

The Corporation of the Township of Sioux Narrows-Nestor Falls
Consolidated Financial Statements
December 31, 2017

The Corporation of the Township of Sioux Narrows-Nestor Falls
Contents

For the year ended December 31, 2017

Page

Management's Responsibility

Independent Auditors' Report

Consolidated Financial Statements

Consolidated Statement of Financial Position 1

Consolidated Statement of Operations and Accumulated Surplus..... 2

Consolidated Statement of Change in Net Financial Assets 3

Consolidated Statement of Cash Flows..... 4

Notes to the Consolidated Financial Statements 5

Schedule

Schedule of Segment Disclosure..... 15



Township of Sioux Narrows - Nestor Falls

P.O. BOX 417
SIOUX NARROWS, ONTARIO
POX 1N0

Phone (807) 226 - 5241
FAX (807) 226 - 5712
www.livethelakelife.ca

Management's Responsibility

The accompanying Consolidated Financial Statements are the responsibility of the management of The Corporation of the Township of Sioux Narrows-Nestor Falls. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These consolidated financial statements have been prepared by management within the reasonable limits of materiality and within the framework of Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of CPA Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Management meets periodically with the Township's external auditors to approve the scope and timing of their audit, to review their findings and to satisfy itself that their responsibilities have been properly discharged.

MNP LLP, as the Township's appointed external auditors, have audited the Consolidated Financial Statements. The external auditors have full and free access to management and Council. The Independent Auditors' Report is dated April 3, 2018 and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatements and present fairly the financial position and results of operations of the Township in accordance with Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of CPA Canada.

April 3, 2018



Wanda Kabel, Chief Administrative Officer



Live the Lake Life

Independent Auditors' Report



To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Sioux Narrows-Nestor Falls:

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Sioux Narrows-Nestor Falls, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Sioux Narrows-Nestor Falls as at December 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kenora, Ontario

April 3, 2018

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

The Corporation of the Township of Sioux Narrows-Nestor Falls
Consolidated Statement of Financial Position

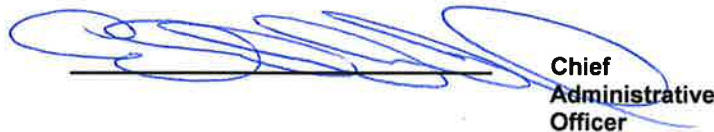
As at December 31, 2017

	2017	2016
Financial assets		
Current		
Cash and cash equivalents	998,650	888,029
Trade and other receivables (Note 3)	148,406	209,351
Taxes receivable	246,446	329,029
Subtotal of current assets	1,393,502	1,426,409
Investments (Note 4)	2,029,685	1,986,698
Total financial assets	3,423,187	3,413,107
Liabilities		
Current		
Accounts payable and accruals (Note 6)	190,490	265,107
Deferred revenue (Note 8)	296,382	312,425
Due to trust funds	950	-
Subtotal of current liabilities	487,822	577,532
Landfill closure and post closure liabilities (Note 9)	146,739	138,110
Total financial liabilities	634,561	715,642
Net financial assets	2,788,626	2,697,465
Contingencies (Note 10)		
Non-financial assets		
Tangible capital assets (Note 11)	8,526,157	8,551,982
Prepaid expenses	1,221	8,716
Total non-financial assets	8,527,378	8,560,698
Accumulated surplus (Note 12)	11,316,004	11,258,163

Approved on behalf of the Municipality



Mayor



Chief
Administrative
Officer

The Corporation of the Township of Sioux Narrows-Nestor Falls
Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2017

	2017 Budget (Note 17)	2017	2016
Revenue			
Taxation	2,369,534	2,371,357	2,398,512
Fees and user charges	254,250	273,896	293,750
Ontario grants	1,047,806	974,188	968,636
Canada grants	225,000	112,487	170,043
Other income (Note 13)	305,962	330,245	343,820
Total revenues	4,202,552	4,062,173	4,174,761
Expenses			
General government	691,785	711,471	698,441
Protection services	669,915	684,786	594,853
Transportation services	196,950	255,748	209,267
Environmental services	161,600	137,114	157,685
Health services	403,956	380,424	416,766
Social and family services	767,234	766,669	791,076
Recreation and cultural services	531,479	609,930	511,389
Planning and development	429,305	458,190	403,646
Total expenses	3,852,224	4,004,332	3,783,123
Annual surplus	350,328	57,841	391,638
Accumulated surplus, beginning of year	11,258,163	11,258,163	10,866,525
Accumulated surplus, end of year	11,608,491	11,316,004	11,258,163

The accompanying notes are an integral part of these financial statements

The Corporation of the Township of Sioux Narrows-Nestor Falls
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2017

	2017 Budget (Note 17)	2017	2016
Annual surplus	350,238	57,841	391,638
Purchases of tangible capital assets	(897,000)	(408,289)	(504,748)
Amortization of tangible capital assets	396,000	415,837	388,038
Proceeds of disposal of tangible capital assets	-	18,277	-
Use of prepaid expenses	-	7,495	1,824
Decrease in net financial assets	(150,762)	91,161	276,752
Net financial assets, beginning of year	2,697,465	2,697,465	2,420,713
Net financial assets, end of year	2,546,703	2,788,626	2,697,465

The accompanying notes are an integral part of these financial statements

The Corporation of the Township of Sioux Narrows-Nestor Falls
Consolidated Statement of Cash Flows

For the year ended December 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	57,841	391,638
Non-cash items		
Amortization	415,837	388,038
	473,678	779,676
Changes in working capital accounts		
Trade and other receivables	60,945	(45,820)
Taxes receivable	82,583	109,506
Prepaid expenses	7,495	1,824
Accounts payable and accruals	(74,617)	90,467
Deferred revenue	(16,043)	(38,077)
Due to trust funds	950	(250)
Landfill closure and post closure liabilities	8,629	8,633
	543,620	905,959
Capital activities		
Purchases of tangible capital assets	(408,289)	(504,748)
Net change in investments	(42,987)	(532,494)
Proceeds of disposal of tangible capital assets	18,277	-
	(432,999)	(1,037,242)
Increase (decrease) in cash resources	110,621	(131,283)
Cash resources, beginning of year	888,029	1,019,312
Cash resources, end of year	998,650	888,029
Cash resources are composed of:		
Cash and cash equivalents	998,650	888,029
Supplementary cash flow information		
Income from investments	49,680	48,341

The accompanying notes are an integral part of these financial statements

The Corporation of the Township of Sioux Narrows-Nestor Falls

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

1. Municipal Status

The Corporation of the Township of Sioux Narrows-Nestor Falls (the "Township") was created on January 1, 2000 when the two municipalities of Sioux Narrows and Nestor Falls were amalgamated into a single legal entity under a new name. The Township operates as a lower tier government in the Province of Ontario. Sioux Narrows-Nestor Falls provides municipal services such as volunteer fire protection, urban planning, recreation and cultural services, and other general government services.

2. Significant Accounting Policies

The consolidated financial statements of the Township are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of CPA Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements. However, because of the inherent uncertainty in making estimates, actual results could differ from those estimates.

The focus of PSAB financial statements is on the financial position of the Township and the changes thereto and emphasizes those assets which could provide resources to discharge existing liabilities or finance future operations. This provides information about the Township's overall future revenue requirements and its ability to finance activities and meet its obligations. The following is a summary of the significant accounting policies followed in the preparation of these financial statements.

Reporting Entity

Basis of Consolidation

These consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenses, reserve funds and reserves, changes in investment in tangible capital assets and cash flows and include the activities of all government functions controlled and exercised by the Township and the following board which is under the control of Council:

- Sioux Narrows Library Board

All interfund transfers have been eliminated.

Accounting for Region and School Board Transactions

The Township is required by provincial law to bill, collect and remit provincial education support levies in respect of residential and other properties on behalf of the Province. The Township has no jurisdiction or control over the school boards' operations or education mill rate changes. Therefore, the taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated statements.

Trust Funds

Trust funds and their related operations administered by the Township are not consolidated, but are reported on separately on the "Trust Funds Statement of Financial Position and Statement of Continuity" (see also Note 16).

The Corporation of the Township of Sioux Narrows-Nestor Falls

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

2. Significant accounting policies *(Continued from previous page)*

Basis of Accounting

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

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

Measurement Uncertainty

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end. Landfill closure and post closure liabilities are based on the estimated remaining lives of the landfill sites.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand, cash held in financial institutions and temporary investments with maturities of six months or less.

Deferred Revenue

Government transfers, contributions and other amounts 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 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 assets are acquired.

Investments

Investment income is reported as revenue in the period earned. Investments consist of guaranteed investment certificates, and are recorded at the lower of cost and market value.

Non-financial Assets

Non-financial assets are not normally 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 consolidated change in net financial assets for the year.

Employee Future Benefits

The Organization accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Contributions are expensed as incurred.

The Corporation of the Township of Sioux Narrows-Nestor Falls

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

2. Significant accounting policies (Continued from previous page)

Tangible Capital Assets

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

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Land improvements	straight-line	15 to 50 years
Buildings	straight-line	40 to 50 years
Computer hardware	straight-line	5 years
Docks	straight-line	30 years
Furnishings and equipment	straight-line	8 to 10 years
Library collection	straight-line	15 years
Machinery and equipment	straight-line	5 to 15 years
Roads	straight-line	25 to 35 years
Sewage lagoon	straight-line	50 years
Signage	straight-line	10 to 20 years
Solar arrays	straight-line	40 years
Street lighting	straight-line	30 years
Specialty and fire trucks	straight-line	9 to 20 years
Unlicensed mobile Vehicles	straight-line	15 years 5 years

The full amount of annual amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Contributions of Tangible Capital Assets

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

Interest Capitalization

The Township does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Prepaid Expenses

Prepaid expenses relate to costs incurred in the current period which relate to and will be expensed in a future fiscal period.

The Corporation of the Township of Sioux Narrows-Nestor Falls
Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

2. Significant accounting policies *(Continued from previous page)*

Revenue Recognition

Government Transfers

Government transfers are the transfer of assets from the senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or are not the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

Tax Revenue

Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.

Fees and User Charges

Fees and user charges are recognized on a monthly basis as services are provided.

Other Revenues

Other revenues are recorded when collected or when collection is reasonable assured.

Grant Revenue

Grants for the acquisition of tangible capital assets are recognized in the period in which the eligible expenditures are made.

3. Trade and Other Receivables

	2017	2016
Accrued interest	17,640	12,566
Government of Canada	35,093	54,984
HST receivable	45,311	42,423
Province of Ontario	34,729	74,777
Other	15,633	24,601
	148,406	209,351

4. Investments

	2017	2016
Term deposit, maturing October 9, 2018, interest paid annually at 2.1%	655,885	642,394
Term deposit, maturing October 9, 2019, interest paid annually at 2.25%	215,825	211,076
Term deposit, maturing October 9, 2019, interest paid annually at 2.25%	215,825	211,076
Term deposit, maturing October 9, 2019, interest paid annually at 2.25%	215,825	211,076
Term deposit, maturing July 4, 2018, interest paid annually at 2.1%	510,500	500,000
	2,029,685	1,986,698

The Corporation of the Township of Sioux Narrows-Nestor Falls

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

5. Bank Indebtedness

The Township has available a \$1,400,000 demand operating line with no specific terms of repayment. Interest is calculated and payable monthly at prime plus 1%. The loan is secured by a general security agreement and an assignment of term deposits.

6. Accounts Payable and Accruals

	2017	2016
HST payable	27,047	17,120
Other	111,151	235,825
Province of Ontario	43,569	4,572
Receiver General for payroll deductions	8,723	7,590
	190,490	265,107

7. Defined Benefit Pension Plan

The municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is 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 pension to be received by the employees based on length of service and rates of pay. Employee contributions are matched by the Township. The amount contributed to OMERS for 2017 was \$30,370 (2016 - \$71,990). This includes \$nil (2016 - \$41,363) to buy back past service. For employees who have a normal retirement age of 65, contributions are 9% of employee salaries up to \$55,300 and 14.6% thereafter.

The actuarial valuation of OMERS at December 31, 2017 indicated a surplus of \$605 million (2016 - deficit of \$2,341 million) based on the fair market value of the Plan's assets and liabilities. Because OMERS is a multi-employer pension plan, any pension surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension deficit.

8. Deferred Revenue

	2017	2016
Revenue		
Gas tax funding	44,556	43,781
Investment income	4,976	3,715
Miscellaneous income	17,728	26,653
	67,260	74,149
Deferred revenue recognized	(83,303)	(112,226)
Change in deferred revenue	(16,043)	(38,077)
Deferred revenue, beginning of year	312,425	350,502
Deferred revenue, end of year	296,382	312,425
Represented as follows:		
Development charges	45,725	45,429
Gas tax funding	200,820	226,586
Miscellaneous funding	49,837	40,410
	296,382	312,425

The Corporation of the Township of Sioux Narrows-Nestor Falls

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

9. Landfill Closure and Post Closure Liabilities

The Ontario Environmental Protection Act sets out the regulatory requirements for the closure and maintenance of landfill sites. Under this Act, the Township is required to provide for closure and post-closure care of solid waste landfill sites. The costs related to these obligations are provided over the estimated remaining life of active landfill sites based on usage.

The estimated remaining life of the Nestor Falls landfill site is 25 years. The estimated remaining life of the Sioux Narrows landfill site is not determinable at this time because the Environmental Compliance Approval does not contain a capacity limit. Closure for the sites will involve covering the sites with a clay cap, topsoil and vegetation and implementing drainage control. Post-closure activities are likely to occur for a minimum of 25 years, with a revised post-closure plan and environmental monitoring program prepared after closure that will involve surface and ground water monitoring, ongoing maintenance of the drainage systems and final cover.

The estimated liability for the care of landfill sites is the present value of future cash flows associated with closure and post-closure costs. The present value of the total expenses has been estimated using 3.5% annual inflation and an assumed constant interest rate of 6%.

The 2016 Design, Operations and Closure Plans do not quantify the amounts of the post closure costs. The Township is continuing to follow the estimates from a 2003 study. These amounts are \$152,555 for the Nestor Falls landfill site and \$96,147 for the Sioux Narrows site, for a total of \$248,702. As at December 31, 2017, \$146,739 (2016 - \$138,110) had been recognized as a liability. This liability will be adjusted as more information becomes available.

In order to help reduce the future impact of these obligations, the Township has established a reserve fund for the care of these sites. The balance in the post closure reserve fund as at December 31, 2017 was \$654,539 (2016 - \$641,295).

10. Contingencies

The Corporation of the Township of Sioux Narrows-Nestor Falls' pro-rata share of the cumulative operating deficit of the District of Kenora Home for the Aged is not available for 2017 (2016 - \$28,365). The Home's management expects to recover this deficit from projected future operating surpluses. A billing to municipalities for their respective share of the deficit is not anticipated.

The Corporation of the Township of Sioux Narrows-Nestor Falls
Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

11. Tangible Capital Assets

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2017 Net book value</i>
Land	1,529,477	-	-	-	1,529,477
Land improvements	2,038,517	-	-	670,281	1,368,236
Buildings	5,843,792	-	-	2,283,820	3,559,972
Computer hardware	78,476	-	54,462	13,593	10,421
Docks	361,011	-	-	70,210	290,801
Furnishings and equipment	250,452	-	-	166,563	83,889
Library collection	151,074	9,320	70,380	23,707	66,307
Licensed vehicles	954,167	11,301	61,800	619,280	284,388
Machinery and equipment	916,279	172,005	62,625	591,869	433,790
Roads	711,231	-	-	601,801	109,430
Sewage lagoon	168,900	-	-	42,900	126,000
Signage	85,309	174,830	-	39,883	220,256
Solar arrays	292,180	-	-	51,132	241,048
Street lighting	26,200	-	-	17,030	9,170
Unlicensed mobile	272,404	13,229	-	150,003	135,630
Work in progress	39,151	27,604	9,413	-	57,342
	13,718,620	408,289	258,680	5,342,072	8,526,157

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2016 Net book value</i>
Land	1,467,862	61,615	-	-	1,529,477
Land improvements	1,999,492	39,025	-	604,482	1,434,035
Buildings	5,800,787	43,006	-	2,131,360	3,712,433
Computer hardware	78,476	-	-	63,252	15,224
Docks	217,037	143,974	-	58,225	302,786
Furnishings and equipment	250,452	-	-	150,131	100,321
Library collection	138,970	12,103	-	88,707	62,366
Licensed vehicles	837,315	116,852	-	611,469	342,698
Machinery and equipment	887,368	28,911	-	599,826	316,453
Roads	711,231	-	-	596,171	115,060
Sewage lagoon	168,900	-	-	39,540	129,360
Signage	85,309	-	-	26,877	58,432
Solar arrays	292,180	-	-	43,827	248,353
Street lighting	26,200	-	-	16,157	10,043
Unlicensed mobile	252,293	20,111	-	136,614	135,790
Work in progress	-	39,151	-	-	39,151
	13,213,872	504,748	-	5,166,638	8,551,982

Amortization expense for the year amounts to \$415,837 (2016 - \$388,038).

The Corporation of the Township of Sioux Narrows-Nestor Falls
Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

12. Accumulated Surplus

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

	2017	2016
Surplus		
Invested in tangible capital assets	8,526,157	8,551,982
General funds	1,066,157	962,422
Total Surplus	9,592,314	9,514,404
Reserves		
Administration	34,471	34,471
Transportation	5,000	5,000
Recreational programs and facilities	4,000	4,000
Transportation/environment	1,000	1,000
Drying bed	500	500
Cemetery	580	580
Total Reserves	45,551	45,551
Reserve Funds		
General government	186,283	236,538
Fire protection	226,036	221,462
Transportation	120,135	117,705
Planning and development	216,164	211,790
Recreation programs and facilities	244,229	239,287
Environmental services	30,753	30,131
Post closure	654,539	641,295
Total Reserve Funds	1,678,139	1,698,208
Accumulated Surplus	11,316,004	11,258,163

13. Other Income

	2017 Budget	2017	2016
Penalties and interest on taxation	60,000	51,984	59,738
Investment income	-	49,680	48,341
Rents, concessions and franchises	58,475	55,929	54,403
Sales	43,000	62,907	60,640
Donations	18,022	6,362	10,607
Other	114,965	71,467	92,994
Licences and permits	11,500	31,916	17,097
	305,962	330,245	343,820

The Corporation of the Township of Sioux Narrows-Nestor Falls
Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

14. Operations of School Boards

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

	2017	2016
	782,516	836,765

15. Expenditures by Object

Total operating expenditures for the year reported on the consolidated statement of operations are as follows:

	2017	2016
Salaries, wages and employee benefits	770,837	809,895
Materials	1,070,956	895,870
Contracted services	650,134	575,806
Rents and financial expenses	29,798	30,855
Contributions to other organizations	1,066,770	1,082,659
Amortization	415,837	388,038
	4,004,332	3,783,123

16. Trust Funds

The trust funds administered by the municipality have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations and accumulated surplus. At December 31, 2017, the trust fund balances are as follows:

	2017	2016
Cemetery Care and Maintenance Funds	23,697	22,555

17. Budget Information

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget expensed all tangible capital expenses. As a result, the budget figures presented in the consolidated statement of operations and the consolidated statement of change in net financial assets represent the budget adopted by Council on May 1, 2017 with adjustments as follows.

	2017	2016
Add capital expenditures	897,000	792,102
Less amortization	(396,000)	(375,000)
Less transfers from reserve funds	(150,762)	-
	350,238	417,102

The Corporation of the Township of Sioux Narrows-Nestor Falls

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

18. Reporting by Business Segment

The consolidated financial statements provide a summary of the revenues and expenses for all of the services provided to the residents and businesses in the Township of Sioux Narrows -Nestor Falls as defined in the reporting entity (Note 2).

Expenses are reported by the following functions and services:

- General government: Office of the Mayor and Council, corporate administration including facilities
- Protection services: police, fire, bylaw enforcement
- Transportation services: roads, summer and winter maintenance
- Environmental services: waste management, diversion and disposal
- Health services: public health, cemeteries and ambulance
- Social and family services: general assistance, homes for the aged, services to aged persons, child care services
- Recreation and cultural services: parks, recreation facilities, recreation programs, golf course, libraries, tourism
- Planning and development: planning, commercial and industrial development, residential development, zoning, community development and marketing

The Corporation of the Township of Sioux Narrows-Nestor Falls
Schedule of Segment Disclosure
For the Year Ended December 31, 2017

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2017 Total
Revenue									
Taxation	\$ 421,332	\$ 405,529	\$ 151,453	\$ 81,199	\$ 225,286	\$ 454,020	\$ 361,199	\$ 271,339	\$ 2,371,357
Fees and user charges	-	-	-	10,634	1,000	-	249,508	12,754	273,896
Government grants	173,893	185,870	119,535	34,083	122,684	133,505	146,012	171,093	1,086,675
Other income	16,898	74,797	17,707	9,290	65,292	18,810	56,930	70,521	330,245
	612,123	666,196	288,695	135,206	414,262	606,335	813,649	525,707	4,062,173
Expense									
Salaries, wages and benefits	282,787	91,229	-	38,238	36,606	-	196,746	125,231	770,837
Materials	206,455	70,530	200,032	79,810	15,201	7,174	301,415	190,339	1,070,956
Contracted services	133,677	442,332	-	3,829	-	-	32,966	37,330	650,134
Rents and financial expenses	26,732	-	1,750	-	-	-	1,316	-	29,798
Contributions to other organizations	-	-	-	-	312,633	754,137	-	-	1,066,770
Amortization	61,820	80,695	53,966	15,237	15,984	5,358	77,487	105,290	415,837
	711,471	684,786	255,748	137,114	380,424	766,669	609,930	458,190	4,004,332
Net surplus/(deficit)	\$ (99,348)	\$ (18,590)	\$ 32,947	\$ (1,908)	\$ 33,838	\$ (160,334)	\$ 203,719	\$ 67,517	\$ 57,841

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2016 Total
Revenue									
Taxation	\$ 442,815	\$ 377,139	\$ 132,675	\$ 99,973	\$ 264,231	\$ 501,545	\$ 324,222	\$ 255,912	\$ 2,398,512
Fees and user charges	-	-	-	24,980	550	-	260,407	7,813	293,750
Government grants	157,705	192,793	39,761	34,482	131,604	150,306	223,123	208,905	1,138,679
Other income	24,967	53,083	8,355	9,839	68,233	24,396	73,423	81,524	343,820
	625,487	623,015	180,791	169,274	464,618	676,247	881,175	554,154	4,174,761
Expense									
Salaries, wages and benefits	273,745	95,970	-	57,891	65,776	-	194,060	122,453	809,895
Materials	200,193	60,960	157,639	76,751	27,527	10,146	201,848	160,806	895,870
Contracted services	134,019	376,740	-	8,540	-	-	30,207	26,300	575,806
Rents and financial expenses	27,947	-	1,750	-	-	-	1,158	-	30,855
Contributions to other organizations	-	-	-	-	307,087	775,572	-	-	1,082,659
Amortization	62,537	61,183	49,878	14,503	16,376	5,358	84,116	94,087	388,038
	698,441	594,853	209,267	157,685	416,766	791,076	511,389	403,646	3,783,123
Net surplus/(deficit)	\$ (72,954)	\$ 28,162	\$ (28,476)	\$ 11,589	\$ 47,852	\$ (114,829)	\$ 369,786	\$ 150,508	\$ 391,638

For each reported segment, revenue and expenses 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 interest income have been apportioned based on a percentage of actual expenses.