

**CONSOLIDATED FINANCIAL REPORT**

**THE CORPORATION OF THE  
TOWN OF ENGLEHART**

**DISTRICT OF TIMISKAMING**

**YEAR ENDED DECEMBER 31, 2018**

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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



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Clerk-treasurer  
Shawn LaCarte

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Council, Inhabitants and Ratepayers  
of The Corporation of the Town of Englehart:

### **Opinion**

We have audited the consolidated financial statements of The Corporation of The Town of Englehart, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, 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 consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of The Town of Englehart as at December 31, 2018, and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of The Corporation of The Town of Englehart in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing The Corporation of The Town of Englehart's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Corporation of The Town of Englehart's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Corporation of The Town of Englehart's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause The Corporation of The Town of Englehart to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kemp Elliott & Blair LLP

*Kemp Elliott & Blair LLP*

Licensed Public Accountants  
New Liskeard, Ontario  
September 25, 2019

Chartered Professional Accountants

# THE CORPORATION OF THE TOWN OF ENGLEHART

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

### FINANCIAL ASSETS

	2018	2017
Cash	\$ 1,166,930	\$ 399,013
Short-term investments – note 4	639,424	886,209
Taxes receivable	356,477	274,936
Accounts receivable	299,496	982,948
Long-term receivables – note 5	24,000	32,000
	<u>2,486,327</u>	<u>2,575,106</u>

### LIABILITIES

Accounts payable and accrued liabilities	249,385	529,246
Deferred revenue – other – note 6	38,954	74,028
Landfill closure and post-closure liability – note 7	556,000	537,000
Municipal debt – note 8	328,165	123,458
Deficiency in Government Business Partnership – note 9	18,647	473
	<u>1,191,151</u>	<u>1,264,205</u>

### NET FINANCIAL ASSETS

	<u>1,295,176</u>	<u>1,310,901</u>
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### NON-FINANCIAL ASSETS

Inventories of supplies	9,000	9,000
Tangible capital assets – note 15	17,957,734	17,852,470
	<u>17,966,734</u>	<u>17,861,470</u>

### ACCUMULATED SURPLUS – note 10

	<u>\$ 19,261,910</u>	<u>\$ 19,172,371</u>
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Contingent liabilities and commitments – note 13

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

On behalf of Council:

  
 Mayor

  
 Clerk-treasurer

# THE CORPORATION OF THE TOWN OF ENGLEHART

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (Note 11)	2018 Actual	2017 Actual
<b>REVENUES</b>			
Operating revenues			
Municipal taxation	\$ 1,631,615	\$ 1,662,377	\$ 1,570,662
Water, sewer and garbage charges	678,000	662,816	636,673
User charges	136,725	162,267	167,223
Provincial grants	858,567	893,450	908,539
Federal grants	1,668	6,847	10,011
Revenue from other municipalities	28,690	30,365	103,002
Investment income	10,154	27,939	43,884
Penalties and interest on taxes	35,000	45,016	34,305
Provincial Offences Act revenues	25,000	23,712	23,089
Loss from Government Business Partnership	-	(18,174)	(5,924)
Other	89,025	217,632	151,146
	<u>3,494,444</u>	<u>3,714,247</u>	<u>3,642,610</u>
Capital revenues			
Provincial grants	145,037	69,130	2,051,733
Federal grants	208,930	135,188	144,273
Other	-	88,745	5,187
	<u>353,967</u>	<u>293,063</u>	<u>2,201,193</u>
Total revenues	<u>3,848,411</u>	<u>4,007,310</u>	<u>5,843,803</u>
<b>EXPENDITURES</b>			
General government	403,379	404,036	415,187
Protection to persons and property	395,978	372,437	456,966
Transportation services	607,270	589,185	520,059
Environmental services	949,541	932,322	1,151,091
Health services	230,025	222,850	202,336
Social and family services	160,322	160,335	171,963
Recreation and cultural services	836,563	875,081	838,225
Planning and development	115,890	90,595	113,746
Total expenditures	<u>3,698,968</u>	<u>3,646,841</u>	<u>3,869,573</u>
<b>ANNUAL SURPLUS</b>	149,443	360,469	1,974,230
Transfer out to Fire Department – note 1	-	(270,930)	-
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>19,172,371</u>	<u>19,172,371</u>	<u>17,198,141</u>
<b>ACCUMULATED SURPLUS, END OF YEAR – note 10</b>	<u>\$ 19,321,814</u>	<u>\$ 19,261,910</u>	<u>\$ 19,172,371</u>

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

**THE CORPORATION OF THE TOWN OF ENGLEHART**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	2018 Budget (Note 11)	2018 Actual	2017 Actual
<b>ANNUAL SURPLUS</b>	\$ 149,443	\$ 360,469	\$ 1,974,230
Acquisition of tangible capital assets	(1,070,954)	(948,017)	(2,616,746)
Amortization of tangible capital assets	603,500	618,843	603,551
Proceeds of disposition of tangible capital assets	-	-	1,361
Gain on sale of tangible capital assets	-	-	(345)
Acquisition of inventories of supplies	-	-	6,000
Increase (decrease) in net financial assets	(318,011)	31,295	(31,949)
Net financial assets transferred to the Fire Department – note 1	-	(47,020)	-
Net financial assets, beginning of year	1,310,901	1,310,901	1,342,850
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 992,890</b>	<b>\$ 1,295,176</b>	<b>\$ 1,310,901</b>

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

# THE CORPORATION OF THE TOWN OF ENGLEHART

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATIONS	2018	2017
Annual surplus	\$ 360,469	\$ 1,974,230
Charges not affecting cash –		
Amortization of tangible capital assets	618,843	603,551
Gain on sale of tangible capital assets	-	(345)
Loss from Government Business Partnership	18,174	5,924
Transfer of reserve to Fire Department – note 1	(47,020)	-
	<u>950,466</u>	<u>2,583,360</u>
Other sources (uses) of cash –		
Change in taxes receivable	(81,541)	(782,081)
Change in long-term receivables	8,000	8,000
Change in accounts receivable	683,452	648,483
Change in inventories of supplies	-	6,000
Change in accounts payable and accrued liabilities	(279,861)	41,732
Change in deferred revenue – other	(35,074)	(1,059,688)
Change in landfill closure and post-closure liabilities	19,000	221,000
	<u>313,976</u>	<u>(916,554)</u>
Total cash provided by operations	<u>1,264,442</u>	<u>1,666,806</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(948,017)	(2,616,746)
Proceeds from sale of capital assets	-	1,361
Total cash used for capital transactions	<u>(948,017)</u>	<u>(2,615,385)</u>
<b>INVESTING TRANSACTIONS</b>		
Redemption of short-term investments	<u>246,785</u>	<u>886,012</u>
<b>FINANCING TRANSACTIONS</b>		
Municipal debt repayments	(40,400)	(40,400)
Municipal debt proceeds	<u>245,107</u>	-
Total cash provided by (used for) financing transactions	<u>204,707</u>	<u>(40,400)</u>
<b>INCREASE (DECREASE) IN CASH</b>	767,917	(102,967)
Cash, beginning of year	<u>399,013</u>	<u>501,980</u>
<b>CASH, END OF YEAR</b>	<u>\$ 1,166,930</u>	<u>\$ 399,013</u>
<b>REPRESENTED BY</b>		
Cash	<u>\$ 1,166,930</u>	<u>\$ 399,013</u>

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

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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The Corporation of the Town of Englehart is a town 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 Town of Englehart are the representation of management and council and are prepared in accordance with generally accepted accounting principles for local government as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing.

#### **Use of estimates**

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

#### **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 Town and include the activities of all committees of Council which are:

Englehart and Area Public Library Board  
Englehart Water System  
Englehart Sewer System

Englehart and Area Historical Museum  
Englehart Cemetery Board  
Englehart Garbage System

#### **Proportional consolidation**

2018 represents the first year the Englehart & Area Fire Department is reporting separately from the Town of Englehart. Opening cash, tangible capital assets, reserves and net financial assets were transferred to the board at their book value as of January 1, 2018 and the other members' portions have been reflected as a transfer to the Fire Department. The Fire Department is now proportionately consolidated in the Town's financial statements.

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

#### **Government Business Partnership**

Government Business Partnership comprises of the corporation Englehart Solar Inc. and is accounted for by the modified equity method. Under the modified equity method, the business partnership's accounting principles are not adjusted to conform to those of the Town and inter-organization transactions and balances (if any) are not 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*

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

Although these are joint local boards they run autonomously to provide those services mandated by the Province. The Town 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 Town in its statements.

*Timiskaming Municipal Building Association Chief Building Officer*

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

*Central Timiskaming Planning Board*

This joint local board provides planning services to the municipalities of Englehart, Ewanturel, 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 Town in its financial statements. The Town's share of the accumulated surplus at the end of 2018 was \$3,760 (2017 - \$2,592).

**Accounting for school board transactions**

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

**Trust Funds**

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

**Short-term investments**

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

**Tangible capital assets**

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

Land improvements	25 years
Buildings	50 years
Equipment	10 years
Heavy equipment	10 to 25 years
Light trucks	10 years
Culverts	50 years
Roads	7 to 30 years
Underground networks	50 years

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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1. **Accounting policies - continued**

**Tangible capital assets - continued**

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 town has no capitalization threshold for land and building, a capitalization threshold of \$10,000 for infrastructure systems and \$2,500 for all other assets. Individual assets of lesser value may be capitalized if they are pooled, or because, collectively, they have significant value.

**Inventories of supplies**

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

**Deferred revenue – other**

The Town receives certain amounts pursuant to funding agreements that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recorded as deferred revenue and are recognized as revenue in the fiscal year the eligibility criteria has been met except when stipulations are present and to the extent that the transfer give rise to an obligation that meets the definition of a liability.

**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 Town 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 Town 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 Town 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 Town 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.

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### 2. Operations of school boards

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

	2018	2017
	<u>\$ 349,937</u>	<u>\$ 344,492</u>

#### 3. Contributions to Joint Boards

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

	2018	2017
Timiskaming Health Unit	<u>\$ 61,217</u>	<u>\$ 45,003</u>
District of Timiskaming Social Services Administration Board	<u>\$ 293,290</u>	<u>\$ 296,520</u>

#### 4. Short-term investments

	Market Value 2018	Cost 2018	Cost 2017
Investments held through CIBC Asset Management:			
Imperial Money Market Pool	\$ 35,941	\$ 35,932	\$ 29,643
Imperial Short-term Bond Pool	294,103	307,876	431,982
Imperial Canadian Bond Pool	230,451	238,722	357,171
Imperial International Bond Pool	24,286	23,454	34,340
Guaranteed income certificates – Northern Credit Union	<u>33,440</u>	<u>33,440</u>	<u>33,073</u>
	<u>\$ 618,221</u>	<u>\$ 639,424</u>	<u>\$ 886,209</u>

The GICs held at the Northern Credit Union of \$33,440 (2017 \$33,073) consists of three GICs with varying maturity dates between January, 2019 and June, 2019 and earning interest from 2% to 2.2% per annum. These GICs belong to the Englehart Public Library Board.

#### 5. Long-term receivables

The District School Board Ontario North East has committed to a donation towards the building of the new arena. This donation of \$120,000 is to be paid at a rate of \$8,000 per year for 15 years starting in 2007. This receivable bears no interest.

#### 6. Deferred revenue – other

Deferred revenue – other consists of the following:

	December 31 2017	Funds Received	Revenue Earned	December 31 2018
Provincial government	\$ 3,528	\$ 88,954	\$ 53,528	\$ 38,954
Donations	<u>70,500</u>	<u>18,246</u>	<u>88,746</u>	<u>-</u>
	<u>\$ 74,028</u>	<u>\$ 107,200</u>	<u>\$ 142,274</u>	<u>\$ 38,954</u>

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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

The liability for closure and post-closure of the landfill site has been recognized using the present value of the estimated closure and post-closure costs, based on the usage of the site's capacity. The total capacity of the site is 100,000 cubic meters. The approximate area that has been landfilled is 50,100 cubic meters, leaving an estimated remaining capacity of 49,900 cubic meters. The estimated life of the landfill site is 33 years and post-closure care is estimated to be required for 25 years from the date of site closure.

The discount factor used is 3% net of inflation of 2.46%. The liability as at December 31, 2018 is \$556,000. Estimated expenditures for closure and post-closure care are \$953,174 and \$363,725 respectively, for a total of \$1,316,899. The liability remaining to be recognized is \$760,899.

8. **Municipal debt**

CIBC loan repayable in monthly payments of \$3,367 plus accrued interest at prime plus 1% (currently 4.95%) and matures in January, 2021. The debt relates to the purchase of a sander truck.

	<u>2018</u>	<u>2017</u>
\$	83,058	\$ 123,458

CIBC loan repayable in monthly payments of \$4,167 plus interest at prime plus 1% (currently 4.95%) and matures in November, 2023. The debt relates to the purchase of a loader.

	<u>245,107</u>	<u>-</u>
\$	<u>328,165</u>	\$ 123,458

This debt is to be paid from general municipal revenues.

Principal payments are due as follows:

2019	\$ 90,400
2020	90,400
2021	52,258
2022	50,000
2023	<u>45,107</u>
	<u>\$ 328,165</u>

Total interest paid on this loan in 2018 was \$4,838 (2017 \$5,601).

9. **Government Business Partnership**

The Corporation of the Town of Englehart is the 50% owner of all of the issued capital of the corporation Englehart Solar Inc. (Énergie Kapuskasing Energy Inc. is the other partner owning 50% of the total issued capital).

Englehart Solar Inc. was incorporated under the Ontario Business Corporations Act on October 29, 2012 pursuant to section 142 of the Electricity Act (Ontario). The corporation's principal activity is the ownership, administration and management of solar power generating projects for the purpose of generating, transmitting, distributing and retailing electricity.

This corporation is accounted for on a modified equity basis in these consolidated financial statements.

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

9. **Government Business Partnership – continued**

(a) The deficiency in Government Business Partnership consists of the following:

	2018	2017
Purchase of share capital (50 Class B shares)	\$ 50	\$ 50
Town's share of accumulated deficit	(18,697)	(523)
	<u>\$ (18,647)</u>	<u>\$ (473)</u>

(b) The following schedules provide condensed supplementary financial information for the year ended December 31, 2018:

	2018	2017
<u>Financial position</u>		
Current assets	\$ 307,852	\$ 567,285
Capital assets	966,220	1,026,097
Future income taxes	5,437	150
Total assets	<u>\$ 1,279,509</u>	<u>\$ 1,593,532</u>
Current liabilities	\$ 10,182	\$ 5,882
Due to related parties	75,783	1,588,595
Current portion of long-term debt	60,160	-
Long-term debt	1,170,678	-
Total liabilities	<u>1,316,803</u>	<u>1,594,477</u>
Capital stock	100	100
Accumulated deficit	(37,394)	(1,045)
Total liabilities and accumulated deficits	<u>\$ 1,279,509</u>	<u>\$ 1,593,532</u>
<u>Statement of loss</u>		
Sale of energy	\$ 143,855	\$ 139,930
Cost of sales	(3,086)	(3,086)
Expenses	(182,405)	(150,750)
Future recovery of income taxes	5,287	2,057
Net loss	<u>\$ (36,349)</u>	<u>\$ (11,849)</u>

(c) Related party transactions between the Corporation of the Town of Englehart and its Government Business Partnership are as follows:

- 1) The Corporation of the Town of Englehart has an accounts payable of \$50 (2017 \$50) for the purchase of their portion of the share capital included in the consolidated statement of financial position.
- 2) The Corporation of the Town of Englehart has guaranteed its share of the equity loan (10%) of the corporation which amounts to \$123,084 (2017 \$158,860).

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### 10. 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.

	2018	2017
Reserves, surpluses and deficits		
Working capital reserve	\$ 2,866,182	\$ 2,667,942
Museum reserve	42,763	22,665
Library reserve	102,848	107,990
Fire Department reserve – note 1	72,729	89,097
Recreation reserve	5,000	5,000
Fire reserve (Englehart only)	65,000	55,000
Office renovations reserve	120,000	120,000
701 Engine restoration reserve	-	107,519
Roads equipment reserve	60,000	40,000
Waterworks system deficit – note 17	(222,054)	(354,798)
Sanitary sewer system deficit – note 18	(980,664)	(980,304)
Garbage services deficit – note 19	(489,766)	(445,229)
Government Business Partnership deficit – note 9	(18,697)	(523)
	<u>1,623,341</u>	<u>1,434,359</u>
Amounts to be recovered		
Municipal debt	<u>(328,165)</u>	<u>(123,458)</u>
Net financial assets	<u>1,295,176</u>	<u>1,310,901</u>
Non-financial assets		
Inventories of supplies	9,000	9,000
Invested in tangible capital assets	<u>17,957,734</u>	<u>17,852,470</u>
<b>Accumulated surplus</b>	<u><b>\$ 19,261,910</b></u>	<u><b>\$ 19,172,371</b></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.

#### 11. Budget

The Budget adopted by Council was not prepared on a basis consistent with that used to report actual result according to Public Sector Accounting Standards used on the Consolidated Statement of Operations on page 5. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The actual budget is reflected in note 16. 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:

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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11. <b>Budget – continued</b>	<u>2018</u>
Actual budget deficit for the year – note 16	\$ (32,555)
Add: Budgeted debt principal repayments	47,044
Investment in tangible capital assets	1,070,954
Less: Estimated amortization	(603,500)
Budgeted proceeds from long-term debt	<u>(332,500)</u>
Budget surplus per statement of operations – page 5	<u>\$ 149,443</u>

#### 12. **Trust Funds**

Trust funds administered by the Town amounting to \$181,283 (2017 \$179,873) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

#### 13. **Contingent liabilities and commitments**

##### **Non-consolidated Entities**

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

##### **Ontario Municipal Employees Retirement Fund**

All permanent, full-time employees of the Town 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 Town are recognized as an expenditure. No pension liability for this type of plan is recognized in the Town's consolidated financial statements. Contributions made by the Town to OMERS for 2018 were \$53,555 (2017 \$52,638). The plan had an actuarial deficit of \$4.2 billion at the end of 2018.

##### **Post-employment benefits**

Town employees retiring do not receive any retirement allowance that either vests or accrues over the period of employment. Sick benefits accrue but do not vest. The liability expected for future sick benefits are not significant to these consolidated financial statements. The Town recognizes the expense for sick time when the event obliges the Town to pay. No other post-employment benefits are payable by the Town.

##### **Funding agreements**

Under the terms of various funding agreements, the Town 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.

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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#### 14. **Segmented information**

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

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

#### **General Government Services**

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

#### **Protection Services**

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

#### **Transportation Services**

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

#### **Environmental Services**

Environmental services include water and sewer services as well as garbage and recycling services. Water and sewer services include the operation and distribution of water and networking sewer mains and storm sewers. The garbage and recycling services group are responsible for the delivery of municipal services including garbage collection and recycling.

#### **Health Services**

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

#### **Social and Family Services**

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

#### **Recreation and Cultural Services**

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

#### **Planning and Development Services**

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

**THE CORPORATION OF THE TOWN OF ENGLEHART**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

14. **Segmented information – continued**

Revenues	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Total	2018	Total	2017
Operating revenues												
Municipal taxation	\$ 1,662,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,662,377	\$ -	\$ 1,662,377	\$ 1,570,662
Water, sewer and garbage charges	-	-	-	662,816	-	-	-	-	662,816	-	662,816	636,673
User charges	6,202	38,507	-	-	8,042	-	109,516	-	162,267	-	162,267	167,223
Provincial grants	813,500	-	-	26,961	-	-	52,989	-	893,450	-	893,450	908,539
Federal grants	-	-	-	-	-	-	6,847	-	6,847	-	6,847	10,011
Revenue from other municipalities	-	-	-	-	-	-	30,365	-	30,365	-	30,365	103,002
Investment income	24,086	-	-	-	3,375	-	478	-	27,939	-	27,939	43,884
Penalties and interest on taxes	45,016	-	-	-	-	-	-	-	45,016	-	45,016	34,305
Provincial Offences Act revenues	-	23,712	-	-	-	-	-	-	23,712	-	23,712	23,089
Loss from Government Business Partnership	(18,174)	-	-	-	-	-	-	-	(18,174)	-	(18,174)	(5,924)
Other	37,013	142	40,915	68,286	-	-	71,276	-	217,632	-	217,632	151,146
<b>Total revenues</b>	<b>2,570,020</b>	<b>62,361</b>	<b>40,915</b>	<b>758,063</b>	<b>11,417</b>	<b>-</b>	<b>271,471</b>	<b>-</b>	<b>3,714,247</b>	<b>-</b>	<b>3,714,247</b>	<b>3,642,610</b>
Capital revenues												
Provincial grants	-	-	50,000	19,130	-	-	-	-	69,130	-	69,130	2,051,733
Federal grants	-	-	96,927	38,261	-	-	-	-	135,188	-	135,188	144,273
Other	-	-	-	-	-	-	88,745	-	88,745	-	88,745	5,187
<b>Total revenues</b>	<b>2,570,020</b>	<b>62,361</b>	<b>187,842</b>	<b>815,454</b>	<b>11,417</b>	<b>-</b>	<b>360,216</b>	<b>-</b>	<b>4,007,310</b>	<b>-</b>	<b>4,007,310</b>	<b>5,843,803</b>
Expenditures												
Wages and benefits	224,131	25,729	290,212	112,631	22,858	-	392,400	72,818	1,140,779	-	1,140,779	1,067,817
Long-term debt interest	-	-	4,838	-	-	-	-	-	4,838	-	4,838	5,601
Materials	95,975	35,391	155,665	138,292	5,226	-	319,786	17,777	768,112	-	768,112	1,089,349
Contracted services	74,898	295,916	-	305,442	-	-	-	-	676,256	-	676,256	667,611
Rents and financial expenses	5,128	-	48,098	16,482	-	-	-	-	69,708	-	69,708	80,161
External transfers	-	-	13,799	-	194,171	160,335	-	-	368,305	-	368,305	355,483
Amortization	3,904	15,401	76,573	359,475	595	-	162,895	-	618,843	-	618,843	603,551
<b>Total expenditures</b>	<b>404,036</b>	<b>372,437</b>	<b>589,185</b>	<b>932,322</b>	<b>222,850</b>	<b>160,335</b>	<b>875,081</b>	<b>90,595</b>	<b>3,646,841</b>	<b>-</b>	<b>3,646,841</b>	<b>3,869,573</b>
<b>Annual surplus (deficit)</b>	<b>\$ 2,165,984</b>	<b>\$ (310,076)</b>	<b>\$ (401,343)</b>	<b>\$ (116,868)</b>	<b>\$ (211,433)</b>	<b>\$ (160,335)</b>	<b>\$ (514,865)</b>	<b>\$ (90,595)</b>	<b>\$ 360,469</b>	<b>\$ (90,595)</b>	<b>\$ 360,469</b>	<b>\$ 1,974,230</b>

**THE CORPORATION OF THE TOWN OF ENGLEHART**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018									
	Opening Cost Dec 31, 2017	Additions	Transfer to Fire Dept Dec 31, 2018	Ending Cost Dec 31, 2018	Opening Accumulated Amortization Dec 31, 2017	Accumulated Amortization on transfer to Fire Dept. Dec 31, 2017	Current Amortization Dec 31, 2018	Ending Accumulated Amortization Dec 31, 2018	Net Assets Dec 31, 2018	
<b>General</b>										
Land	\$ 211,762	\$ -	\$ -	\$ 211,762	\$ -	\$ -	\$ -	\$ -	\$ 211,762	
Land improvements	68,299	25,768	-	94,067	29,254	-	3,377	32,631	61,436	
Buildings	7,473,655	151,577	-	7,625,232	2,163,293	-	149,976	2,313,269	5,311,963	
Equipment	1,794,623	385,898	66,272	2,114,249	1,050,997	39,841	109,698	1,120,854	993,395	
Heavy equipment	1,131,962	220,727	321,787	1,030,902	604,710	215,031	31,753	421,432	609,470	
Light trucks	437,796	-	114,356	323,440	189,200	23,631	22,328	187,897	135,543	
<b>Infrastructure</b>										
Culverts	7,779	-	-	7,779	312	-	156	468	7,311	
Roads	871,522	189,162	-	1,060,684	477,437	-	21,749	499,186	561,498	
Underground networks	15,176,622	(25,115)	-	15,151,507	4,806,345	-	279,806	5,086,151	10,065,356	
<b>Total</b>	<b>\$ 27,174,020</b>	<b>\$ 948,017</b>	<b>\$ 502,415</b>	<b>\$ 27,619,622</b>	<b>\$ 9,321,548</b>	<b>\$ 278,503</b>	<b>\$ 618,843</b>	<b>\$ 9,661,888</b>	<b>\$ 17,957,734</b>	

**THE CORPORATION OF THE TOWN OF ENGLEHART  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

15. **Schedule of tangible capital assets – continued**

**2017**

	Opening Cost Dec 31, 2016	Additions	Disposals	Ending Cost Dec 31, 2017	Ending Accumulated Amortization on Disposals	Opening Accumulated Amortization Dec 31, 2016	Current Amortization	Ending Accumulated Amortization Dec 31, 2017	Net Assets Dec 31, 2017
<b>General</b>									
Land	\$ 211,762	\$ -	\$ -	\$ 211,762	\$ -	\$ -	\$ -	\$ -	\$ 211,762
Land improvements	68,299	-	-	68,299	-	26,907	2,347	29,254	39,045
Buildings	7,450,772	22,883	-	7,473,655	-	2,013,617	149,676	2,163,293	5,310,362
Equipment	1,715,665	91,108	12,150	1,794,623	11,134	964,250	97,882	1,050,998	743,625
Heavy equipment	1,131,962	-	-	1,131,962	-	575,226	29,484	604,710	527,252
Light trucks	438,628	32,510	33,342	437,796	33,342	194,288	28,254	189,200	248,596
<b>Infrastructure</b>									
Culverts	7,779	-	-	7,779	-	156	156	312	7,467
Roads	821,090	50,432	-	871,522	-	461,993	15,444	477,437	394,085
Underground networks	12,756,808	2,419,813	-	15,176,621	-	4,526,037	280,308	4,806,345	10,370,276
<b>Total</b>	<b>\$ 24,602,765</b>	<b>\$ 2,616,746</b>	<b>\$ 45,492</b>	<b>\$ 27,174,019</b>	<b>\$ 44,476</b>	<b>\$ 8,762,474</b>	<b>\$ 603,551</b>	<b>\$ 9,321,549</b>	<b>\$ 17,852,470</b>

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### 16. Budgeting

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

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

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

<b>REVENUES</b>	2018 Budget	2018 Actual	2017 Actual
Operating revenues			
Municipal taxation	\$ 1,631,615	\$ 1,662,377	\$ 1,570,662
Water, sewer and garbage charges	678,000	662,816	636,673
User charges	136,725	162,267	167,223
Provincial grants	858,567	893,450	908,539
Federal grants	1,668	6,847	10,011
Revenue from other municipalities	28,690	30,365	103,002
Investment income	10,154	27,939	43,884
Penalties and interest on taxes	35,000	45,016	34,305
Provincial Offences Act revenues	25,000	23,712	23,089
Loss from Government Business Partnership	-	(18,174)	(5,924)
Other	89,025	217,632	152,161
	<u>3,494,444</u>	<u>3,714,247</u>	<u>3,643,625</u>
Capital revenues			
Provincial grants	145,037	69,130	2,051,733
Federal grants	208,930	135,188	144,273
Other	-	88,745	5,187
Proceeds from long-term debt	332,500	245,107	-
	<u>686,467</u>	<u>538,170</u>	<u>2,201,193</u>
Total revenues	<u>4,180,911</u>	<u>4,252,417</u>	<u>5,844,818</u>
<b>EXPENDITURES</b>			
Operating expenditures			
General government	398,379	400,131	409,725
Protection to persons and property	364,478	357,035	425,467
Transportation services	547,770	512,612	454,676
Environmental services	595,041	572,848	796,897
Health services	229,525	222,255	201,741
Social and family services	160,322	160,335	171,963
Recreation and cultural services	684,063	712,187	685,808
Planning and development	115,890	90,595	113,746
	<u>3,095,468</u>	<u>3,027,998</u>	<u>3,260,023</u>
Capital expenditures	1,070,954	948,017	2,616,746
Long-term debt repayment	47,044	40,400	40,400
	<u>1,117,998</u>	<u>988,417</u>	<u>2,657,146</u>
Total expenditures	<u>4,213,466</u>	<u>4,016,415</u>	<u>5,917,169</u>
<b>Surplus (deficit) – full budget base (budgeted to be transferred to (from) reserves)</b>	<u>\$ (32,555)</u>	<u>\$ 236,002</u>	<u>\$ (72,351)</u>

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

17. **Water system - Schedule of Operations and Continuity of Deficit**

This statement is not prepared according to PSAB. It is operational. It excludes depreciation, includes capital expenses and includes proceeds and repayment of long-term debt.

	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
Fees and service charges	\$ 437,777	\$ 352,790
Provincial grants – capital	19,130	1,236,361
Federal grants – capital	<u>38,261</u>	<u>83,004</u>
Total revenues	<u>495,168</u>	<u>1,672,155</u>
<b>Expenditures</b>		
Wages and benefits	71,646	57,410
Materials, utilities, supplies and maintenance	69,969	94,672
Contracted services	145,245	125,047
Capital expenditures	<u>75,564</u>	<u>1,502,501</u>
Total expenditures	<u>362,424</u>	<u>1,779,630</u>
<b>Annual surplus (deficit)</b>	132,744	(107,475)
Deficit, beginning of year	<u>(354,798)</u>	<u>(247,323)</u>
<b>Deficit, end of year</b>	<u>\$ (222,054)</u>	<u>\$ (354,798)</u>

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

18. **Sewer system - Schedule of Operations and Continuity of Deficit**

This statement is not prepared according to PSAB. It is operational. It excludes depreciation, includes capital revenue and expenses and includes proceeds and repayment of long-term debt.

	2018	2017
<b>Revenues</b>		
Fees and service charges	\$ 146,115	\$ 138,092
Provincial grants – capital	-	815,372
Total revenues	<u>146,115</u>	<u>953,464</u>
<b>Expenditures</b>		
Wages and benefits	10,763	10,573
Materials, utilities, supplies and maintenance	23,657	22,220
Contracted services	43,341	49,714
Equipment rental	16,481	29,661
Capital expenditures	<u>52,233</u>	<u>970,521</u>
Total expenditures	<u>146,475</u>	<u>1,082,689</u>
<b>Annual deficit</b>	(360)	(129,225)
Deficit, beginning of year	<u>(980,304)</u>	<u>(851,079)</u>
<b>Deficit, end of year</b>	<u>\$ (980,664)</u>	<u>\$ (980,304)</u>

# THE CORPORATION OF THE TOWN OF ENGLEHART

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

19. **Garbage Services - Schedule of Operations and Continuity of Deficit**

This statement is not prepared according to PSAB. It is operational. It excludes depreciation, includes capital revenue and expenses and includes proceeds and repayment of long-term debt.

	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
Fees and service charges	\$ 147,210	\$ 145,792
<b>Expenditures</b>		
Collection wages and benefits	24,854	22,469
Collection contracted services	17,036	8,230
Other collection costs	7,516	10,570
Recycling fees	66,714	66,789
Disposal wages and benefits	5,370	5,419
Disposal materials and supplies	18,150	18,484
Disposal contracted services	33,107	54,641
Dump closure costs	19,000	221,000
Total expenditures	<u>191,747</u>	<u>407,602</u>
<b>Annual deficit</b>	(44,537)	(261,810)
Deficit, beginning of year	<u>(445,229)</u>	<u>(183,419)</u>
<b>Deficit, end of year</b>	<u>\$ (489,766)</u>	<u>\$ (445,229)</u>

**NOTICE TO READER**

To the Members of Council, Inhabitants  
and Ratepayers of the  
Corporation of the Town of Englehart:

On the basis of information provided by management, we have compiled the Statement of Financial Position of the Trust Funds of The Corporation of the Town of Englehart as at December 31, 2018 and the Statement of Continuity for the year then ended.

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

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

*Kemp Elliott & Blair LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
New Liskeard, Ontario  
September 25, 2019

(Unaudited - See Notice to Reader)

**THE CORPORATION OF THE TOWN OF ENGLEHART****TRUST FUNDS****STATEMENT OF CONTINUITY****FOR THE YEAR ENDED DECEMBER 31, 2018**

	Swimming Pool	Ontario Home Renewal Plan	Cemetery Perpetual Care	2018 Total	2017 Total
Fund balance, beginning of the year	\$ 15,600	\$ 21,515	\$ 142,758	\$ 179,873	\$ 175,803
Capital receipts	-	-	1,410	1,410	4,070
<b>Balance, end of the year</b>	<b>\$ 15,600</b>	<b>\$ 21,515</b>	<b>\$ 144,168</b>	<b>\$ 181,283</b>	<b>\$ 179,873</b>

**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2018**

<b>FINANCIAL ASSETS</b>	<u>2018</u>	<u>2017</u>
Investments – note 2	\$ 157,207	\$ 154,288
Due from The Corporation of the Town of Englehart	2,561	4,070
Loans receivable – note 4	<u>21,515</u>	<u>21,515</u>
<b>Fund Balance</b>	<b>\$ 181,283</b>	<b>\$ 179,873</b>

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

(Unaudited - See Notice to Reader)

## THE CORPORATION OF THE TOWN OF ENGLEHART

### TRUST FUNDS

#### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2018

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1. **Accounting Policies**

The activities of the trust funds are reported on the cash basis of accounting with the exception of amounts due to or from the Town and Province.

2. **Investments**

The total investments of \$157,207 (2017 \$154,288) are reported at cost and have a market value of \$157,207 (2017 \$154,288) at the end of the year.

3. **Interest**

Interest earned by the Swimming Pool Trust Fund and Cemetery Perpetual Care Trust Fund are transferred directly to the Town's operations and are not reflected on this statement.

4. **Ontario Home Renewal Program**

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. The program was discontinued in July 1993. Collection is the only activity of the fund and funds collected are to be returned to the Province in the subsequent year, less a 5% administration fee.

Ontario Home Renewal Program loans receivable at December 31, 2018 comprise of repayable loans of \$ 21,515 (2017 \$21,515) and forgivable loans of \$ 1,000 (2017 \$1,000). Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.