

Consolidated Financial Statements

**THE CORPORATION OF THE
MUNICIPALITY OF ST.-CHARLES**

And Independent Auditors' Report thereon

Year ended December 31, 2019

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of the Corporation of the Municipality of St.-Charles ("the Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards 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 these consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, 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.

Chief Administrator Officer

Director of Finance

Date



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, residents and ratepayers of the Corporation of the Municipality of St.-Charles

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of St.-Charles (the Municipality), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statements of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes and schedule 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 Municipality as at December 31, 2019, and its consolidated results of operations, its consolidated changes in net financial assets 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 Municipality 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.



Other Matter – Comparative Information

The financial statements for the year ended December 31, 2018 were audited by another auditor who expressed a qualified opinion on those financial statements on September 4, 2019.

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 Municipality'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 Municipality or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality'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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
December 21, 2020

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Consolidated Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash and cash equivalents	\$ 1,306,441	\$ 662,098
Taxes receivable (note 3)	361,066	327,051
Accounts receivable (note 4)	566,387	427,538
Land held for sale	54,166	88,166
	2,288,060	1,504,853
Financial Liabilities		
Accounts payable and accrued liabilities	357,272	302,801
Deferred revenue (note 5)	441,495	143,403
Deferred revenue - obligatory reserve funds (note 6)	219,842	100,311
Municipal debt (note 7)	435,775	529,306
Landfill closure and post-closure liability (note 8)	323,000	226,287
	1,777,384	1,302,108
Net financial assets	510,676	202,745
Non-financial Assets		
Tangible capital assets (note 9)	3,096,910	2,960,928
Prepaid expenses	7,340	75,189
	3,104,250	3,036,117
Commitments (note 11)		
Contingencies (note 12)		
Subsequent event (note 18)		
Accumulated surplus (note 10)	\$ 3,614,926	\$ 3,238,862

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

Approved by:

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	Budget 2019	Actual 2019	Actual 2018
	(note 16)		
Revenue:			
Taxation	\$ 2,305,326	\$ 2,326,915	\$ 2,212,589
Government grants and transfers	1,322,816	1,193,179	1,117,242
User charges	125,310	135,106	121,321
Other	229,309	254,014	263,561
Total revenue	3,982,761	3,909,214	3,714,713
Expenses:			
General government	1,154,817	1,093,275	981,203
Protection to persons and property	569,803	489,883	496,553
Transportation services	811,531	717,727	635,590
Environmental services	414,776	386,957	275,147
Health services	315,425	319,008	299,730
Social and family services	138,000	137,674	123,471
Recreation and cultural services	385,981	361,366	382,916
Planning and development	27,155	27,260	31,819
Total expenses	3,817,488	3,533,150	3,226,429
Annual surplus	165,273	376,064	488,284
Accumulated surplus, beginning of year	3,238,862	3,238,862	2,750,578
Accumulated surplus, end of year	\$ 3,404,135	\$ 3,614,926	\$ 3,238,862

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

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

	Budget 2019 (note 16)	Actual 2019	Actual 2018
Annual surplus	\$ 165,273	\$ 376,064	\$ 488,284
Acquisition of tangible capital assets	(367,991)	(367,991)	(266,837)
Amortization of tangible capital assets	232,009	232,009	226,781
Change in prepaid expenses	67,849	67,849	(67,899)
Change in net financial assets	97,140	307,931	380,329
Net financial assets (debt), beginning of year	202,745	202,745	(177,584)
Net financial assets, end of year	\$ 299,885	\$ 510,676	\$ 202,745

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

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Consolidated Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 376,064	\$ 488,284
Items not involving cash:		
Amortization of tangible capital assets	232,009	226,781
Write-down of land held for sale	-	6,974
Landfill closure and post-closure liability	96,713	(858)
	704,786	721,181
Change in non-cash assets and liabilities:		
Increase in taxes receivable	(34,015)	(100,501)
Increase in accounts receivable	(138,849)	(194,589)
Decrease in land held for sale	34,000	-
Decrease (increase) in prepaid expenses	67,849	(67,899)
Increase (decrease) in accounts payable and accrued liabilities	54,471	(76,220)
Increase in deferred revenue	298,092	136,537
Increase in deferred revenue - obligatory reserve funds	119,531	33,756
Net change in cash from operating activities	1,105,865	452,265
Capital activities:		
Cash used to acquire tangible capital assets	(367,991)	(266,837)
Financing transactions:		
Principal repayments on municipal debt	(93,531)	(89,695)
Increase in cash	644,343	95,733
Cash, beginning of year	662,098	566,365
Cash, end of year	\$ 1,306,441	\$ 662,098

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

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Financial Statements

Year ended December 31, 2019

The Corporation of the Municipality of St.-Charles ("Municipality") is a Municipality in the Province of Ontario, Canada. It conducts its operations guided by the provision of provincial statutes such as the Municipal Act, 2001, and other related legislation.

1. Significant accounting policies:

The consolidated financial statements of the Municipality are the representation of management. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of consolidation:

i) Reporting entity:

These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the Municipality and includes the activities of all committees of Council and of The Corporation of the Municipality of St.-Charles Public Library Board.

All interfund assets and liabilities and revenues and expenses have been eliminated.

ii) Non-consolidated entities:

These consolidated financial statements reflect contributions to the following joint local boards, which are not under the direct control of council, as expenditures in the consolidated statement of operations:

Manitoulin-Sudbury District Services Board
Sudbury and District Health Unit
Sudbury East Planning Board

iii) Accounting for school board transactions:

The Municipality is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Municipality has no jurisdiction or control over the school boards operations. Therefore, the taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

iv) Cemetery Care and Maintenance Fund:

The Cemetery Care and Maintenance Fund and its related operations administered by the Municipality are not consolidated, but are reported separately on the Cemetery Care and Maintenance Fund Statement of Continuity and Statement of Financial Position.

(b) Basis of accounting:

(i) Accrual Basis

The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Cash and cash equivalents

The Municipality's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of three months from the date of acquisition or less or those that can be readily convertible to cash.

(iii) Land held for resale

Land held for resale consisting of surplus land is recorded at the lower of cost and net realizable value.

(iv) Reserves and reserve funds

Certain amounts, as approved by municipal council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(v) Landfill closure and post-closure

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

(vi) Deferred revenues

Deferred revenues represent government transfers, contributions and other amounts that are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(vii) Financial Instruments:

The Municipality initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties. The Municipality subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the consolidated statement of operations.

Financial assets measured at amortized cost include cash, term deposits, taxes receivable, account receivables, grants receivable and due from related parties.

Financial liabilities measured at amortized cost include temporary borrowings, accounts payable and accrued liabilities and long-term debt.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial assets, a valuation allowance is used to reflect the financial asset at the lower cost and estimated net recoverable value, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(viii) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset.

The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over the estimated useful lives as follows:

Asset	Useful Life - Years
Buildings	30
Roads	5, 20, 30 and 40
Equipment	10 and 20
Vehicles	20 and 10
Sewer and wastewater systems	40

Assets under construction are not amortized until the asset is available for productive use.

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

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(viii) Tangible capital assets (continued):

Assets under construction are not amortized until the asset is available for productive use.

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

(ix) Taxation and other revenues:

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") and in accordance with the provisions of the Municipal Act, 2001. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality 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 Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or based on management's best estimates.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

User charges and other revenue are recognized as revenue when earned.

(x) Government grants and transfers:

Government grants and transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. If a liability is created, the satisfaction of the transfer stipulations by the recipient government determines the timing of the recognition of the transfer as revenue.

(xi) Deferred revenues – obligatory reserve funds:

The Municipality receives certain sub-divider contributions and other revenues under the authority of legislation. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

1. Significant accounting policies (continued):

(xii) 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 based on management's best knowledge of current events and actions that the Municipality may undertake in the future. These estimates are reviewed periodically and, as adjustments become necessary, they are reporting in earnings in the year in which they become known.

2. Line of credit:

The Municipality has an operating line of credit available to a maximum of \$400,000 to address operating requirements. This line of credit bears interest at the bank's prime lending rate, is unsecured and is due on demand. The unused amount at December 31, 2019 is \$400,000 (2018 - \$400,000).

3. Taxes receivable

	2019	2018
Current	\$ 138,212	\$ 146,941
Past year	85,891	93,698
Previous years	85,384	49,919
Penalties and interest	51,579	36,493
	<u>\$ 361,066</u>	<u>\$ 327,051</u>

4. Accounts receivable:

	2019	2018
Federal	\$ 247,209	\$ 122,079
Provincial	85,461	4,935
Municipal	172,924	199,728
Other	60,793	100,796
	<u>\$ 566,387</u>	<u>\$ 427,538</u>

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

5. Deferred revenue:

	2019	2018
AMO – Main street revitalization	\$ –	\$ 38,768
Municipal modernization funding	349,000	–
OCIF – rural and northern communities	73,412	50,000
OMAFRA – infrastructure	–	35,163
Other	19,083	19,472
	\$ 441,495	\$ 143,403

6. Deferred revenue – obligatory reserve funds:

	December 31, 2018	Contributions received	Revenue recognized	December 31, 2019
Federal gas tax	\$ 100,311	\$ 160,797	\$ 41,266	\$ 219,842

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

7. Municipal debt:

	2019	2018
Caisse Populaire Alliance loan (Wellness Centre) payable in monthly instalments of \$6,752 including interest at a rate of 4.40%, final instalment due May 2022, unsecured	\$ 237,777	\$ 306,687
Ontario Infrastructure Projects Corporation (OIPC) debenture (Victoria Culvert), payable in semi-annual instalments of \$8,936 including interest at a rate of 4.11%, final instalment due June 2026, unsecured	101,045	114,353
Ontario Infrastructure Projects Corporation (OIPC) debenture (Casimir Culvert), payable in semi-annual instalments of \$7,297 including interest at a rate of 3.11%, final instalment due March 2027, unsecured	96,953	108,266
	\$ 435,775	\$ 529,306

Principal repayments required to be paid over the next five years are as follows:

2020	\$ 97,532
2021	101,706
2022	117,984
2023	28,459
2024	29,510
Thereafter	60,584
	\$ 435,775

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

8. Landfill closure and post-closure:

The Environmental Protection Act sets out 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 remaining life of the landfill site 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 2.57% 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 2.56%.

The landfill site includes two cells: the closed cell, which has reached capacity, and the active landfill cell opened in 2015:

Closed cell:

The estimated cost for remaining post-closure care expenses for the closed cell is calculated to be \$308,000 (2018 - \$206,081 including closure costs) as accrued with respect to post-closure liabilities. The estimated liability for these expenditures is recognized in full as the landfill site capacity is fully used.

Active cell:

The estimated cost for closure of the active landfill cell and post-closure care expenses is calculated to be \$938,974 (2018 - \$1,624,824). The estimated liability for these expenditures is recognized as the landfill site's capacity is used. The estimated remaining capacity of the current cell is 98.45% of its total estimated capacity or 292,920 cubic meters and its estimated remaining life is 164 years. The period for post-closure care is estimated to be 25 years. At December 31, 2019 an amount of \$15,000 (2018 - \$20,206) with respect to landfill closure and post-closure liabilities has been accrued. The Municipality has established a reserve of \$13,405 to date to provide for these obligations.

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

9. Tangible capital assets:

Cost	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019
Land	\$ 265,624	\$ 49,300	\$ -	\$ 314,924
Buildings	3,014,233	45,253	-	3,059,486
Roads	1,583,479	273,438	-	1,856,917
Equipment	1,268,089	-	-	1,268,089
Vehicles	1,280,962	-	-	1,280,962
Sewer and wastewater systems	1,600,540	-	-	1,600,540
Total	\$ 9,012,927	\$ 367,991	\$ -	\$ 9,380,918

Accumulated Amortization	Balance at December 31, 2018	Amortization	Disposals and Transfers	Balance at December 31, 2019
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,029,244	57,177	-	2,086,421
Roads	899,600	36,425	-	936,025
Equipment	985,679	40,221	-	1,025,900
Vehicles	671,537	62,701	-	734,238
Sewer and wastewater systems	1,465,939	35,485	-	1,501,424
Total	\$ 6,051,999	\$ 232,009	\$ -	\$ 6,284,008

	Net book value, December 31, 2018	Net book value, December 31, 2019
Land	\$ 265,624	\$ 314,924
Buildings	984,989	973,065
Roads	683,879	920,892
Equipment	282,410	242,189
Vehicles	609,425	546,724
Sewer and wastewater systems	134,601	99,116
Total	\$ 2,960,928	\$ 3,096,910

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

9. Tangible capital assets (continued):

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$ 265,624	\$ -	\$ -	\$ 265,624
Buildings	2,968,437	45,796	-	3,014,233
Roads	1,388,333	195,146	-	1,583,479
Equipment	1,262,046	6,043	-	1,268,089
Vehicles	1,261,110	19,852	-	1,280,962
Sewer and wastewater systems	1,600,540	-	-	1,600,540
Total	\$ 8,746,090	\$ 266,837	\$ -	\$ 9,012,927

Accumulated Amortization	Balance at December 31, 2017	Amortization	Disposals and Transfers	Balance at December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -
Buildings	1,973,253	55,991	-	2,029,244
Roads	876,031	23,569	-	899,600
Equipment	953,506	6,304	-	959,810
Vehicles	605,896	65,641	-	671,537
Sewer and wastewater systems	1,416,532	75,276	-	1,491,808
Total	\$ 5,825,218	\$ 226,781	\$ -	\$ 6,051,999

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land	\$ 265,624	\$ 265,624
Buildings	995,184	984,989
Roads	512,302	683,879
Equipment	308,540	308,279
Vehicles	655,214	609,425
Sewer and wastewater systems	184,008	108,732
Total	\$ 2,920,872	\$ 2,960,928

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

10. Accumulated surplus:

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

	2019	2018
Surpluses:		
Invested in tangible capital assets	\$ 2,661,135	\$ 2,431,622
General surplus	780,310	381,536
Unfunded:		
Landfill closure and post-closure costs	(323,000)	(226,287)
	3,118,445	2,586,871
Reserves set aside for specific purposes:		
Working capital	54,644	54,644
Reserve funds set aside for specific purpose by Council:		
Infrastructure renewal	197,699	320,271
Contingences	122,391	121,273
Protection services	21,708	46,271
Environmental services	27,386	27,147
Parks and recreation	18,853	18,693
Youth outdoor playground	11,187	11,114
Landfill site closure	13,405	13,282
Election	5,087	15,175
Library	24,121	24,121
	441,837	597,347
Accumulated surplus	\$ 3,614,926	\$ 3,238,862

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Notes to Consolidated Financial Statements

Year ended December 31, 2019

11. Commitments:

Wastewater services:

Under the terms of an operating service agreement for the operation of the St. Charles Wastewater Treatment Facility expiring December 2023, the Municipality is committed to make the following minimum payments:

2020	\$	36,156
2021		36,156
2022		36,156
2023		36,156
	\$	144,624

12. Contingencies:

The Municipality is involved in certain legal matters and litigations, the outcomes of which are not presently determinable. The gain or loss, if any, from these legal matters and litigations will be accounted for in the periods in which they are resolved.

Council is of the opinion that it is unlikely that any liability, to the extent not provided by insurance or otherwise, would be material in relation to the Municipality's consolidated financial position.

13. Contributions to Unconsolidated Joint Boards

Further to note 1(a)(ii), the following contributions are included within operating expenses with the consolidated statements of operations and were made by the Municipality to these boards:

	2019	2018
Manitoulin – Sudbury District Services Board	\$ 384,479	\$ 375,497
Sudbury and District Health Unit	51,720	46,035
Sudbury East Planning Board	23,505	27,928
	\$ 459,704	\$ 449,460

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Notes to Consolidated Financial Statements

Year ended December 31, 2019

14. Pension agreements:

OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2019. The results of this valuation disclosed total going concern actuarial liabilities of \$107,687 million (2018 - \$100,081 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$104,290 million (2018 - \$95,890 million) indicating a going concern actuarial deficit of \$3,397 million (2018 - \$4,191 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees and the Authority's share is not determinable. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for 2019 was \$70,024 (2018 - \$54,295) and is included as an expense in the consolidated statement of operations and accumulated surplus.

15. Cemetery care and maintenance fund:

The Cemetery Care and Maintenance Fund administered by the Municipality amounting to \$50,908 (2018 - \$53,646) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

16. Budget figures:

The budget was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). As a result, the budget figures presented in the Statement of Operations and Accumulated Surplus required the following adjustments:

Budget surplus per financial plan	\$	–
Add:		
Budgeted loan principal payments		109,622
Budgeted capital expenditures		318,171
Transfers to reserve		411,000
Less:		
Amortization		(227,807)
Landfill adjustment		(96,713)
Modernization funding		(349,000)
<hr/> Budget deficit per financial statements	\$	<hr/> 165,273

17. Comparative information:

The 2018 comparative amounts presented in the consolidated financial statements have been restated to conform to the current year's presentation.

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Year ended December 31, 2019

18. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Municipality is not known at this time.

19. Segmented information:

The Municipality is a diversified municipal government that provides a wide range of services to its citizens. For management reporting purposes, the Municipality's 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.

The Municipality's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the services they provide, are as follows:

General Government

General government is comprised of Council, administration, and Ontario Property Assessment.

Protection to persons and property

Protection is comprised of police, fire and other protective services.

Transportation Services

Transportation services are responsible for road maintenance, culverts, bridges, winter control, street signs and streetlights.

Environmental Services

Environmental services include wastewater treatment and waste and recycling services.

Health Services

Health services include public health services and cemetery services.

Social and Family Services

Social and family services include social assistance, long-term care, paramedic services, social housing and child care services.

Recreation and Cultural Services

Recreation and cultural services include parks and recreation, recreation facilities, culture and library.

Planning and Development

Planning and development manages development for residential and business interests as well as services related to the Municipality's economic development programs.

THE CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES

Note 19 - Segmented Information (continued)

Year ended December 31, 2019

	General Government	Protection to persons and property	Transportation Services	Environmental Services	Health Services	Social and family services	Recreation and cultural services	Planning and Development	2019 Total
Revenues:									
Government Grants - Federal	\$ 56,797	-	41,265	-	-	-	-	-	\$ 98,062
- Provincial	913,910	18,182	127,943	21,970	3,500	-	9,612	-	1,095,117
Taxation	2,326,915	-	-	-	-	-	-	-	2,326,915
User charges	5,097	-	25,901	66,213	9,615	-	9,284	18,996	135,106
Other	239,105	(8,003)	-	-	-	-	22,912	-	254,014
	3,541,824	10,179	195,109	88,183	13,115	-	41,808	18,996	3,909,214
Expenses:									
Salaries, wages and benefits	603,302	41,618	351,367	23,801	1,485	-	138,039	-	1,159,612
Interest on municipal debt	12,116	-	7,844	-	-	-	-	-	19,960
Materials	181,429	88,740	270,781	274,137	18,998	-	198,960	255	1,033,300
Contracted services	205,510	339,451	15,075	22,674	-	-	2,000	-	584,710
Rent and financial	33,736	-	6,562	-	-	-	57	-	40,355
Transfer to other governments and the public	-	-	-	-	298,525	137,674	-	27,005	463,204
Amortization of tangible capital assets	57,182	20,074	66,098	66,345	-	-	22,310	-	232,009
	1,093,275	489,883	717,727	386,957	319,008	137,674	361,366	27,260	3,533,150
Annual surplus (deficit)	\$ 2,448,549	(479,704)	(522,618)	(298,774)	(305,893)	(137,674)	(319,558)	(8,264)	\$ 376,064

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Note 19 - Segmented Information (continued)

Year ended December 31, 2019

	General Government	Protection to persons and property	Transportation Services	Environmental Services	Health Services	Social and family services	Recreation and cultural services	Planning and Development	2018 Total
Revenues:									
Government Grants - Federal	\$ 12,833	-	48,227	-	16,159	-	-	-	\$ 77,219
- Provincial	994,836	1,822	9,939	22,829	3,500	-	7,097	-	1,040,023
Taxation	2,212,589	-	-	-	-	-	-	-	2,212,589
User charges	6,226	-	-	60,693	3,150	-	25,970	25,282	121,321
Other	245,715	1,577	-	-	-	-	16,269	-	263,561
	3,472,199	3,399	58,166	83,522	22,809	-	49,336	25,282	3,714,713
Expenses:									
Salaries, wages and benefits	511,232	53,379	297,384	22,282	1,010	-	147,681	-	1,032,968
Interest on municipal debt	15,076	-	8,719	-	-	-	-	-	23,795
Materials	193,120	88,108	265,825	173,981	659	-	210,825	391	932,909
Contracted services	182,671	334,992	8,038	-	-	-	2,100	-	527,801
Rent and financial	17,085	-	12,130	-	-	-	-	-	29,215
Transfer to other governments and the public	-	-	-	-	298,061	123,471	-	31,428	452,960
Amortization of tangible capital assets	62,019	20,074	43,494	78,884	-	-	22,310	-	226,781
	981,203	496,553	635,590	275,147	299,730	123,471	382,916	31,819	3,226,429
Annual surplus (deficit)	\$ 2,490,996	(493,154)	(577,424)	(191,625)	(276,921)	(123,471)	(333,580)	(6,537)	\$ 488,284