	34,171	5,028,994	231,800	6,618,880
Accumulated amortization, beginning of year	-	108,389	105,698	83,640	23,462	1,491,774	-	1,812,963
Amortization	-	21,934	21,259	16,930	2,779	97,303	-	160,205
Accumulated amortization, end of year	-	130,323	126,957	100,570	26,241	1,589,077	-	1,973,168
Net carrying amount, end of year	\$ 114,490	\$ 677,961	\$ 93,739	\$ 79,875	\$ 7,930	\$ 3,439,917	\$ 231,800	\$ 4,645,712

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$231,800 (2017 - \$660,098).

The Municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Township of Prince
Schedule 1 - Consolidated Tangible Capital Assets (Continued)

For the year ended December 31, 2017 (comparative figures)

	Land	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in progress	Total
Cost, beginning of year	\$ 139,416	\$ 244,095	\$ 183,492	\$ 180,445	\$ 32,376	\$ 4,309,642	\$ -	\$ 5,089,466
Additions	-	-	4,885	-	1,795	264,936	660,098	931,714
Cost, end of year	139,416	244,095	188,377	180,445	34,171	4,574,578	660,098	6,021,180
Accumulated amortization, beginning of year	-	100,959	87,573	66,710	19,761	1,412,649	-	1,687,652
Amortization	-	7,430	18,125	16,930	3,701	79,125	-	125,311
Accumulated amortization, end of year	-	108,389	105,698	83,640	23,462	1,491,774	-	1,812,963
Net carrying amount, end of year	\$ 139,416	\$ 135,706	\$ 82,679	\$ 96,805	\$ 10,709	\$ 3,082,804	\$ 660,098	\$ 4,208,217

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$660,098.

The Municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Township of Prince
Schedule 2 - Consolidated Segment Disclosure

For the year ended December 31, 2018

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 148,944	\$ 243,904	\$ 31,461	\$ 56,206	\$ 86,945	\$ 568,596	\$ 107,008	\$ 2,774	\$ 1,245,838
Government grants - Provincial	507,913	(45,576)	126,146	(10,503)	(16,247)	237,851	31,615	982	832,181
Government grants - Federal	-	-	211,026	-	-	28,559	3,360	-	242,945
Other municipalities	-	-	-	-	-	-	8,000	-	8,000
User fees and service charges	24,287	1,798	2,051	218	3,225	11,819	5,752	2,000	51,150
Licences, permits and rents	7,222	-	-	-	-	-	12,630	-	19,852
Interest fines and penalties	27,969	-	-	-	-	-	-	-	27,969
Investment income	18,571	-	-	-	-	-	-	-	18,571
Other	2,600	-	-	-	-	-	-	-	2,600
	737,506	200,126	370,684	45,921	73,923	846,825	168,365	5,756	2,449,106
Expenses									
Salaries and benefits	216,865	40,202	60,545	3,170	3,836	281,760	24,969	-	631,347
Materials and supplies	118,006	54,060	114,446	53,789	1,340	144,153	71,155	3,737	560,686
Contracted services	20,588	201,661	8,572	23,057	-	-	-	3,210	257,088
External transfers and other	-	-	-	-	105,323	280,372	-	-	385,695
Amortization	291	12,044	110,821	-	-	-	37,047	-	160,203
	355,750	307,967	294,384	80,016	110,499	706,285	133,171	6,947	1,995,019
Net surplus (deficit)	\$ 381,756	\$ (107,841)	\$ 76,300	\$ (34,095)	\$ (36,576)	\$ 140,540	\$ 35,194	\$ (1,191)	\$ 454,087

Township of Prince
Schedule 2 - Consolidated Segment Disclosure (Continued)

For the year ended December 31, 2017 (comparative figures)

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 204,544	\$ 201,569	\$ 155,514	\$ 32,348	\$ 68,098	\$ 240,810	\$ 69,007	\$ 202,804	\$ 1,174,694
Government grants - Provincial	74,512	44,374	301,002	7,121	14,991	274,616	127,516	94,646	938,778
Government grants - Federal	-	-	89,046	-	-	30,831	109,788	-	229,665
User fees and service charges	16,692	5,023	8,588	224	2,175	7,025	6,244	1,950	47,921
Licences, permits and rents	7,999	-	-	-	-	-	12,180	-	20,179
Interest fines and penalties	24,538	-	-	-	-	-	-	-	24,538
Investment income	26,306	-	-	-	-	-	-	-	26,306
Other	10,669	-	-	-	-	-	-	-	10,669
	365,260	250,966	554,150	39,693	85,264	553,282	324,735	299,400	2,472,750
Expenses									
Salaries and benefits	224,713	22,515	74,374	7,573	8,361	222,830	25,184	-	585,550
Materials and supplies	88,013	56,498	117,882	52,578	1,315	67,696	80,143	2,466	466,591
Contracted services	20,416	183,267	9,634	23,081	-	-	-	2,110	238,508
Rents and financial expenses	-	-	-	-	-	-	-	67	67
External transfers and other	-	-	-	-	91,111	285,108	-	-	376,219
Amortization	868	12,044	92,645	-	-	-	19,754	-	125,311
	334,010	274,324	294,535	83,232	100,787	575,634	125,081	4,643	1,792,246
Net surplus (deficit)	\$ 31,250	\$ (23,358)	\$ 259,615	\$ (43,539)	\$ (15,523)	\$ (22,352)	\$ 199,654	\$ 294,757	\$ 680,504

Township of Prince
Schedule 3 - Library Board

Statement of Operations

For the year ended December 31	2018	2017
Revenue		
Grants - Province	\$ 2,069	\$ 9,549
Township contribution	4,044	2,000
Calendar	5,333	5,333
Other	402	885
	<u>11,848</u>	<u>17,767</u>
Expenses		
Amortization	2,488	2,833
Books	330	4,505
Fundraising	2,032	1,998
Materials and supplies	8,065	3,568
Professional fees	1,145	3,342
Honorarium	4,050	3,825
	<u>18,110</u>	<u>20,071</u>
Annual surplus	(6,262)	(2,304)
Accumulated surplus, beginning of year	29,921	32,225
Accumulated surplus, end of year	\$ 23,659	\$ 29,921

Statement of Financial Position

December 31	2018	2017
Financial assets		
Cash	\$ 17,366	\$ 22,952
Prepaid expenses	848	654
	<u>18,214</u>	<u>23,606</u>
Liabilities		
Accounts payable	135	135
Due to township	3,325	3,966
	<u>3,460</u>	<u>4,101</u>
Net financial assets	14,754	19,505
Tangible capital assets	8,905	10,416
Accumulated surplus	\$ 23,659	\$ 29,921
Accumulated surplus represented by:		
Equity in tangible capital assets	\$ 8,905	\$ 10,416
Accumulated operating surplus	14,754	19,505
	<u>\$ 23,659</u>	<u>\$ 29,921</u>

Township of Prince
Schedule 4 - Museum Board

Statement of Operations

For the year ended December 31	2018	2017
Revenue		
Grants - Province	\$ 1,680	\$ 1,197
Township contribution	4,000	7,000
Other	17	26
	<u>5,697</u>	<u>8,223</u>
Expenses		
Bank charges	101	47
Materials and supplies	421	6,863
Professional fees	150	-
Wages and benefits	3,714	3,082
	<u>4,386</u>	<u>9,992</u>
Annual surplus	1,311	(1,769)
Accumulated surplus, beginning of year	3,559	5,328
Accumulated surplus, end of year	\$ 4,870	\$ 3,559

Statement of Financial Position

December 31	2018	2017
Financial assets		
Cash	\$ 5,820	\$ 4,714
Due from Township of Prince	304	279
	<u>6,124</u>	<u>4,993</u>
Liabilities		
Accounts payable	1,254	1,434
	<u>1,254</u>	<u>1,434</u>
Accumulated surplus	\$ 4,870	\$ 3,559
Accumulated surplus represented by:		
Reserves	\$ 11,898	\$ 11,898
Accumulated operating deficit	(7,028)	(8,339)
	<u>\$ 4,870</u>	<u>\$ 3,559</u>

Township of Prince
Schedule 5 - Parent/Child Resource Centre

Statement of Operations

For the year ended December 31	2018	2017
Revenue		
Grants - District Social Services Board	\$ 344,100	\$ 84,623
Grants - Government of Canada	28,559	30,831
Grants - Ontario Early Years Centre	-	136,981
Other	11,819	7,025
	<u>384,478</u>	<u>259,460</u>
Expenses		
Administration	9,615	3,800
Occupancy	10,050	3,800
Postage, stationery and office supplies	1,063	1,304
Program supplies	92,980	25,505
Wages and benefits	281,760	222,830
	<u>395,468</u>	<u>257,239</u>
Annual surplus	(10,990)	2,221
Accumulated surplus (deficit), beginning of year	6,305	4,084
Accumulated surplus, end of year	\$ (4,685)	\$ 6,305

Statement of Financial Position

December 31	2018	2017
Financial assets		
Cash	\$ 42,780	\$ 14,836
Investments	6,330	-
Accounts receivable	3,059	12,724
Due from Township of Plummer Additional	3,005	-
	<u>55,174</u>	<u>27,560</u>
Liabilities		
Accounts payable and accrued liabilities	59,859	10,224
Due to Township	-	11,031
	<u>59,859</u>	<u>21,255</u>
Accumulated surplus	\$ (4,685)	\$ 6,305

**Township of Prince
Trust Funds
Financial Statements
For the year ended December 31, 2018**



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Township of Prince Opinion

We have audited the financial statements of the Trust Funds of Township of Prince (the Entity) which comprise the statement of financial position as at December 31, 2018, and the statement of continuity 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 Entity as at December 31, 2018 and the results of its operations for the year then ended in accordance with the 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 Entity 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 these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
August 13, 2019

**Township of Prince
Trust Funds
Cemetery Care and Maintenance
Statement of Financial Position**

December 31	2018	2017
Assets		
Cash	\$ 9,699	\$ 9,208
Term deposit	45,000	45,000
Due from township	14,335	8,870
	<u>\$ 69,034</u>	<u>\$ 63,078</u>
Fund Balance		
Capital	\$ 69,034	\$ 63,078

Statement of Continuity

For the year ended December 31	2018	2017
Revenue		
Sale of plots	\$ -	\$ 250
Monument charge	150	250
Interest earned	3,556	2,217
Care & maintenance	2,250	-
	<u>5,956</u>	<u>2,717</u>
Expenditures	<u>-</u>	<u>-</u>
Annual surplus	5,956	2,717
Balance, beginning of year	<u>63,078</u>	<u>60,361</u>
Balance, end of year	\$ 69,034	\$ 63,078

Notes to Financial Statements

December 31, 2018

1. Significant accounting policies

The financial statements of the Trust Funds of Township of Prince are prepared in accordance with Canadian public sector accounting standards.

2. Cash

Cash is represented by funds on deposit in chartered banks or investment portfolios.