



CORPORATION OF THE TOWN OF PENETANGUISHENE

FINANCIAL STATEMENTS

for the year ended December 31st, 1977

BALANCE SHEET

as at December 31, 1977

TOWN OF PENETANGUISHENE

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Assets

	1977 \$	1976 \$
Current assets		
Cash		96,010
Accounts receivable	367,223	171,584
Taxes receivable	161,000	122,472
Investments	110,600	900
Other current assets	1,698	8,322
	640,521	399,288
Capital outlay to be recovered in future years	1,689,793	1,056,820
Other long term assets O.H.R.P. loans	139,404	56,593
	2,469,718	1,512,701

Liabilities

Current liabilities		
Temporary loans	771,985	223,632
Accounts payable and accrued liabilities	342,375	48,748
Other current liabilities		
	1,114,360	272,380
Net long term liabilities	914,502	889,022
Reserves and reserve funds	445,547	349,425
Accumulated net revenue (deficit) and unapplied capital receipts	(4,691)	1,874
	2,469,718	1,512,701

ACCOUNTANTS STATEMENT

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

We have examined the 1977 financial statements of the Town of Penetanguishene. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Town of Penetanguishene as at December 31, 1977 and the results of its operations and changes in the financial position for the year then ended in accordance with generally accepted accounting principles for Ontario

municipalities applied after giving retroactive effect to the changes referred to in note 1 and 8 to the financial statements, on a basis consistent with that of the preceding year.

BARRIE, Ontario,

April 21, 1978.

A. J. MacLennan & Co.
Chartered Accountants.
License #792

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 1977

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED December 31, 1977

TOWN OF PENETANGUISHENE

1. Accounting policies

- a) Statement of revenue and expenditure - This statement reflects the revenues and expenditures of the revenue fund only.
- b) Statement of capital operations - This statement reflects the capital expenditure of the municipality to be recovered from the general municipal revenue of the municipality.
- c) Balance sheet - This statement reflects the assets and liabilities of the revenue fund, the capital fund and reserve funds.
- d) Fixed assets - The historical cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Instead, the "Capital outlay to be recovered in future years" which is the aggregate of the principal portion of unamortized long-term liabilities, capital funds transferred to other organizations, and the cost of capital projects not yet permanently financed is reported on the balance sheet.
- e) Municipal enterprises - Municipal enterprises are those activities whose costs are substantially recovered from service charges on the users. The enterprise of this municipality whose revenue and expenditure have not been consolidated in these financial statements is:
 - Penetanguishene Water and Light Commission
- f) Charges for net long-term liabilities - Debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the periods from the dates of the latest interest payments to the end of the financial year.

2. Capital outlay to be recovered in future years

- a) Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues, as it is to be recovered in future years from other sources:

	1977	1976
Special charges on benefitting landowners - Local Improvement Act	\$192,680	\$162,998
Section 362 of the Municipal Act - sewage treatment plant - frontage rates	400,328	353,673
Municipal enterprises	9,488	11,464
	\$602,496	\$528,135
- b) Capital outlays, including fixed assets and the transfers of capital funds in the amount of \$155,090 which have been financed from general municipal revenues of the current year, are reported on the statement of revenue and expenditure.

3. Reserve funds

During the year, \$177,855 were credited directly to reserve funds without being recorded as revenues and expenditures of the revenue fund. Major sources were:

	Revenue	Expenditure
O.H.R.P. grants and interest	\$163,188	\$ 19,855
Imposts and lot levies	2,299	-
Parkland	5,138	16,543
Land development	7,230	3,075

4. Net long-term liabilities

- a) The balance for net long-term liabilities reported on the balance sheet is made up of the following:

Total long-term liabilities incurred by the municipality including those incurred on behalf of former school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to		\$1,615,502
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of		701,000
Net long-term liabilities at end of the year		\$ 914,502

5. Accumulated net revenue (deficit) at the end of the year

- The balance in the revenue fund at the year end is available to reduce (to be added to) the levies of the following classes of ratepayers.

	1977	1976
General ratepayers	\$11,187	\$ 178
School board ratepayers	(17,186)	496
County ratepayers	1,308	1,200
	\$(4,691)	\$1,874

6. Charges for net long-term liabilities

- Total charges for the year for long-term liabilities were as follows:

	1977	1976
Principal payments	\$ 52,620	\$ 51,365
Interest	79,347	48,916
	\$131,967	\$100,281

Of the total charges shown above \$128,993 were paid from general municipal revenues of the municipality and are included in expenditure on the statement of revenue and expenditure classified under the appropriate functional headings. The remaining \$2,974 were recovered from municipal enterprises for which the related net long-term liabilities were incurred and are not reflected in the statement.

7. Liability for vested sick leave benefits

- Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to \$62,215 at the end of the year. An amount of \$17,872 has been provided for this past service liability and is reported on the balance sheet.

8. Changes in consolidation

The accumulated net revenue at the beginning of the year has been restated to give effect to the exclusion of the accumulated net revenue of local boards. The effect on the accumulated net revenue at the beginning of the year has been a decrease of \$22,836 over that reported in the 1976 Financial Report. The 1976 comparative figures in these financial statements have, accordingly, been restated.

The Anti-Inflation Act

The municipality, its local boards and commissions are by agreement between the Government of Canada and the Government of the Province of Ontario dated January 13, 1976, subject to the Anti-Inflation Act (Canada) and the national guidelines. This legislation limits increases in compensation payments effective October 14, 1975. Compensation increases paid during the corporation's second guideline year, 1977, as submitted to the board, have been approved by the board.

TOWN OF PENETANGUISHENE

	1977 Actual \$	1976 Actual \$
Accumulated net revenue as at Dec. 31, 1976	24,708	48,180
Less local boards' net accumulated revenue	22,836	19,831
Accumulated net revenue (deficit) at the beginning of the year - Note 8	178	28,349
Expenditures and transfers		
Municipal expenditures		
General government	167,618	172,128
Protection to persons and property	309,298	284,903
Transportation services	307,851	366,021
Environmental services	236,895	234,014
Health services	-	-
Social and family services	12,326	11,727
Recreation and cultural services	130,197	235,325
Planning and development	491,494	355,998
Other	-	-
Total expenditure	1,655,679	1,660,116
Transfers		
Transfers to region or county	97,258	98,610
Transfers to school boards	405,121	430,600
Total transfers	502,379	529,210
Total expenditures and transfers	2,158,058	2,189,326
Revenue by purpose		
Municipal purposes		
Taxation	683,442	695,202
Payments in lieu of taxes	7,289	38,064
Ontario grants	623,344	580,044
Other grants	251,935	260,714
Fees and service charges	27,246	55,208
Other	54,375	52,893
Revenue to pay for municipal purposes	1,647,631	1,671,125
Region or county requisition		
Taxation	68,602	69,438
Payments in lieu of taxes	3,021	3,209
Ontario grants	26,071	26,071
Other	-	-
Revenue to pay the region or county requisition	97,694	98,718
School board requisition		
Taxation	404,625	404,988
Payments in lieu of taxes	7,930	7,900
Other	-	-
Revenue to pay the school board requisition	412,555	412,918
Total revenue	2,157,880	2,182,761
Accumulated net revenue (deficit) at the end of the year	Nil	(4,691)
Analysed as follows:		
General revenue	11,187	178
Region or county	1,308	1,300
School boards	(17,186)	496
Special charges	-	-
Special areas	-	-
Local boards	-	-
Municipal enterprises	-	-
	Nil	(4,691)