

Consolidated Financial Statements of

**THE MUNICIPALITY OF  
CENTRAL MANITOULIN**

Year ended December 31, 2018

# THE MUNICIPALITY OF CENTRAL MANITOULIN

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Year ended December 31, 2018

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## **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of The Municipality of Central Manitoulin (the "Municipality") are the responsibility of the Municipality'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 consolidated financial statements. The preparation of consolidated 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 Municipality'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 consolidated financial statements. These systems are monitored and evaluated by Management.

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

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by 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.

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Chief Administrative Officer

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Treasurer



KPMG LLP  
Claridge Executive Centre  
144 Pine Street  
Sudbury Ontario P3C 1X3  
Canada  
Telephone (705) 675-8500  
Fax (705) 675-7586

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of  
The Municipality of Central Manitoulin

### ***Opinion***

We have audited the consolidated financial statements of The Municipality of Central Manitoulin (the "Entity"), which comprise:

- The consolidated statement of financial position as at December 31, 2018
- The consolidated statement of operations for the year then ended
- The consolidated statements of changes in net debt for the year then ended
- The consolidated statement of cash flows for the year then ended
- And the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying 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 changes in net debt and its consolidated 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 responsibility under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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 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.



***Responsibility of Management and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the 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 the 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 risk 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, internal 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 purposes 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 the 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 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 Entity's 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
March 21, 2019

# THE MUNICIPALITY OF CENTRAL MANITOULIN

## Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Financial assets</b>		
Cash	\$ 1,464,064	\$ 520,410
Investments	510,045	504,875
Taxes receivable	661,626	541,051
Accounts receivable (note 2)	453,703	461,392
	<u>3,089,438</u>	<u>2,027,728</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 3)	667,141	568,833
Deferred revenue	190,300	254,117
Long-term liabilities (note 4)	1,715,815	1,021,671
Solid waste management liabilities (notes 5)	821,000	717,000
	<u>3,394,256</u>	<u>2,561,621</u>
Net debt	(304,818)	(533,893)
<b>Non-financial assets</b>		
Tangible capital assets (note 12)	18,485,174	18,710,224
Prepaid expenses	23,654	19,727
	<u>18,508,828</u>	<u>18,729,951</u>
Accumulated surplus (note 6)	\$ 18,204,010	\$ 18,196,058

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

# THE MUNICIPALITY OF CENTRAL MANITOULIN

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative information for 2017

	Budget 2018 (note 10)	Actual 2018	Actual 2017
<b>Revenue:</b>			
Property taxation	\$ 4,356,346	4,340,996	\$ 3,967,573
Taxation from other governments	21,625	23,050	21,710
User charges	662,690	634,898	631,824
Other municipalities	-	3,516	-
Government of Canada grants	230,439	225,786	251,104
Province of Ontario grants	1,600,587	1,668,700	1,491,637
Rent, licenses and permits	38,500	47,153	38,156
Penalties and interest on taxes	80,000	87,786	81,646
Investment income	26,800	40,389	31,413
Donations and other	1,600	165,610	19,895
Gain on sale of assets	20,000	28,932	25,000
<b>Total revenue</b>	<b>7,038,587</b>	<b>7,266,816</b>	<b>6,559,958</b>
<b>Expenses:</b>			
General government	980,810	976,632	888,140
Protection to persons and property	952,917	935,731	889,721
Transportation services	2,160,025	2,016,542	1,639,953
Environmental services	1,128,928	1,172,511	853,328
Health services	785,984	735,394	692,034
Social and family services	194,581	212,703	204,483
Social housing	153,754	140,660	167,240
Recreational and cultural services	977,088	953,637	866,293
Planning and development	132,200	115,054	117,224
<b>Total expenses</b>	<b>7,466,287</b>	<b>7,258,864</b>	<b>6,318,416</b>
<b>Annual surplus (deficit)</b>	<b>(427,700)</b>	<b>7,952</b>	<b>241,542</b>
<b>Accumulated surplus, beginning of year</b>	<b>18,196,058</b>	<b>18,196,058</b>	<b>17,954,516</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 17,768,358</b>	<b>18,204,010</b>	<b>\$ 18,196,058</b>

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

# THE MUNICIPALITY OF CENTRAL MANITOULIN

## Consolidated Statement of Change in Net Debt

Year ended December 31, 2018, with comparative information for 2017

	Budget 2018 (note 10)	Actual 2018	Actual 2017
Annual surplus (deficit)	\$ (427,700)	\$ 7,952	\$ 241,542
Acquisition of tangible capital assets	(2,679,028)	(1,157,573)	(2,244,469)
Amortization of tangible capital assets	1,375,026	1,375,026	1,230,752
Gain on sale of tangible capital assets	(20,000)	(28,932)	(25,000)
Proceeds on sale of tangible capital assets	20,000	36,529	25,000
	(1,731,702)	233,002	(772,175)
Change in prepaid expenses	-	(3,927)	2,744
Change in net financial assets (debt)	(1,731,702)	229,075	(769,431)
Net financial assets (debt), beginning of year	(533,893)	(533,893)	235,538
Net debt, end of year	\$ (2,265,595)	\$ (304,818)	\$ (533,893)

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

# THE MUNICIPALITY OF CENTRAL MANITOULIN

## Consolidated Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 7,952	\$ 241,542
Items not involving cash:		
Amortization of tangible capital assets	1,375,026	1,230,752
Gain on sale of tangible capital assets	(28,932)	(25,000)
Increase (decrease) in solid waste management liabilities	104,000	(209,000)
	<u>1,458,046</u>	<u>1,238,294</u>
Change in non-cash assets and liabilities:		
Decrease (increase) in taxes receivable	(120,575)	107,614
Decrease (increase) in accounts receivable	7,689	(114,357)
Decrease (increase) in prepaid expenses	(3,927)	2,744
Increase in accounts payable and accrued liabilities	98,308	20,108
Increase in deferred revenue	(63,817)	216,454
Net change in cash from operating activities	<u>1,375,724</u>	<u>1,470,857</u>
Financing activities:		
Principal repayments on net long-term liabilities	(270,856)	(170,049)
Debt incurred	965,000	-
Net change in financing activities	<u>694,144</u>	<u>(170,049)</u>
Investing activities:		
Decrease (increase) in investments	(5,170)	14,553
Net change in cash from investing activities	<u>(5,170)</u>	<u>14,553</u>
Capital activities:		
Proceeds on sale of tangible capital assets	36,529	25,000
Acquisition of tangible capital assets	(1,157,573)	(2,244,469)
Net change in cash from capital activities	<u>(1,121,044)</u>	<u>(2,219,469)</u>
Net change in cash	943,654	(904,108)
Cash, beginning of year	520,410	1,424,518
Cash, end of year	<u>\$ 1,464,064</u>	<u>\$ 520,410</u>

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

# THE MUNICIPALITY OF CENTRAL MANITOULIN

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

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The Municipality of Central Manitoulin (the "Municipality") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and other related legislation.

### 1. Significant accounting policies:

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### (a) Reporting entity:

- (i) These consolidated financial statements reflect the assets, liabilities, revenues and expenses and include the activities of all committees of Council and the following boards which are under the control of Council:

Central Manitoulin Public Library Board  
Central Manitoulin Cemetery Board  
Community Centre Board

All interfund and inter-organizational transactions and balances between these organizations are eliminated.

- (ii) The Municipality collects taxation revenue on behalf of the school boards.

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances on these consolidated financial statements (note 7).

- (iii) Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements but are reported on separately on the Trust Funds financial statements (note 8).

#### (b) Basis of accounting:

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Amounts applied to specific operating and capital projects are recorded as revenue in the fiscal period in which the funds are expended on these projects.

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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## 1. Significant accounting policies (continued):

### (c) Tangible capital assets:

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

Asset	Useful Life - Years
Water and sewer	40
Vehicles and equipment	10 - 25
Buildings	10 - 50
Roads	10 - 15
Road signs and street lights	10 - 30
Bridges and culverts	30 - 50
Furniture, equipment and books	5 - 20

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Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### (i) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### (ii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

#### (iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

### (d) Deferred revenue:

Deferred revenue represents cash received for which the related services or inspections have yet to be performed or eligibility criteria have not been met. These amounts will be recognized as revenues in the fiscal year the services are performed and eligibility criteria have been met.

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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## 1. Significant accounting policies (continued):

### (e) Landfill liability:

The liability for closure of operational sites and post-closure care has been recognized based on estimated future expenses, estimated inflation and the usage of the site's capacity during the year.

### (f) Investments:

Investments are carried at market value.

### (g) Use of estimates:

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the valuation allowances for taxes and accounts receivable, the carrying value of tangible capital assets and provisions for accrued liabilities and landfill liabilities.

Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

## 2. Accounts receivable:

	2018	2017
Government of Canada	\$ 155,374	111,425
Province of Ontario	127,825	182,066
Benefitting landowners	155,482	138,501
Trade and miscellaneous	15,022	29,400
	<u>\$ 453,703</u>	<u>461,392</u>

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

### 3. Accounts payable and accrued liabilities:

	2018	2017
Government of Canada	\$ 3,921	14,887
Province of Ontario	43,366	90,568
Trade and miscellaneous	485,130	337,047
Employee benefits obligation	134,724	126,331
	\$ 667,141	568,833

### 4. Long-term liabilities:

Long-term liabilities reported on the consolidated statement of financial position are made up of the following:

	2018	2017
Building, bridge and equipment loans (a)	\$ 1,303,754	580,078
Ontario Strategic Infrastructure Financing Authority (OSIFA) (b)	412,061	441,593
	\$ 1,715,815	\$ 1,021,671

(a) Bridge, vehicle and equipment loans are at rates of 2.47% - 4.14% and expire from 2019 to 2023. They are secured by the related asset and a general security agreement over assets of the Municipality. Principal payments are as follows:

2019	\$ 214,004
2020	209,837
2021	209,837
2022	179,534
2023	96,500
2024	394,042
	\$ 1,303,754

(b) The OSIFA debentures expire in 2028, bear interest at 5.89% and are repayable in blended semi-annual payments of \$27,556.

(c) The Municipality has an unutilized credit facility in the amount of \$500,000.

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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## 5. Solid waste management liabilities:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated life of the landfill sites based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over terms using the best information available to management. Future events may result in significant changes to the estimated total expenditures; capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenditures represent the sum of the discounted future cash flows for closure care activities discounted at the most recent 10-year annual average of Long-Term Government of Canada Benchmark Bond Yields of 2.94% and the discounted future cash flows for post-closure care activities at the 10-year running average inflation rate for Non-Residential Building Construction Price Indices of 2.46%. The estimated total landfill closure and post-closure care expenditures are calculated to be \$1,331,780 (2017 - \$1,117,833). The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2018, an amount of \$821,000 (2017 - \$717,000) with respect to landfill closure and post-closure liabilities has been accrued.

Application to the Province is made to authorize continued use of landfill sites. The estimated remaining capacity of the landfill sites is 66,545 (2017 – 67,935) cubic meters. The Ministry of the Environment, Conservation and Parks will continue to permit use of the site to July 30, 2019 or until a new design and operations plan or a closure plan is approved, whichever occurs earlier. Management anticipates this approval. Four of the five sites are closed. The period for post-closure care is estimated to be 25 years. The Municipality has established a reserve of \$386,703 to date to provide for these obligations.

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

## 6. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2018	2017
Surplus:		
Tangible capital assets	\$ 18,485,174	18,710,224
Long-term liabilities	(1,715,815)	(1,021,671)
Internal borrowings (i)	(533,720)	(1,380,011)
	16,235,639	16,308,542
Amounts to be recovered:		
Landfill closure costs	(821,000)	(717,000)
Employee benefits	(134,724)	(126,331)
Total surplus	15,279,915	15,465,211
Reserves set aside by Council for:		
Working funds	1,800,537	1,691,372
Employee benefits	134,724	126,331
Solid Waste management (note 5)	386,703	290,000
Providence Bay Lighthouse	-	636
Providence Bay Village Square	14,858	15,218
Mindemoya Arena	10,621	-
Mindemoya Hall (Euchre)	22,339	21,839
Community Improvement Program	15,832	15,832
	2,385,614	2,161,228
Reserve funds set aside by Council for specific purposes:		
Capital	316,045	310,838
Water and sewer	171,467	208,379
Providence Bay Community Centre Board	48,623	48,613
Animal Welfare Fund	2,346	1,789
	538,481	569,619
Accumulated surplus	\$ 18,204,010	18,196,058

- i) The Municipality has borrowed internally for capital. The internal loans bear interest at a floating rate equal to the return on short-term investments and are to be repaid over a period ranging from one to five years.

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

## 7. Operations of school boards:

Further to note 1 (a) (ii), the property taxes collected on behalf of the school boards are comprised of the following:

	2018	2017
Property taxes	\$ 724,975	726,819
Taxation from other governments	7,536	7,572
	\$ 732,511	734,391

## 8. Trust Funds:

Trust Funds administered by the Municipality amounting to \$89,351 (2017 - \$86,351) have not been included on the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus.

## 9. Pension agreement:

The Municipality makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain 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 amount contributed to OMERS for 2018 was \$80,315 (2017 - \$77,991) for current service.

## 10. Budget information:

The chart below reconciles the approved operating and capital budgets of the Municipality to the budget information reported on the Consolidated Statement of Operations and Accumulated Surplus.

Approved budget:

Total expenses per budget	\$ 9,995,883
Less:	
School Board	(726,799)
Capital	(2,679,028)
Principal debt payments	(498,795)
	6,091,261
Amortization of tangible capital assets	1,375,026
Budget per financial statements	\$ 7,466,287

## 11. Public Sector Salary Disclosure:

During 2018, one employee was paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Municipality.

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

## 12. Tangible capital assets:

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$ 582,289	-	(4,697)	577,592
Vehicles	2,022,491	36,007	-	2,058,498
Bridges, roads, signs and culverts	11,746,151	452,328	-	12,198,479
Buildings	13,078,023	495,551	(26,290)	13,547,284
Machinery and equipment	1,365,034	29,046	(9,667)	1,384,413
Water and sewer	7,772,176	6,128	-	7,778,304
Assets under construction	318,764	349,224	(210,711)	457,277
<b>Total</b>	<b>\$ 36,884,928</b>	<b>1,368,284</b>	<b>(251,365)</b>	<b>38,001,847</b>

Accumulated Amortization	Balance at December 31, 2017	Amortization	Disposals	Balance at December 31, 2018
Vehicles	\$ 1,039,094	116,708	-	1,155,802
Bridges, roads, signs and culverts	6,342,875	599,638	-	6,942,513
Buildings	6,021,787	386,989	(26,290)	6,382,486
Machinery and equipment	662,633	77,234	(6,767)	733,100
Water and sewer	4,108,315	194,457	-	4,302,772
<b>Total</b>	<b>\$ 18,174,704</b>	<b>1,375,026</b>	<b>(33,057)</b>	<b>19,516,673</b>

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land	\$ 582,289	577,592
Vehicles	983,397	902,696
Bridges, roads, signs and culverts	5,403,276	5,255,966
Buildings	7,056,236	7,164,798
Machinery and equipment	702,401	651,313
Water and sewer	3,663,861	3,475,532
Assets under construction	318,764	457,277
<b>Total</b>	<b>\$ 18,710,224</b>	<b>18,485,174</b>

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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## 12. Tangible capital assets (continued):

### a) Assets under construction:

Assets under construction having a value of \$457,282 (2017 - \$318,764) have not been amortized. Amortization commences when the asset is put into service.

During the year, the Municipality added \$349,224 (2017 - \$54,249) to assets under construction and transferred \$210,711 (2017 - \$133,667) from assets under construction to tangible capital assets.

### b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$Nil (2017 - \$Nil).

### c) Works of art and historical treasures:

The Municipality manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Municipal sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized. The value of works of art and historical treasures held by the Municipality in the form of buildings totaled \$282,131 (2017 - \$282,131).

### d) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$Nil (2017 - \$Nil).

## 13. Segmented information:

The Municipality of Central Manitoulin 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 purposes of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations (see Schedule to note).

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

The Departments within General Government Services 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

Services provided in this segment include 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.

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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## 13. Segmented information (continued):

### Transportation Services

Areas of responsibility include planning, design, construction, cleaning, repair, snow removal and signage.

### Environmental Services

The 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, storm sewers and the pump station.

The Garbage and Recycling Services Group are responsible for the delivery of municipal services including garbage collection and recycling.

### Health Services

The Municipality offers a range of public health services through the Sudbury and District Health Unit.

### Social and Family Services / Social Housing

The services are provided indirectly by the Municipality through the District Social Services Board and include family and children's services and housing services.

### Recreation and Cultural Services

The Department is responsible for providing, facilitating the development of, and maintaining high quality parks, recreational facilities, and cultural services.

### Planning and Development

The Planning and Development Department is responsible for preparing land use plans, bylaws and policies for sustainable development of the Municipality and for reviewing and approving new development, some of which is carried out by the Manitoulin Planning Board of which the Municipality is a member.

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Schedule to Note 13 - Segmented Information

Year ended December 31, 2018

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Social Housing	Recreation & Cultural Services	Planning and Development	Total 2018
<b>Revenue:</b>										
Property taxation	\$ 488,230	631,396	1,438,761	528,854	408,353	148,758	98,373	520,299	77,972	\$ 4,340,996
Taxation from other governments	2,592	3,353	7,640	2,808	2,168	790	522	2,763	414	23,050
Other municipalities	3,516	-	-	-	-	-	-	-	-	3,516
User charges	67,685	4,193	57,808	425,861	4,181	-	-	71,605	3,565	634,898
Government of Canada grants	4,997	-	124,728	89,000	-	-	-	7,061	-	225,786
Province of Ontario grants	217,622	214,631	447,122	210,576	286,138	50,567	33,440	182,098	26,505	1,668,700
Rents	47,153	-	-	-	-	-	-	-	-	47,153
Penalties and interest on taxes	87,786	-	-	-	-	-	-	-	-	87,786
Investment income	40,389	-	-	-	-	-	-	-	-	40,389
Donations and other	29,764	-	-	-	-	-	-	135,846	-	165,610
Gain on sale of assets	-	28,732	-	-	-	-	-	200	-	28,932
	989,734	882,305	2,076,059	1,257,099	700,840	200,115	132,335	919,872	108,456	7,266,816
<b>Expenses:</b>										
Salaries, wages and benefits	547,334	180,958	441,359	44,278	-	-	-	435,461	67,129	1,716,519
Long-term debt charges	-	25,886	41,737	-	-	-	-	-	-	67,623
Materials, services, rents and financial items	367,467	641,387	819,371	756,005	155,407	-	-	354,907	11,435	3,105,979
Amortization of tangible capital assets	35,018	87,500	714,075	372,228	-	2,936	-	163,269	-	1,375,026
Transfer to other governments and the public	26,813	-	-	-	579,987	209,767	140,660	-	36,490	993,717
	976,632	935,731	2,016,542	1,172,511	735,394	212,703	140,660	953,637	115,054	7,258,864
<b>Annual surplus (deficit)</b>	<b>\$ 13,102</b>	<b>(53,426)</b>	<b>59,517</b>	<b>84,588</b>	<b>(34,554)</b>	<b>(12,588)</b>	<b>(8,325)</b>	<b>(33,765)</b>	<b>(6,598)</b>	<b>\$ 7,952</b>

# THE MUNICIPALITY OF CENTRAL MANITOULIN

Schedule to Note 13 - Segmented Information

Year ended December 31, 2018

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Social Housing	Recreation & Cultural Services	Planning and Development	Total 2017
<b>Revenue:</b>										
Property taxation	\$ 479,215	631,699	1,218,529	306,017	390,267	145,942	119,361	609,316	67,229	\$ 3,967,573
Taxation from other governments	2,622	3,457	6,669	1,674	2,135	798	653	3,334	368	21,710
User charges	88,272	4,630	26,184	424,559	5,167	-	-	64,996	18,016	631,824
Government of Canada grants	50,000	-	121,167	-	-	-	-	79,937	-	251,104
Province of Ontario grants	208,963	222,183	371,123	107,633	277,319	51,331	41,982	182,445	28,657	1,491,637
Rents	38,156	-	-	-	-	-	-	-	-	38,156
Penalties and interest on taxes	81,646	-	-	-	-	-	-	-	-	81,646
Investment income	31,413	-	-	-	-	-	-	-	-	31,413
Donations and other	163	-	-	-	-	-	-	19,732	-	19,895
Gain on sale of assets	-	-	25,000	-	-	-	-	-	-	25,000
	980,449	861,969	1,768,672	839,884	674,888	198,070	161,996	959,760	114,270	6,559,958
<b>Expenses:</b>										
Salaries, wages and benefits	504,350	173,482	441,876	38,557	-	-	-	358,765	64,732	1,581,762
Long-term debt charges	-	-	63,248	-	-	-	-	-	-	63,248
Materials, services, rents and financial items	362,170	644,475	511,544	442,696	147,892	-	-	348,530	18,983	2,476,290
Amortization of tangible capital assets	-	71,764	623,285	372,075	-	4,630	-	158,998	-	1,230,752
Transfer to other governments and the public	21,620	-	-	-	544,142	199,853	167,240	-	33,509	966,364
	888,140	889,721	1,639,953	853,328	692,034	204,483	167,240	866,293	117,224	6,318,416
<b>Annual surplus (deficit)</b>	<b>\$ 92,309</b>	<b>(27,752)</b>	<b>128,719</b>	<b>(13,444)</b>	<b>(17,146)</b>	<b>(6,413)</b>	<b>(5,244)</b>	<b>93,467</b>	<b>(2,954)</b>	<b>\$ 241,542</b>