

TOWNSHIP OF TERRACE BAY CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1983

Auditors' Report

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

We have examined the consolidated balance sheet of the Corporation of the Township of Terrace Bay as at December 31, 1983 and the consolidated statement of operations for the year then ended. 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 consolidated financial statements present fairly the financial position of the Corporation of the Township of Terrace Bay as at December 31, 1983 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario Municipalities applied, after giving retroactive effect to the changes in accounting policies as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Thorne Riddell

Thunder Bay, Canada
April 19, 1984

Thorne Riddell
Chartered Accountants
Licence No. 678

Consolidated Statement of Operations continued

	Budget 1983	Actual 1983	Actual 1982
Capital			
General government	3,000	2,400	7,914
Protection to persons and property	11,800	2,974	13,097
Transportation services	56,000	104,972	120,601
Environmental services	71,000	47,178	7,727
Health services	2,000	350	14,328
Recreation and cultural services	96,575	112,638	134,727
	<u>240,375</u>	<u>270,512</u>	<u>298,394</u>
Net appropriations to reserves and reserve funds	92,975	109,907	230,258
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR (note 8)			
To be used to offset taxation or user charges	93,289	99,035	3,921
Unapplied capital receipts		93,289	102,956
		<u>93,289</u>	<u>102,956</u>
Total applications during the year	<u>\$1,995,723</u>	<u>\$2,138,061</u>	<u>\$2,137,111</u>

Mill Rates

General Municipal
Separate School
Public School
High School

	1982	1983	1982	1983	1982	1983	1982	1983
Residential	27.789 *	24.856	14.900	15.799	15.737	17.630	13.694	14.959
Commercial	32.693 *	29.253	17.529	18.589	18.514	20.741	16.111	17.600

* in urban service area

Consolidated Balance Sheet

As At December 31, 1983

	1983	1982
ASSETS		
Unrestricted	384,316	324,517
Cash	105,685	74,299
Taxes receivable	105,685	74,299
Accounts receivable	62,579	60,896
	<u>552,580</u>	<u>459,712</u>
Less payable to reserve funds	215,326	159,551
	<u>337,254</u>	<u>300,161</u>
Restricted		
Cash	95,054	40,922
Add receivable from revenue fund	215,326	159,551
	<u>310,380</u>	<u>200,473</u>
	<u>\$647,634</u>	<u>\$500,634</u>
LIABILITIES		\$ 1,801
Temporary loans		
Accounts payable and accrued liabilities	\$ 92,649	44,200
Other current liabilities	1,316	1,204
	<u>93,965</u>	<u>47,205</u>
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in 1984	93,289	99,035
Unapplied capital receipts		3,921
Reserves (note 9)	150,000	150,000
Reserve funds (note 9)	310,380	200,473
	<u>\$647,634</u>	<u>\$500,634</u>

Consolidated Statement of Operations

Year Ended December 31, 1983

	Budget 1983	Actual 1983	Actual 1982
SOURCES OF FINANCING			
Taxation and user charges			
Residential and farm taxation	\$ 534,489	\$ 535,538	\$ 502,734
Commercial, industrial and business taxation	1,909,534	1,909,539	1,791,772
Taxation from other governments	53,625	43,674	46,716
User charges	186,510	237,236	185,390
Deduct amounts received or receivable for school boards	(1,382,755)	(1,384,666)	(1,252,304)
	<u>1,301,403</u>	<u>1,341,321</u>	<u>1,274,308</u>
Grants			
Government of Canada	7,650	15,299	
Province of Ontario	540,610	576,234	574,136
Other municipalities	16,000	16,440	14,828
	<u>564,260</u>	<u>607,973</u>	<u>588,964</u>
Other			
Investment income	20,000	53,535	66,558
Penalty and interest on taxes	7,500	11,764	9,595
Sales of equipment, etc.	2,000	15,020	4,679
Other	1,525	5,492	646
	<u>31,025</u>	<u>85,811</u>	<u>81,478</u>
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR			
To be used to offset taxation or user charges	99,035	99,035	188,440
Unapplied capital receipts		3,921	3,921
Total financing available during the year	<u>\$1,995,723</u>	<u>\$2,138,061</u>	<u>\$2,137,111</u>

	Budget 1983	Actual 1983	Actual 1982
APPLIED TO			
Current operations			
General government	\$ 219,353	\$ 239,518	\$ 173,362
Protection to persons and property	365,307	362,397	345,433
Transportation services	439,260	368,294	405,351
Environmental services	91,150	105,274	80,947
Health services	21,643	18,130	10,092
Social and family services	62,875	59,298	52,376
Recreation and cultural services	457,085	451,263	414,677
Planning and development	5,700	60,179	23,265
	<u>1,662,373</u>	<u>1,664,353</u>	<u>1,505,503</u>

Notes to Financial Statements

Year ended December 31, 1983

1. ACCOUNTING POLICIES

a) Basis of consolidation
i) Consolidated balance sheet
This statement reflects the assets and liabilities of the revenue fund, reserve funds and the capital fund and includes the activities of all committees of Council and the following local boards which are under the control of Council:
Public Library Board
Recreation Committee
ii) Consolidated statement of operations
This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds, and the capital fund of the municipality and those local boards described in note 1 (a) (i).
iii) Non-consolidated entity
The accounts of the Hydro-Electric Utility have not been consolidated and the Consolidated Balance Sheet does not reflect the assets or liabilities of this utility except to the extent of amounts due to or from the utility. The Consolidated Statement of Operations does not reflect any of the revenues and expenditures of this utility.
iv) The expenditures, assets and liabilities with respect to the operations of the school boards, are not reflected in these financial statements except to the extent that overlevies are reported on the consolidated Balance Sheet as other current liabilities.
v) Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the trust funds statement of continuity and balance sheet.

b) Basis of accounting

i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.
ii) 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.
iii) Capital outlay to be recovered in future years
The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Since there are not net outstanding long term liabilities or capital projects not yet permanently financed, no amounts are reported on the Consolidated Balance Sheet as capital outlay to be recovered in future years.

2 CHANGES IN ACCOUNTING POLICIES

Effective January 1, 1983, Ontario municipalities and their local boards must follow the accounting principles outlined in the Municipal Financial Reporting Handbook. The new Handbook substantially revised many of the accounting and reporting requirements applicable to Ontario municipalities for the fiscal year 1983. The 1982 figures presented for comparative purposes have been restated, where determinable to conform with the new presentation in 1983. The following summary outlines the more significant changes applicable to this municipality.

i) Previously assets were not segregated between restricted and unrestricted. For 1983 the assets of reserve funds are now reported as restricted assets.
ii) The overlevies for school boards, which had previously been recorded as fund balances at the end of the year on the Consolidated Balance Sheet, are now reported as other current liabilities.

By applying the above changes retroactively, the effect on the Consolidated Statement of Operations has been a decrease of \$112 in the net change in municipal fund balances for 1983. The retroactive effect on the fund balances on the Consolidated Balance Sheet as at December 31, 1982 has been reflected in the 1982 comparative figures and is summarized below.

To be used to offset taxation or user charges.	\$100,239
As previously reported	
Decrease due to change in accounting policy with respect to underlevy for	
	1,204
As restated	<u>\$ 99,035</u>

3. OPERATIONS OF SCHOOL BOARDS

The taxation, other revenues, and overlevies (underlevies) for the school boards are comprised of the following:

	1983	1982
Taxation	\$1,383,351	\$1,251,106
Grants in lieu of taxes	1,314	1,198
	<u>1,384,665</u>	<u>1,252,304</u>
Requisitions	1,383,958	1,259,876
Supplementary taxation	595	15,246
	<u>1,384,553</u>	<u>1,275,122</u>
Overlevies (underlevies) for the year	112	(22,818)
Overlevies at the beginning of the year	1,204	24,022
Overlevies at the end of the year	<u>\$ 1,316</u>	<u>\$ 1,204</u>

The overlevies at the end of the year are reported as other current liabilities on the Consolidated Balance Sheet.