

**The Corporation of
the Township of Chapple
Financial Statements
For the year ended
December 31, 2017**

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the Township of Chapple
Financial Statements
For the year ended December 31, 2017**

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The Corporation of the Township of Chapple Management's Responsibility for Financial Reporting

The accompanying financial statements of the Corporation of the Township of Chapple and all the information in this annual report are the responsibility of management and have been approved by the Reeve and Treasurer on behalf of Council.

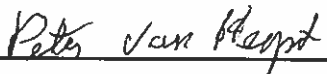
The financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most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

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


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

The Council reviews the Municipality's financial statements and meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Council.



Reeve



Treasurer



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BDO Canada LLP
607 Portage Avenue
Fort Frances ON P9A 0A7 Canada

Independent Auditor's Report

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

We have audited the accompanying financial statements of the Corporation of the Township of Chapple as at December 31, 2017, which are comprised of the Statement of Financial Position as at December 31, 2017, and the Statement of Operations, the Statement of Change in Net Financial Assets and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Chapple as at December 31, 2017, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
May 8, 2018

The Corporation of the Township of Chapple Statement of Financial Position

December 31	2017	2016
Financial assets		
Cash and cash equivalents	\$ 108,282	\$ 273,099
Taxes receivable	159,872	60,414
Accounts receivable	258,197	174,381
Investments (Note 1)	<u>4,069,763</u>	<u>3,055,487</u>
	<u>4,596,114</u>	<u>3,563,381</u>
Liabilities		
Accounts payable and accrued liabilities	97,692	137,499
Deferred revenue (Note 2)	455,031	955,062
Post employment benefits	46,615	42,276
Solid waste closure and post-closure liabilities (Note 3)	<u>53,235</u>	<u>48,355</u>
	<u>652,573</u>	<u>1,183,192</u>
Net financial assets	<u>3,943,541</u>	<u>2,380,189</u>
Non-financial assets		
Tangible capital assets (Note 5)	6,207,746	5,876,967
Inventories of supplies	19,678	46,699
Tangible capital assets under construction	-	133,380
Prepaid expenses	<u>-</u>	<u>308</u>
	<u>6,227,424</u>	<u>6,057,354</u>
Accumulated surplus (Note 6)	<u>\$ 10,170,965</u>	<u>\$ 8,437,543</u>


Treasurer

Reeve

The Corporation of the Township of Chapple Statement of Operations

For the year ended December 31	Budget 2017	2017	2016
Revenue			
Taxation	\$ 1,036,721	\$ 1,209,504	\$ 1,077,280
Government transfers - Federal (Note 7)	95,058	111,799	131,564
Government transfers - Provincial (Note 8)	704,000	713,707	707,988
User fees and service charges	222,408	241,839	195,115
Permits, licenses and fines	40,630	47,080	53,001
Investment income	5,000	4,981	3,383
Municipal grants	5,177	3,481	13,613
Contributions	1,841,500	1,827,281	1,855,939
Miscellaneous	153,043	32,920	121,471
	4,103,537	4,192,592	4,159,354
Expenses			
General government	430,579	310,860	373,797
Protection services	240,367	323,428	249,463
Transportation services	809,727	859,353	778,948
Environmental services	247,214	397,831	325,274
Health services	246,050	187,636	172,139
Social and family services	34,157	26,684	13,039
Social housing	-	79,685	80,858
Recreation and cultural services	104,267	83,670	141,171
Planning and development	273,706	190,023	382,719
	2,386,067	2,459,170	2,517,408
Annual surplus	1,717,470	1,733,422	1,641,946
Accumulated surplus, beginning of year	8,437,543	8,437,543	6,795,597
Accumulated surplus, end of year	\$ 10,155,013	\$ 10,170,965	\$ 8,437,543

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

The Corporation of the Township of Chapple Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2017	2017	2016
Annual surplus	\$ 1,717,470	\$ 1,733,422	\$ 1,641,946
Acquisition of tangible capital assets	(462,525)	(672,898)	(445,564)
Amortization of tangible capital assets	340,184	332,619	306,974
Loss (gain) on disposal of tangible capital assets	-	(5,162)	171
Proceeds on sale of tangible capital assets	-	14,661	14,345
Assets under construction	-	133,388	(124,777)
	1,595,129	1,536,030	1,393,095
Use (purchase) of inventory of supplies	-	27,014	(38,218)
Prepaid expenses	-	308	298
	1,595,129	1,563,352	1,355,175
Net change in net financial assets	1,595,129	1,563,352	1,355,175
Net financial assets, beginning of year	2,380,189	2,380,189	1,025,014
Net financial assets, end of year	\$ 3,975,318	\$ 3,943,541	\$ 2,380,189

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

The Corporation of the Township of Chapple Statement of Cash Flows

For the year ended December 31	2017	2016
Operating transactions		
Annual surplus	\$ 1,733,422	\$ 1,641,946
Items not involving cash		
Amortization	332,619	306,974
Loss (gain) on disposal of tangible capital assets	(5,162)	171
Changes in non-cash operating balances		
Taxes receivable	(99,458)	60,898
Accounts receivable	(83,816)	113,270
Prepays	308	304
Inventories of supplies	27,014	(38,224)
Accounts payable and accrued liabilities	(39,807)	(22,518)
Post employment benefits	4,339	2,501
Deferred revenue	(500,031)	793,952
Solid waste closure and post-closure liabilities	4,880	1,254
	<u>1,374,308</u>	<u>2,860,528</u>
Capital transactions		
Acquisition of tangible capital assets	(672,898)	(445,564)
Proceeds on sale of tangible capital assets	14,661	14,345
Construction in progress	133,388	(124,777)
	<u>(524,849)</u>	<u>(555,996)</u>
Investing transactions		
Acquisition of investments	(1,014,276)	(2,284,235)
Net change in cash and cash equivalents (bank indebtedness)	(164,817)	20,297
Cash and cash equivalents, beginning of year	273,099	252,802
Cash and cash equivalents, end of year	\$ 108,282	\$ 273,099

The Corporation of the Township of Chapple Summary of Significant Accounting Policies

December 31, 2017

Basis of Consolidation The financial statements reflect the assets, liabilities, revenues and expenditures of all municipal organizations, committees, and boards which are owned or controlled by Council.

A government partnership exists where the Municipality has shared control over the board or entity. The Municipality's pro-rata share of the assets, liabilities, revenues and expenditures are reflected in the financial statements using the proportionate consolidation method. No proportionate interest or government partnerships are reflected in the financial statements.

The following boards are not consolidated:

Northwestern Health Unit
Rainy River District Social Services Administration Board

Government business enterprises and partnerships are separate legal entities which do not rely on the Municipality for funding. Investments in government business enterprises are accounted for using the modified equity method. No government business enterprises are reflected in the financial statements.

Basis of Accounting Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

The statement of financial position reflects all of the financial assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. 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. Accumulated surplus represents the financial position of the Municipality, and is the difference between its' assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its' ability to finance activities and meet its' obligations.

The Corporation of the Township of Chapple Summary of Significant Accounting Policies

December 31, 2017

Cash and Cash Equivalents

The policy of the Municipality is to disclose bank balances under cash and cash equivalents including bank overdrafts and lines of credit with balances that fluctuate frequently from being positive to being overdrawn and temporary investments with a maturity of three months or less from the date of acquisition.

Investments

The Municipality accounts for its investments at cost. The carrying value of an investment is written down to its net recoverable amount if a decline in value is judged to be other than temporary.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	20 to 50 years
Roads	10 to 80 years
Machinery and equipment	10 to 20 years
Vehicles	10 to 20 years
Furniture and equipment	10 years
Computer hardware and software	5 to 10 years

Revenue Recognition

The Municipality prepares property tax billings based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC), in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized when the taxable event occurs.

User fees and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

The Corporation of the Township of Chapple Summary of Significant Accounting Policies

December 31, 2017

Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
School Boards	The Municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.
Trust Fund	Funds held in trust by the Municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust fund are reported separately on the trust fund statement of continuity and balance sheet.
Solid Waste Landfills	The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p> <p>The estimates used in preparation of these financial statements are the useful lives of the property, plant and equipment, the capacity of the landfill site, the useful life of the landfill site, the post-closure costs of the landfill, and taxation revenue.</p>

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2017

1. Investments

	2017	2016
CIBC guaranteed investment certificate	\$ 1,550,000	\$ 1,550,000
Money market fund	425,452	477,051
New gold shares	1,061,750	-
Bond fund	141,277	137,152
Chapple Community Development Fund - Canadian Bond	50,000	50,000
Canadian bonds and cash holdings	841,284	841,284
	\$ 4,069,763	\$ 3,055,487

The investments are valued at cost. The income from investments for the year was \$4,981 (2016 - \$3,383). The market value of the Municipality's marketable securities was \$3,992,181 (2016 - \$2,984,924).

Certain surplus funds are set aside by by-laws or Council resolution for specific purposes and referred to as reserve funds. Investments restricted by Council resolution represent the assets that are maintained in respect of those reserve funds (Note 6).

2. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Federal gas tax	\$ 63,778	\$ 45,855	\$ 367	\$ (58,003)	\$ 51,997
CCDF	891,284	(488,250)	-	-	403,034
	\$ 955,062	\$ (442,395)	\$ 367	\$ (58,003)	\$ 455,031

Federal Gas Tax

The Federal Government advances the Municipality funding related to gasoline tax. This funding must be spent on approved infrastructure projects. The funding can be deferred for a maximum of 5 years.

CCDF

Funds relate to the Chapple Community Development Fund (CCDF). These funds are externally restricted and are, therefore, deferred until the restrictions have been satisfied.

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2017

3. Solid Waste Closure and Post-Closure Liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Municipality's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities.

The liability for the Richardson landfill site is recorded at \$1,182 and represents the present value of closure and post-closure costs for 100% of the current site's opened cells, using the average long-term borrowing rate of 5%. The liability is recorded based on the capacity of the landfill used to date. The estimated remaining capacity of the site's opened cells are approximately 128,125 cubic metres, which will be filled in 204 years. Post-closure care is estimated to continue for a period of 37 years.

The liability for the landfill site is recorded at \$52,053 and represents the present value of closure and post-closure costs for 100% of the current site's opened cells, using the average long-term borrowing rate of 5%. The liability is recorded based on the capacity of the landfill used to date. The estimated remaining capacity of the site's opened cells are approximately 161,200 cubic metres, which will be filled in 53 years. Post-closure care is estimated to continue for a period of 35 years.

The Municipality has \$125,998 (2016 - \$125,110) in an investment which relates to the solid waste closure and post-closure liability. The landfill liability is over funded by \$72,763 (2016 - \$76,755) at year end.

4. Bank Indebtedness

Bank indebtedness is secured by general security agreements covering certain assets of the Municipality. The maximum authorized amount is \$410,000 and bears interest at the prime rate. As of December 31, 2017, the amount of overdraft used is \$NIL (2016 - \$NIL).

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

December 31, 2017

5. Tangible Capital Assets	2017							
	Land	Buildings	Equipment and vehicles	Roads	Culverts and bridges	Sewer and water	Other	Total
Cost, beginning of year	\$ 237,317	\$ 1,421,763	\$ 2,132,058	\$ 1,733,921	\$ 2,861,437	\$ 3,541,318	\$ 23,653	\$ 11,951,467
Additions	-	68,745	383,048	83,467	4,775	132,863	-	672,898
Disposals	-	-	(12,600)	(14,028)	-	-	(7,912)	(34,540)
Cost, end of year	237,317	1,490,508	2,502,506	1,803,360	2,866,212	3,674,181	15,741	12,589,825
Accumulated amortization, beginning of year	-	901,257	804,466	1,213,781	928,210	2,204,571	22,215	6,074,500
Amortization	-	34,608	121,468	40,830	42,510	91,767	1,436	332,619
Disposals	-	-	(5,670)	(14,028)	-	-	(5,342)	(25,040)
Accumulated amortization, end of year	-	935,865	920,264	1,240,583	970,720	2,296,338	18,309	6,382,079
Net carrying amount, end of year	\$ 237,317	\$ 554,643	\$ 1,582,242	\$ 562,777	\$ 1,895,492	\$ 1,377,843	\$ (2,568)	\$ 6,207,746

The net book value of tangible capital assets not being amortized because they are under construction is \$NIL (2016 - \$133,380). These items are recognized separately as tangible capital assets under construction in the statement of financial position.

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

December 31, 2017

							2016	
	Land	Buildings	Equipment and vehicles	Roads	Culverts and bridges	Sewer and water	Other	Total
Cost, beginning of year	\$ 229,560	\$ 1,391,824	\$ 1,913,815	\$ 1,636,364	\$ 2,854,804	\$ 3,541,318	\$ 23,653	\$ 11,591,338
Additions	7,757	29,939	281,099	120,136	6,633	-	-	445,564
Disposals	-	-	(62,856)	(22,579)	-	-	-	(85,435)
Cost, end of year	237,317	1,421,763	2,132,058	1,733,921	2,861,437	3,541,318	23,653	11,951,467
Accumulated amortization, beginning of year	-	866,608	750,315	1,198,792	885,820	2,116,126	20,778	5,838,439
Amortization	-	34,649	102,491	37,562	42,390	88,445	1,437	306,974
Disposals	-	-	(48,340)	(22,573)	-	-	-	(70,913)
Accumulated amortization, end of year	-	901,257	804,466	1,213,781	928,210	2,204,571	22,215	6,074,500
Net carrying amount, end of year	\$ 237,317	\$ 520,506	\$ 1,327,592	\$ 520,140	\$ 1,933,227	\$ 1,336,747	\$ 1,438	\$ 5,876,967

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2017

6. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2017	2016
<u>Investment in tangible capital assets</u>		
Tangible capital assets	\$ 6,207,746	\$ 6,010,347
<u>Current operations</u>		
General operating	789,384	259,612
Water	(63,444)	(51,825)
Recreation	7,863	7,774
Museum	26,990	26,048
Total operating surplus	760,793	241,609
<u>Other allocated deficits</u>		
Landfill closure	(53,235)	(48,355)
Employee future benefits	(46,615)	(42,276)
Total other allocated deficits	(99,850)	(90,631)
<u>Reserve funds</u>		
Replacement of capital assets	2,902,526	1,867,318
Landfill closures	125,998	125,110
Other	62,391	72,648
Sick leave	35,567	35,348
Total reserve funds	3,126,482	2,100,424
Working capital reserve	175,794	175,794
Total surplus	\$ 10,170,965	\$ 8,437,543

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

Reserve funds represent funds set aside by by-law or Council resolution for specific purposes.

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

December 31, 2017

7. Government Transfers - Federal

	<u>2017</u>	<u>2016</u>
Tangible Capital Assets		
Association of Municipalities of Ontario		
Federal Gas Tax Fund	\$ 58,003	\$ 120,212
Industry Canada - FedNor	-	11,352
Clean Water and Wastewater	<u>53,796</u>	<u>-</u>
Total federal transfers	<u>\$ 111,799</u>	<u>\$ 131,564</u>

8. Government Transfers - Provincial

	<u>2017</u>	<u>2016</u>
Operating		
Province of Ontario		
Ontario Municipal Partnership Fund	\$ 629,000	\$ 664,800
Ministry of Tourism Culture and Sport	4,807	1,828
Ministry of Agriculture, Food and Rural		
Affairs Environmental Management Branch	307	14,630
Other	<u>4,593</u>	<u>1,730</u>
Total operating transfers	<u>638,707</u>	<u>682,988</u>
Tangible Capital Assets		
Province of Ontario		
Ministry of Rural Affairs	50,000	25,000
Clean Water and Wastewater	<u>25,000</u>	<u>-</u>
Total tangible capital assets	<u>75,000</u>	<u>25,000</u>
Total provincial transfers	<u>\$ 713,707</u>	<u>\$ 707,988</u>

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2017

9. Expenses by Object

	2017	2016
Salaries, wages and employee benefits	\$ 861,216	\$ 823,379
Materials	493,018	440,827
Contracted services	410,230	591,719
Rents and financial expenses	65,597	91,330
Contributions to other organizations	296,849	263,179
Amortization	332,260	306,974
	<u>\$ 2,459,170</u>	<u>\$ 2,517,408</u>

10. Pension Agreement

The Municipality makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), a multi-employer plan, on behalf of 7 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. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of the Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2017 was \$93,224 (2016 - \$93,224) for current service. The OMERS Board rate was 9% to 14.6% depending on income level for 2017 (2016 - 9% to 14.6% depending on income level).

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

December 31, 2017

11. Operations of School Boards

During the year, the following taxation revenue was raised and remitted:

	<u>2017</u>	<u>2016</u>
School boards	<u>\$ 268,293</u>	<u>\$ 258,606</u>

12. Trust Fund

The trust fund administered by the Municipality amounting to \$25,013 (2016 - \$23,591) has not been included in the statement of financial position nor have the operations been included in the statement of operations.

13. Contributions to Unconsolidated Boards

The following contributions were made by the Municipality to these boards.

	<u>2017</u>	<u>2016</u>
Northwestern Health Unit	\$ 34,157	\$ 34,157
Rainy River District Social Services Administration Board	244,310	212,149
	<u>\$ 278,467</u>	<u>\$ 246,306</u>

14. Comparatives

Certain prior year balances have been reclassified to reflect changes in current year's presentation.

The Corporation of the Township of Chapple

Notes to Financial Statements

December 31, 2017

15. Segmented Information

The Corporation of the Township of Chapple is a diversified municipal government institution that provides a wide range of services to its citizens. The management of the Municipality considers decisions based on separate service areas. These service areas are: general government, protection services, transportation services, environmental services, health services, social and family services, social housing, recreation and cultural services and planning and development.

Descriptions of the services and funds that management bases their decisions on, are as follows:

General Government

General government consists of governance, Corporate management and program support. These categories relate to operations of all of the various programs and services that the Municipality offers to its citizens.

Protection Services

Protection is comprised of police service and fire protection. Police service is contracted out to the Ontario Provincial Police. The fire department is responsible for providing fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. The members of the fire department consist of volunteers.

Transportation Services

The transportation services area provides construction and maintenance of roadways throughout the Municipality.

Environmental Services

Environmental services consist of maintenance of the two waste disposal facilities located within the municipal borders.

Health Services

Health services are comprised of public health services and ambulance service. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

Social and Family Services

Social and family services are comprised of general assistance, childcare and assistance to the aged. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

Social Housing

The Municipality contributes to a local board, which provides social housing if the citizens of the Corporation of the Township of Chapple require the service.

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2017

15. Segmented Information (continued)

Recreation and Cultural Services

This service area consists of various small recreation programs. Also, the Municipality contributes to the library board of another Municipality in order to ensure a library is available to the citizens of the Municipality.

Planning and Development

This service relates to zoning issues as well as planning of various municipal maintenance projects.

The Corporation of the Township of Chapple

Notes to Financial Statements

December 31, 2017

15. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and		Recreation and Cultural Services	Planning and Development	2017 Total
						Family Services	Social Housing			
Revenue										
Taxation	\$ 181,967	\$ 150,443	\$ 458,929	\$ 87,252	\$ 111,230	\$ 31,897	\$ 58,021	\$ 38,872	\$ 93,510	\$ 1,212,121
Fees and user charges	-	-	2,175	226,225	1,330	-	-	5,970	6,139	241,839
Conditional grants	-	4,593	50,000	78,796	-	-	-	4,806	308	138,503
Unconditional grants	2,889	78	207	82	58	(2,162)	(591)	20	48	629
Municipal grants	-	13,611	-	-	-	-	-	-	-	13,611
Other	366,867	320,950	851,058	335,474	237,293	68,048	123,780	82,928	199,491	2,585,889
	551,723	489,675	1,362,369	727,829	349,911	97,783	181,210	132,596	299,496	4,192,592
Expenses										
Wages and benefits	157,091	65,965	418,712	176,659	5,906	-	-	35,582	1,301	861,216
Materials	51,896	59,878	246,356	112,769	326	-	-	10,782	11,011	493,018
Contracted services	41,581	157,294	13,183	1,205	8,968	15,475	-	-	172,524	410,230
Rents and financial	45,369	4,438	15,790	-	-	-	-	-	-	65,597
External transfers	5,270	259	-	-	172,099	11,209	79,685	23,140	5,187	296,849
Amortization	9,653	35,594	181,102	91,408	337	-	-	14,166	-	332,260
	310,860	323,428	875,143	382,041	187,636	26,684	79,685	83,670	190,023	2,459,170
Net surplus	\$ 240,863	\$ 166,247	\$ 487,226	\$ 345,788	\$ 162,275	\$ 71,099	\$ 101,525	\$ 48,926	\$ 109,473	\$ 1,733,422

The Corporation of the Township of Chapple Notes to Financial Statements

December 31, 2017

15. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Family Services	Social and Services	Social Housing	Recreation and Cultural Services	Planning and Development	2016 Total
Revenue											
Taxation	\$ 175,793	\$ 100,187	\$ 382,639	\$ 75,028	\$ 79,497	\$ 11,413	\$ 40,435	\$ 54,771	\$ 157,517	\$ 1,077,280	
Fees and user charges	-	-	2,150	177,213	3,877	-	-	-	3,295	8,580	195,115
Conditional grants	-	1,730	25,000	-	-	-	-	-	13,180	14,630	54,540
Unconditional grants	105,112	61,828	199,103	89,498	49,058	4,864	24,331	33,800	-	97,206	664,800
Municipal grants	-	13,613	-	-	-	-	-	-	-	-	13,613
Other	331,500	200,323	645,111	289,982	158,953	22,820	80,849	109,515	314,953	2,154,006	
	612,405	377,681	1,254,003	631,721	291,385	39,097	145,615	214,561	592,886	4,159,354	
Expenses											
Wages and benefits	160,025	51,955	411,570	163,464	3,630	-	-	-	32,004	731	823,379
Materials	94,496	41,867	154,561	61,265	1,052	-	-	-	82,274	5,312	440,827
Contracted services	52,662	130,925	13,867	-	8,968	13,808	-	-	-	371,489	591,719
Rent and financial	50,154	5,646	23,430	12,100	-	-	-	-	-	-	91,330
External transfers	6,389	259	-	-	158,152	(769)	-	80,858	13,103	5,187	263,179
Amortization	10,071	18,811	175,520	88,445	337	-	-	13,790	-	-	306,974
	373,797	249,463	776,948	325,274	172,139	13,039	80,858	141,171	382,719	2,517,408	
Net surplus	\$ 238,608	\$ 128,218	\$ 475,055	\$ 306,447	\$ 119,246	\$ 26,058	\$ 64,757	\$ 73,390	\$ 210,167	\$ 1,641,946	

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes, certain government grants and other revenue have been apportioned based on a percentage of budgeted expenditures.



Independent Auditor's Report

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

We have audited the accompanying financial information for the trust fund of the Corporation of the Township of Chapple, which comprise the balance sheet as at December 31, 2017, the statement of continuity for the year then ended and a summary of significant accounting policies and other explanatory information. The financial information has been prepared by management based on the basis of accounting as described in Note 1.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this financial information in accordance with the basis of accounting as described in Note 1; this includes determining that the described basis of accounting is an acceptable basis for the preparation of the financial information in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial information presents fairly, in all material respects, the balance sheet for the trust fund of the Corporation of the Township of Chapple as at December 31, 2017, and the statement of continuity for the year then ended, in accordance with the basis of accounting as described in Note 1.

Basis of Accounting and Restrictions on Use

Without modifying our opinion, we draw attention to the significant accounting policies section of the financial information which describes the basis of accounting. The financial information is prepared to assist the Corporation of the Township of Chapple to comply with the reporting requirements of the Bereavement Authority of Ontario. As a result, the financial information may not be suitable for another purpose. Our report is intended solely for the management of the Corporation of the Township of Chapple and the Bereavement Authority of Ontario and should not be used by parties other than the management of the Corporation of the Township of Chapple and the Bereavement Authority of Ontario.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
May 08, 2018

**The Corporation of the Township of Chapple
Trust Fund
Balance Sheet**

	Cemetery Perpetual Care	
December 31	2017	2016
Assets		
Cash	\$ 7,991	\$ 6,945
Investment	17,022	16,646
	\$ 25,013	\$ 23,591
Liabilities		
Balance - capital	\$ 25,013	\$ 23,591

Statement of Continuity

	Cemetery Perpetual Care	
For the year ended December 31	2017	2016
Balance, beginning of year	\$ 23,591	\$ 20,414
Receipts	1,422	3,177
Expenditures	-	-
Balance, end of year	\$ 25,013	\$ 23,591

**The Corporation of the Township of Chapple
Trust Fund
Notes to Financial Statements**

December 31, 2017

1. Summary of Significant Accounting Policies

- Management's Responsibility** The financial information of the Corporation of the Township of Chapple Trust Fund are the representation of management and have been prepared in accordance with accrual based accounting principles. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgement and review.
- Accrual Basis of Accounting** Sources of financing and expenditures are reported on the accrual basis of accounting.
- The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.
- Basis of Consolidation** This trust fund has not been consolidated with the financial statements of the Municipality.

2. Nature of Trust Fund

The Cemetery Perpetual Care Trust Fund was established in accordance with the Cemeteries Act for the care and maintenance of certain cemetery grounds.