

CORPORATION OF THE CITY OF TIMMINS
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

CORPORATION OF THE CITY OF TIMMINS

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CORPORATION OF THE CITY OF TIMMINS

(PROVINCE OF ONTARIO)

CITY COUNCIL

MAYOR

G. Pirie (from December 2018)
S. Black (to December 2018)

COUNCILLORS

Ward 1 - R. Whissell (from December 2018)
- V. Farrell (to December 2018)
Ward 2 - M. Auger (from December 2018)
- W. Wawrzaszek (to December 2018)
Ward 3 - J. Campbell
Ward 4 - J. P. Curley (from December 2018)
- P. Bamford (to December 2018)

Ward 5 - M. Boileau (from December 2018)
- K. Murray (from December 2018)
- A. Marks
- N. Rinaldo
- M. Doody (to December 2018)
- R. Dubeau (to December 2018)

OFFICERS

Chief Administrative Officer
City Clerk
Director of Finance and Treasurer

Fire Chief

Police Chief
Director of Public Works & Engineering
Director of Development, Maintenance & Transit Services

D. Landers
S. Palmateer, AMCT
J. Howie, CPA, CGA (to April 2018)
N. Moore, CPA, CA (from April 2018)
N. Beauchamp (to April 2019)
Tom Laughren (from April 2019)
J. Gauthier
P. Seguin (from August 2018)
M. Jensen

AUDITORS

MNP LLP, Chartered Professional Accountants, Licensed Public Accountants

BANKERS

The Bank of Nova Scotia

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL REPORTING

To the Inhabitants and Ratepayers of The Corporation of the City of Timmins

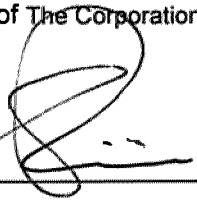
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

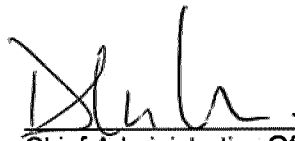
Council and the audit committee are composed primarily of councillors who are neither management nor employees of the municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the municipality's external auditors.

MNP LLP is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the committee and management to discuss their audit findings.

On behalf of The Corporation of the City of Timmins:



Mayor



Chief Administrative Officer

Date: October 8, 2019

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Inhabitants and Ratepayers of Corporation of the City of Timmins.

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Timmins, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary significant accounting policies.

In our opinion, these accompanying consolidated financial statements present fairly, in all material respects, the financial position of Municipality as at December 31, 2018, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Timmins, Ontario
October 8, 2019

MNP LLP

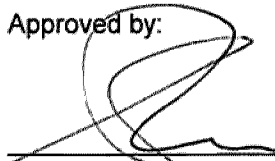
MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

MNP
LLP


CORPORATION OF THE CITY OF TIMMINS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 19,999,848	\$ 25,595,444
Accounts receivable	16,229,558	8,937,253
Loan receivable (Note 5)	7,099,869	7,382,489
Taxes receivable (Note 6)	8,109,861	7,354,201
Other	16,265	19,614
TOTAL FINANCIAL ASSETS	51,455,401	49,289,001
LIABILITIES		
Post employment benefits (Note 9)	14,593,835	13,812,510
Accounts payable and accrued liabilities (Note 10)	22,439,043	21,872,007
Landfill closure and post-closure liability (Note 19)	3,416,970	-
Deferred revenue - general	425,967	474,813
Deferred revenue - obligatory reserve fund (Note 11)	3,825,934	1,410,527
Long-term liabilities (Note 12)	50,795,158	52,948,875
TOTAL LIABILITIES	95,496,907	90,518,732
NET DEBT	(44,041,506)	(41,229,731)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule D)	313,827,319	299,847,305
Inventory for own consumption	1,258,080	1,455,782
Prepaid expenditures	389,907	768,175
	315,475,306	302,071,262
ACCUMULATED SURPLUS (Schedule A)	\$ 271,433,800	\$ 260,841,531

Approved by:



 Mayor



 Councillor

See accompanying notes.

CORPORATION OF THE CITY OF TIMMINS**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS****YEARS ENDED DECEMBER 31**

	BUDGET	2018	2017
REVENUES			
TAXATION AND USER CHARGES			
Residential and farm taxation	\$ 51,246,375	\$ 51,283,791	\$ 50,090,638
Commercial and industrial taxation	21,801,678	20,786,523	15,835,835
Taxation from other governments	323,470	1,438,635	1,452,738
User charges and sale of goods	39,972,268	41,185,900	42,375,580
	113,343,791	114,694,849	109,754,791
GRANTS AND OTHER			
Government transfers for operating (Note 22)			
Provincial	22,844,891	23,344,798	22,355,570
Federal	118,600	152,686	201,001
Investment income	215,000	732,685	384,151
Penalties and interest on taxes	750,000	1,052,174	837,379
Licences and permits	950,000	1,177,999	907,676
Gain on sale of land	-	954,957	212,497
Other	3,836,800	2,758,778	2,484,031
TOTAL REVENUE	142,059,082	144,868,926	137,137,096
EXPENDITURES			
General government	10,867,546	9,244,723	8,960,907
Protection to persons and property	28,412,842	26,242,448	25,997,192
Transportation services	30,445,928	28,444,230	29,850,326
Environmental services	27,915,287	31,696,650	27,791,327
Health services	6,354,585	7,782,178	7,650,117
Social and family services	22,712,440	23,065,949	21,181,237
Recreation and cultural services	9,946,330	10,729,279	9,397,328
Planning and development	9,835,174	9,204,054	9,456,833
TOTAL EXPENDITURES	146,490,132	146,409,511	140,285,267
ANNUAL SURPLUS (DEFICIT) - BEFORE OTHER	(4,431,050)	(1,540,585)	(3,148,171)
OTHER			
Government transfers for capital			
Provincial	6,461,712	8,376,560	538,889
Federal	2,667,150	3,756,294	4,398,900
ANNUAL SURPLUS	4,697,812	10,592,269	1,789,618
ACCUMULATED SURPLUS, BEGINNING OF YEAR		260,841,531	259,051,913
ACCUMULATED SURPLUS, END OF YEAR (Schedule A)		\$ 271,433,800	\$ 260,841,531

See accompanying notes.

CORPORATION OF THE CITY OF TIMMINS

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEARS ENDED DECEMBER 31

		2018	2017
ANNUAL SURPLUS	\$ 4,697,812	\$ 10,592,269	\$ 1,789,618
Acquisition of tangible capital assets	-	(31,035,664)	(18,270,517)
Amortization of tangible capital assets	16,829,114	16,829,114	16,513,208
Loss on sale of tangible capital assets	-	(38,407)	(97,242)
Proceeds on disposal of tangible capital assets	-	78,937	105,342
Net adjustments and write offs of capital assets	-	186,010	53,616
	16,829,114	(13,980,010)	(1,695,593)
Utilization (acquisition) of inventory	-	197,702	(180,086)
Acquisition of prepaid assets	-	378,264	238,211
	-	575,966	58,125
CHANGE IN NET DEBT	21,526,926	(2,811,775)	152,150
NET DEBT, BEGINNING OF YEAR	(41,229,731)	(41,229,731)	(41,381,881)
NET DEBT, END OF YEAR	\$ (19,702,805)	\$ (44,041,506)	\$ (41,229,731)

CORPORATION OF THE CITY OF TIMMINS**CONSOLIDATED STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31**

	2018	2017
OPERATING ACTIVITIES		
Annual surplus	\$ 10,592,269	\$ 1,789,618
Items not affecting cash:		
Amortization of tangible capital assets	16,829,114	16,513,208
Loss on disposal of tangible capital assets	(38,407)	(97,242)
Net adjustments and write offs of capital assets	186,010	53,616
	27,568,986	18,259,200
Changes in non-cash working capital:		
Increase in taxes receivable	(755,660)	(1,682,172)
Decrease (Increase) in trade and loan receivables	(7,009,685)	7,015,210
Decrease in prepaid expenditures and inventory	575,970	58,125
Decrease in other financial assets	3,349	1,204
Increase in accounts payable and accrued liabilities	567,031	2,029,207
Increase in landfill closure and post-closure liability	3,416,970	-
Increase (decrease) in deferred revenue	(48,846)	(49,540)
Increase (decrease) in deferred revenue - obligatory reserve fund	2,415,407	(172,209)
Increase in post employment benefits	781,325	793,366
CASH PROVIDED BY OPERATING ACTIVITIES	27,514,847	26,252,391
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(31,035,664)	(18,270,517)
Proceeds on sale of tangible capital assets	78,937	105,342
CASH USED IN CAPITAL TRANSACTIONS	(30,956,727)	(18,165,175)
FINANCING TRANSACTIONS		
Long-term debt repaid	(2,153,716)	(2,073,278)
CASH USED IN FINANCING ACTIVITIES	(2,153,716)	(2,073,278)
CHANGE IN CASH	(5,595,596)	6,013,938
CASH, beginning of year	25,595,444	19,581,506
CASH, end of year	\$ 19,999,848	\$ 25,595,444
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest paid	\$ 1,567,933	\$ 1,696,953

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

Corporation of the City of Timmins is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes including the Municipal Act 2001, Provincial Offences Act and other related legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Corporation of the City of Timmins (the "City") are the representation of management and have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). The more significant of these accounting policies are summarized below.

(a) REPORTING ENTITY

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These consolidated financial statements include:

Timmins Airport
Timmins Economic Development Corporation
Board of Management of the Downtown Business Improvement Area

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

(i) NON-CONSOLIDATED ENTITIES

These consolidated financial statements do not reflect the assets, liabilities, sources of financing, expenditures and the activities of the following boards, organizations and entities which are not under the control of the City:

Mattagami Region Conservation Authority
City of Timmins Non-Profit Housing Corporation
District of Cochrane Social Services Administration Board (Joint Local Board)
Porcupine Health Unit (Joint Local Board)
The Board of Health for the Porcupine Health Unit Building Trust (Joint Local Board)

Separate audited financial statements have been prepared for the above organizations.

(ii) TRUST FUNDS

Trust funds and their related operations administered by the City are not included in the consolidated financial statements, but are reported separately on the Trust Funds Statement of Continuity and Trust Funds Statement of Financial Position.

(iii) ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS

Revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements.

(b) BASIS OF ACCOUNTING

(i) Accrual accounting

The consolidated financial statements of the City have been prepared using the accrual basis of accounting. Operating grants from all levels of government are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements with respect to the year ended December 31, 2018. Other revenues are recognized as they become available and are 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.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) BASIS OF ACCOUNTING (CONT'D)

(ii) Use of estimates and 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates include amortization of tangible capital assets, actuarial valuation of post-employment benefits, and accrued accounts payable. Actual results could differ from these estimates.

(iii) Investments

Investments are recorded at cost.

(iv) Inventory for own consumption

Inventory for own consumption is recorded at the lower of cost and replacement cost.

(v) Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

(vi) Post employment benefits

The City accrues its obligations under employment benefit plans as the employees render the services necessary to earn employee future benefits. The cost of retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected plan performance, salary escalation, retirement ages and expected health care costs. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was the expected cost of long term debt. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Where applicable, the City has set aside reserve funds intended to fund these obligations, either in full or in part. These reserve funds were created under municipal by-law and do not meet the definition of a plan asset under CPA Handbook PS 3250 Retirement Benefits. Therefore, for the purposes of these consolidated financial statements, the plans are considered unfunded.

(vii) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses and inventories of fuel.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) BASIS OF ACCOUNTING (CONT'D)

(viii) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful lives as follows:

Land improvements	10 - 20 years
Leasehold improvements	restricted to lease term of related asset type
Buildings	40 years
Machinery and equipment	5 - 20 years
Vehicles and mobile equipment	3 - 20 years
Communication, IT equipment and software	5 - 10 years
Furniture, fixtures and appliances	10 years
Water and waste plants and networks	
Underground networks	50 - 70 years
Sewage treatment plants and lift stations	50 - 75 years
Water pumping stations and reservoirs	50 - 75 years
Transportation	
Roads	10 - 50 years
Bridges and structures	25 - 75 years

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

(ix) Contribution of tangible capital assets

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

(x) Deferred revenue

Deferred revenue represents user charges and other fees which have been collected for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed, as this is the time the eligibility criteria have been met and the revenue is earned.

(xi) Deferred revenue - Obligatory reserve fund

Deferred revenue - obligatory reserve fund represents recreational land contributions and gasoline tax contributions under the authority of provincial or federal legislation and municipal by-laws. These amounts have been collected but the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed, as this is the time the eligibility criteria have been met and the revenue is earned.

(xii) Reserves and reserve fund

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

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) BASIS OF ACCOUNTING (CONT'D)

(xiii) Government transfers

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the City. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(xiv) Taxation and related revenues

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

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

(xv) User charges

User charges relate to transit fees, utility charges (water, wastewater and solid waste), licensing fees, recreational fees, fees for use of various programs, and fees imposed based on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.

(xvi) Fines and Penalties

Fines and penalties revenue is primarily generated from the Provincial Offences Act (POA) office. Balances arising from operation of the POA office have been consolidated with these financial statements. The City cannot reliably estimate the collections of this revenue, accordingly, revenue is recognized on the cash basis.

(xvii) Other Revenue

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year, are deferred and reported as liabilities.

(xviii) Landfill closure and post-closure liabilities

The costs to close existing landfill sites are based on estimated future expenditures in perpetuity in current dollars, adjusted for estimated inflation. The estimated liability for active sites is recognized as the landfill's capacity is used. These costs are reported as a liability on the Consolidated Statement of Financial Position.

(xviii) Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in guaranteed investment certificates and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) BASIS OF ACCOUNTING (CONT'D)

(xiv) Loans and other receivables

Loans and other receivables are valued at cost. Recoverability is reviewed annually and a valuation allowance is recorded when recoverability is impaired. A loan receivable is written off when it is no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized when earned.

(xv) Net financial assets (net debt)

The municipality's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the municipality is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

2. ADOPTION OF ACCOUNTING STANDARDS DURING THE YEAR

Effective January 1, 2018, the Municipality adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosure
- PS 3420 Inter-entity Transactions
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively and prior periods have been restated. There was no material impact on the consolidated financial statements as a result of adopting the new Sections.

3. OPERATIONS OF SCHOOL BOARDS

During 2018, the City collected property taxes totaling \$11,524,506 (2017 - \$11,538,532) on behalf of area school boards, which have been excluded from reported revenue.

4. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT LOCAL BOARDS

Further to Note 1(a)(i), contributions were made by the City to the non-consolidated joint local boards as follows:

	2018	2017
Cochrane District Social Services Administration Board ("CDSSAB")	\$ 10,573,550	\$ 9,002,988
Porcupine Health Unit ("PHU")	\$ 1,296,132	\$ 1,270,848

The City is contingently liable for its share, which is approximately 62% (2017 - 63%) for the CDSSAB and 54% (2017 - 54%) for the PHU, of any deficits at the end of the year for these boards. Neither board incurred a deficit in 2018 or 2017.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

5. LOAN RECEIVABLE

The loan receivable from Cochrane District Social Services Administration Board is repayable in blended semi-annual instalments of \$326,322 beginning on May 17th, 2010 up to and including November 16th, 2034. The loan bears interest at 5.06%.

Principal payments required for each of the next five years and thereafter are approximately as follows:

2019	\$ 297,101
2020	312,325
2021	328,328
2022	345,152
2023	362,838
Thereafter	5,454,125
	<hr/>
	\$ 7,099,869

6. TAXES RECEIVABLE

	2018	2017
Current year	\$ 4,568,049	\$ 3,833,004
Arrears previous years	3,300,078	2,653,429
Tax registered properties	241,734	867,768
	<hr/>	<hr/>
	\$ 8,109,861	\$ 7,354,201

7. TRUST FUNDS

Trust funds administered by the City amounting to \$2,895,784 (2017 - \$2,845,129) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations" as such balances are held in trust by the City for the benefit of others. Separate financial statements, which provide details of individual trusts and balances, are prepared for trust funds.

8. PENSION AGREEMENTS

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan on behalf of all permanent, full-time and qualifying part-time 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.

The amount contributed to OMERS for 2018 was \$4,384,037 (2017 - \$4,321,463) for current service.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

9. POST EMPLOYMENT BENEFIT LIABILITY

The City provides certain employee benefits, which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and eligible employees may become entitled to cash payment upon termination, death or retirement. The payout is 50% of the accumulated credits limited to 50% of annual salary at termination, death or retirement. The City provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the City's consolidated financial statements.

The City continues to provide health care benefits to eligible full-time members in retirement until age 65. In addition, the City will provide an HCSA benefit to all full-time Police Senior Officers when the retiree turns 65 up to and including age 70. The City provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the City's consolidated financial statements.

With respect to responsibilities under provisions of the Workplace Safety and Insurance Board (WSIB) Act, the City has elected to be treated as a Schedule 1 employer and remits monthly premiums to the WSIB.

An actuarial estimate of future liabilities was completed as of December 31, 2018.

The following table sets out the actuarial results for each of the plans as at December 31, 2018.

			2018	2017
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
LIABILITIES				
Projected accrued employee future benefit obligations, end of year	\$11,359,575	\$5,237,855	\$16,597,430	\$16,162,343
Unamortized Net Actuarial Losses	(2,087,595)	84,000	(2,003,595)	(2,349,833)
Employee Future Benefits Liability	\$9,271,980	\$5,321,855	\$14,593,835	\$13,812,510
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued Benefit Obligation (ABO), beginning of year	\$10,927,170	\$5,235,173	\$16,162,343	\$16,704,181
Unamortized actuarial (gain)	(64,606)	(17,307)	(81,913)	(1,001,975)
Add: Benefit/service cost	772,819	506,388	1,279,207	1,333,419
Add: interest	351,990	165,202	517,192	434,641
Less: benefits payments	(627,798)	(651,601)	(1,279,399)	(1,307,923)
Expected Accrued Benefit Obligation, end of year	\$11,359,575	\$5,237,855	\$16,597,430	\$16,162,343

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

9. POST EMPLOYMENT BENEFIT LIABILITY (CONT'D)

The accrued benefit obligations for employee future benefit plans as at December 31, 2018 are based on an actuarial valuation as of December 31, 2018. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the City's best estimates of expected rates of the following:

	2018
Inflation	2.00%
Wage and salary escalation (includes inflation)	2.50%
Discount on accrued benefit obligations (includes inflation)	3.25%
Expected average remaining service life of employee group	
• Post-retirement benefits	13.68 years
• Early retirement sick leave	14.47 years
• Sick leave	13.17 years
• Gratuity benefits	11.97 years
Dental cost escalation	4.00%
Health care cost escalation	6.50% for 2016, reducing by 0.25% in each subsequent year to an ultimate rate of 4% in 2026
Expected future mortality rates	2014 CPM (Public) Table and CPM Improvement - Scale B
Expected future termination rates	Ontario Light Table
Early future retirement rates	For Police Uniform/Senior Officers and Firefighters: 50-51 - 0.04, 52-54 - 0.10, 55-59 - 0.20, 60 and over - 1.00 For all other employees: 55-59 - 0.10, 60-64 - 0.20, 65 and over - 1.00

Reserve funds have been established to provide for the sick leave and post-employment benefits liabilities and are reported on Schedule B. The sick leave reserve fund balance at the end of the year amounted to \$1,476,043 (2017- \$1,447,805). The post-employment benefits reserve fund balance at the end of the year amounted to \$157,826 (2017- \$154,806).

The current year amortization expenditure of the actuarial gain (loss) for retirement benefits is \$265,065 (2018 - \$318,748) and \$(739) (2017 - \$14,481) for other employee future benefits.

Retirement benefits are comprised of post-retirement benefits and early retirement sick leave incentive plan which are amortized over 13.68 years and 14.47 years respectively. Other employee future benefits are comprised of gratuity benefits and non-vesting accumulated sick leave which are amortized over 11.97 years and 13.17 years respectively.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include financial obligations to outside organizations and individuals as a result of transactions and events on or before the end of the accounting period. They are the result of contracts, agreements and legislation in force at the end of the accounting period that require the City to pay for goods and services acquired or provided on or before the accounting date. A breakdown is provided below:

	2018	2017
Trade accounts payable	\$ 17,706,110	\$ 16,041,132
Other	4,732,933	5,830,875
	\$ 22,439,043	\$ 21,872,007

11. DEFERRED REVENUE - OBLIGATORY RESERVE FUND

A requirement of the public sector accounting standards of CPA Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds are summarized as follows:

	2018	2017
Balance, beginning of year	\$ 1,410,527	\$ 1,582,736
Recreational land	11,000	2,200
Investment income	49,481	33,622
Gasoline tax - Province	613,986	611,656
Gasoline tax - Federal	2,749,693	2,671,173
Transfer to current fund	(1,008,753)	(3,490,860)
Balance, end of year	\$ 3,825,934	\$ 1,410,527
Analyzed as follows:		
Recreational land	\$ 396,866	\$ 378,482
Gasoline tax - Province	408,031	787,671
Gasoline tax - Federal	3,021,037	244,374
	\$ 3,825,934	\$ 1,410,527

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

12. LONG-TERM LIABILITIES

(a) The balance of the net long-term liabilities reported on the Consolidated Statement of Financial Position consists of the following:

	2018	2017
Total long-term liabilities incurred by the City, including those incurred on behalf of school boards, municipalities and municipal enterprises and outstanding at the end of the year are as follows:		
Debentures payable to Ontario Infrastructure Projects Corporation (1)	\$ 5,925,618	\$ 6,431,839
Debentures payable to Ontario Infrastructure Projects Corporation (2)	7,099,869	7,382,489
Debentures payable to Ontario Infrastructure Projects Corporation (3)	17,808,844	18,335,040
Debentures payable to Ontario Infrastructure Projects Corporation (4)	19,945,962	20,784,642
Other	14,865	14,865
	\$ 50,795,158	\$ 52,948,875

(b) Of the net long-term liabilities reported in (a) of this note, \$12,112,097 in principal payments are payable from 2019 to 2023, and \$38,683,061 thereafter. All of these amounts are payable from general revenues.

(c) The first debenture payable to Ontario Infrastructure Projects Corporation was incurred to finance the construction of the Timmins Police Building and a new medical building. The loan is being repaid in semi-annual payments of \$415,513 and bears interest at 5.15%. All of these amounts are payable from general operations.

(d) The second debenture payable to Ontario Infrastructure Projects Corporation was incurred to finance the construction of an office building occupied by the Cochrane District Social Services Administration Board (CDSSAB). The loan is being repaid in semi-annual payments of \$326,322 and bears interest at 5.06%. This debt is recoverable from CDSSAB.

(e) The third debenture payable to Ontario Infrastructure Projects Corporation was incurred to finance the Waste Water Treatment facility upgrade capital project. The loan is being repaid in semi-annual payments of \$1,174,282 and bears interest at 3.56%. All of these amounts are payable from waste water operations.

(f) The fourth debenture payable to Ontario Infrastructure Projects Corporation was incurred to finance the Waste Water Treatment facility upgrade capital project. The loan is being repaid in semi-annual payments of \$1,423,050 and bears interest at 2.84%. All of these amounts are payable from waste water operations.

(g) The long-term liabilities in (a) issued in the name of the City have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayments limit prescribed by the Ministry of Municipal Affairs and Housing.

Debt retired over the next five years and thereafter:

2019	\$ 2,252,355
2020	2,324,749
2021	2,415,645
2022	2,510,342
2023	2,609,006
Thereafter	38,683,061
	\$50,795,158

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	2018	2017
Tangible capital assets (Schedule D)	\$ 552,557,120	\$524,075,590
Accumulated amortization (Schedule D)	(238,729,801)	(224,228,285)
Long-term debt (Note 12)	(43,680,424)	(45,551,521)
	\$ 270,146,895	\$254,295,784

14. EXPENDITURES BY OBJECT

The following is a summary of the expenditures reported on the "Consolidated Statement of Operations and Accumulated Surplus" by object:

	2018	2017
Salaries, wages and fringe benefits	\$ 67,026,156	\$ 65,988,024
Interest on net long-term debt charges	1,916,614	2,080,752
Materials and supplies	34,377,498	30,678,720
Contracted services	8,206,694	9,410,324
Rents and financial expenditures	5,422,362	4,694,543
External transfers	12,631,075	10,919,697
Amortization	16,829,114	16,513,207
Total current expenditures	\$ 146,409,513	\$ 140,285,267

15. BUDGET FIGURES

The City completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2018 is reflected on the Consolidated Statement of Operations are based upon the 2018 operating budget as approved by Council and adopted by the City on December 12, 2017 and has been reclassified to comply with PSAB reporting requirements. Budgets established for Reserves and Reserve Funds are based on a project-oriented basis, the costs of which may be carried out over one or more years and funding is determined annually and made by transfers from individual funds and by the application of applicable grants or other funds available to reserves or reserve funds. During 2018, Council approved net transfers of \$6,117,724 (2017 - \$7,538,831) from reserves and reserve funds for capital projects. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the "Consolidated Statement of Operations".

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

16. PROVINCIAL OFFENCES ACT ADMINISTRATION

The Provincial Offences Act (POA) is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences.

The revenues collected consist of fines levied under Parts I and III for POA charges and amounted to \$1,101,850 for the year ended December 31, 2018 (2017 - \$1,129,109).

The operating costs for the administration of the POA for the year ending December 31, 2018 amount to \$592,255 (2017 - \$522,331), resulting in a net contribution of \$509,595 (2017 - \$606,778), exclusive of capital costs. The City's share is 80.65%.

Revenue and expenditures were audited in relation to the audit of the City as a whole.

17. BANK INDEBTEDNESS

The City has a credit facility agreement with a Canadian financial institution at a floating interest rate of prime less 0.75%. At year end the City had the entire amount of \$20,000,000 (2017 - \$20,000,000) available under this facility agreement.

18. OTHER CONTINGENCIES

In addition to those contingencies mentioned in Note 4, the City is involved in a number of claims and possible claims which are as a result of normal ongoing operations. Management of the City is of the opinion that these claims are without merit. No provision has been made in these statements to reflect any of these claims. Any settlements or awards which may arise will be reflected in the financial records in the year that the amount has been determined.

In the eventuality that the City is unsuccessful in defending some of these claims, amounts are available in existing reserves and reserve funds. Management is of the opinion that the reserves and reserve funds are sufficient to cover these claims.

19. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Landfill closure and post-closure care requirements are outlined in the Certificate of Approval filed with the Ministry of the Environment and Energy. Closure will involve capping of the site with a compacted impermeable clay layer, a layer of topsoil, the re-introduction of a vegetative cover and the construction of surface drainage controls. Post-closure care will involve routine inspections, cap maintenance, groundwater and well sampling and analysis. The reported liability is based on estimates and assumptions with respect to events extending over a forty-five year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the City's average long-term borrowing rate of 5%. Total landfill closure and post-closure care expenditures are estimated at \$22,793,399. It is estimated that the total net present value of the cost to close and maintain the landfill site is approximately \$3,416,970. Currently, \$3,416,970 (2017 - \$782,150) has been accrued as a liability. To date, approximately 55.04% of the site's capacity has been used. The estimated remaining capacity of the landfill site is 44.96% (2,593,079 cubic meters) of its total estimated capacity and its estimated remaining life is 22 years, after which the period for post-closure care is estimated to be 25 years.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

20. BUDGET INFORMATION

The Budget was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require full accrual basis. The budget figures anticipated transfers into reserve for revenues in excess of current year expenditures. As a result, the budget figures presented in the statements of financial activities and changes in net debt represent the Budget adopted Council with adjustments as follows:

	2018
Budgeted surplus for the year	\$ 336,992
Add:	
Transfer to reserves	45,613,512
Capital expenditures	5,101,530
Less:	
Transfer from reserve	29,536,190
Amortization	16,818,032
Budget surplus per statement of financial activities	\$ 4,697,812

21. SEGMENTED INFORMATION

The City is a diversified municipal government that provides a wide range of services to its citizens, including fire, public transit, water, roads and public works operations, parks, recreation, culture, planning, development and building services. For management reporting purposes, the City's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

GENERAL GOVERNMENT

This segment reflects the administrative operations of the City. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment.

PROTECTION SERVICES

Protection is comprised of the Police Service and Fire Paramedic Service departments. The mandate of the Police Service department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire and Paramedic Service department is responsible for providing fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishments of fires, and paramedic services.

TRANSPORTATION SERVICES

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems and street lighting.

The Transit department is responsible for providing local public transportation service.

The City also operates the Timmins Airport which services Timmins and surrounding areas.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

21. SEGMENTED INFORMATION (CONT'D)

ENVIRONMENTAL SERVICES

The Water and Waste department consists of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water to citizens of Timmins, collection and treatment of wastewater, and provides collection, disposal and waste minimization programs and facilities for solid waste. Their land drainage and garbage collection operations are reported in the General Revenue Fund and are included in the Public Works and Water segment.

HEALTH SERVICES

The City provides cemetery services to its citizens.

It also contributes to the provision of public health and ambulance services to the community. These services are provided by the Porcupine Health Unit and the Cochrane District Social Services Administration Board.

SOCIAL AND FAMILY SERVICES

The City operates a nursing home which provides care to elderly individuals in the community.

The City also contributes to the Cochrane District Social Services Administration Board for the provision of general assistance to individuals in the community.

RECREATION AND CULTURAL SERVICES

The Community Services department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs and the maintenance of parks and open space. The department also contributes towards the information needs of the City's citizens through the provision of library services.

PLANNING AND DEVELOPMENT

The Planning, Property and Development department provides a diverse bundle of services. It manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the downtown through city planning, community development, parks and riverbank planning. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, and building standards. It facilitates economic development by providing services for the approval of all land development plans, the processing of building permit applications and the provision of geometric services, as well as providing cemetery services to citizens.

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 and payments-in-lieu of taxes, certain government transfers, transfer from other funds, and other revenues are apportioned to the segments have been apportioned based on a percentage of expenditures.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

22. GOVERNMENT TRANSFERS FOR OPERATING

Government transfers for operating for the year include a Library Pay Equity grant of \$1,402 and a Library Per Household grant of \$90,405 from the Province of Ontario.

CORPORATION OF THE CITY OF TIMMINS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2018

23. LIBRARY EXPENDITURES

Total operating costs for the library for the year ended December 31, 2018 amounted to \$1,812,409. Of these costs, \$1,256,076 related to salaries and benefits for employees.

24. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

Financial instruments, PS 3450, Foreign Currency Translation, PS 2601, and Financial Statement Presentation, PS 1201 are effective for fiscal years beginning on or after April 1, 2021. While early adoption is permitted, all three standards must be adopted in the same year. PS 3450 provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. PS 2601 Foreign Currency Translation includes guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

25. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year presentation.

CORPORATION OF THE CITY OF TIMMINS

SCHEDULE OF CONSOLIDATED ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31

	2018	2017
RESERVE FUNDS (Schedule B)		
Sick leave	\$ 1,476,043	\$ 1,447,805
Other designated projects	2,046,846	1,045,281
Post-employment benefits	157,826	154,806
TOTAL RESERVE FUNDS	3,680,715	2,647,892
RESERVES (Schedule B)		
Working Capital	3,562,359	2,468,933
Undesignated projects	3,690,316	2,366,889
Other designated projects	17,131,631	16,702,496
TOTAL RESERVES	24,384,306	21,538,318
TOTAL RESERVE FUNDS AND RESERVES	28,065,021	24,186,210
SURPLUS (DEFICIT)		
Invested in tangible capital assets (Note 13)	270,146,895	254,295,784
General Revenue Fund	(12,184,281)	(3,827,953)
UNFUNDED		
Employee Benefits Payable	(14,593,835)	(13,812,510)
TOTAL SURPLUS	243,368,779	236,655,321
ACCUMULATED SURPLUS	\$ 271,433,800	\$ 260,841,531

CORPORATION OF THE CITY OF TIMMINS

SCHEDULE OF CONSOLIDATED RESERVES AND RESERVE FUNDS

YEAR ENDED DECEMBER 31

	2018	2017
REVENUES		
Interest earned	\$ 51,842	\$ 37,580
Transfers from other funds	10,548,319	9,710,543
Sale of land	954,955	115,255
	11,555,116	9,863,378
EXPENDITURES		
Transfer to other funds	7,676,305	9,588,424
	7,676,305	9,588,424
CHANGE IN RESERVE AND RESERVE FUND BALANCE	3,878,811	274,954
RESERVE AND RESERVE FUND BALANCE, beginning of year	24,186,210	23,911,256
RESERVE AND RESERVE FUND BALANCE, end of year	\$ 28,065,021	\$ 24,186,210

ANALYZED AS FOLLOWS:

	2018	2017
RESERVES SET ASIDE FOR SPECIFIC PURPOSE		
For working capital	\$ 3,562,359	\$ 2,468,933
For undesignated projects	3,690,316	2,366,889
For other designated projects	17,131,631	16,702,496
Total reserves	24,384,306	21,538,318
RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSE		
For sick leave	1,476,043	1,447,805
For other designated projects	2,046,846	1,045,281
For post-employment benefits	157,826	154,806
Total reserve funds	3,680,715	2,647,892
Total reserves and reserve funds	\$ 28,065,021	\$ 24,186,210

CORPORATION OF THE CITY OF TIMMINS

SCHEDULE OF CONSOLIDATED SEGMENTED DISCLOSURE

SCHEDULE C

YEAR ENDED DECEMBER 31, 2018

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	HEALTH SERVICES	RECREATION AND CULTURAL SERVICES	SOCIAL FAMILY & HOUSING SERVICES	PLANNING AND DEVELOPMENT	2018 TOTAL
REVENUES									
Taxation	\$ 4,641,569	\$ 13,175,747	\$ 14,281,213	\$ 15,914,181	\$ 3,907,258	\$ 5,386,932	\$ 11,580,898	\$ 4,621,151	\$ 73,508,949
Sale of services	2,173,242	448,656	6,970,182	22,133,281	283,433	1,862,965	3,610,471	3,703,670	41,185,900
Gov. transfers - operating	675,952	3,254,113	1,985,119	2,960,038	2,180,649	960,134	10,402,299	1,079,180	23,497,484
Gov. transfers - capital	-	-	9,448,864	2,156,766	-	361,074	161,508	4,642	12,132,854
Interest and other revenue	421,580	1,196,713	1,297,119	1,445,436	354,884	489,279	1,051,858	419,724	6,676,593
	7,912,343	18,075,229	33,982,497	44,609,702	6,726,224	9,060,384	26,807,034	9,828,367	157,001,780
EXPENDITURES									
Salaries & benefits	4,846,551	20,813,900	11,772,128	7,079,029	1,909,240	4,962,321	13,121,183	2,521,804	67,026,156
Long-term debt interest	-	268,043	-	1,221,786	56,762	-	370,023	-	1,916,614
Materials & services	2,733,633	3,324,068	5,472,806	9,757,744	232,324	4,456,691	2,150,874	6,249,358	34,377,498
Contracted services	1,108,223	364,436	2,586,846	3,551,596	1,285	409,759	42,990	141,559	8,206,694
Rent & financial expenditures	14,219	39,538	3,340,652	1,844,918	5,201	71,709	27,987	78,136	5,422,360
External transfers	243,393	518,000	-	-	4,832,986	-	7,036,696	-	12,631,075
Amortization	298,704	914,463	5,271,798	8,241,577	744,380	828,799	316,196	213,197	16,829,114
Inter-Functional Adjustments	(660,950)	(1,480)	(294,042)	613,443	106,379	4,700	231,950	-	-
Allocation of program support	(5,202,483)	1,025,495	1,098,796	1,082,603	307,921	418,989	909,407	359,272	-
	3,381,290	27,266,463	29,248,984	33,392,696	8,196,478	11,152,968	24,207,306	9,563,326	146,409,511
Net revenues (expenditures)	\$ 4,531,053	\$ (9,191,234)	\$ 4,733,513	\$ 11,217,006	\$ (1,470,254)	\$ (2,092,584)	\$ 2,599,728	\$ 265,041	\$ 10,592,269

CORPORATION OF THE CITY OF TIMMINS

SCHEDULE OF CONSOLIDATED SEGMENTED DISCLOSURE (CONT'D)

SCHEDULE C

YEAR ENDED DECEMBER 31, 2017

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	HEALTH SERVICES	RECREATION AND CULTURAL SERVICES	SOCIAL FAMILY & HOUSING SERVICES	PLANNING AND DEVELOPMENT	2017 TOTAL
REVENUES									
Taxation	\$ 4,303,936	\$ 12,486,488	\$ 14,337,154	\$ 13,348,213	\$ 3,674,362	\$ 4,513,550	\$ 10,173,378	\$ 4,542,130	\$ 67,379,211
Sale of services	2,472,435	456,913	6,670,544	21,747,885	275,263	1,831,675	3,573,443	5,347,422	42,375,580
Gov. transfer - operating	649,374	3,046,366	2,065,996	2,590,703	2,137,808	858,088	9,801,416	1,406,821	22,556,572
Gov. transfer - capital	-	-	3,840,082	425,950	-	551,668	161,508	(41,419)	4,937,789
Interest and other revenue	308,250	894,289	1,026,834	956,006	263,160	323,263	728,623	325,308	4,825,733
	7,733,995	16,884,056	27,940,610	39,068,757	6,350,593	8,078,244	24,438,368	11,580,262	142,074,885
EXPENDITURES									
Salaries & benefits	4,685,846	20,898,998	11,559,293	6,863,077	1,810,911	4,802,358	12,802,754	2,564,787	65,988,024
Long-term debt interest	-	288,754	-	1,347,051	61,148	-	383,799	-	2,080,752
Materials & services	3,001,977	3,034,124	5,749,046	6,860,790	230,096	3,310,556	2,165,909	6,326,222	30,678,720
Contracted services	852,684	357,323	4,566,250	2,926,169	780	386,661	47,105	273,372	9,410,344
Rent & financial expenditures	5,591	29,354	2,896,097	1,610,040	7,096	75,047	(8,081)	79,399	4,694,543
External transfers	127,860	518,000	-	-	4,790,278	-	5,483,558	-	10,919,696
Amortization	286,949	870,639	5,079,640	8,184,200	749,828	822,706	306,193	213,033	16,513,188
Inter-Functional Adjustments	(656,350)	(1,980)	(289,617)	604,917	106,380	4,700	231,950	-	-
Allocation of program support	(5,276,893)	1,039,349	1,181,905	1,135,347	310,123	375,915	856,148	378,106	-
	3,027,664	27,034,561	30,742,614	29,531,591	8,066,640	9,777,943	22,269,335	9,834,919	140,285,267
Net revenues (expenditures) \$	4,706,331	\$(10,150,505)	\$ (2,802,004)	\$ 9,537,166	\$ (1,716,047)	\$ (1,699,699)	\$ 2,169,033	\$ 1,745,343	\$ 1,789,618

CORPORATION OF THE CITY OF TIMMINS

SCHEDULE OF CONSOLIDATED TANGIBLE CAPITAL ASSETS

SCHEDULE D

YEARS ENDED DECEMBER 31

	General Capital Assets							Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles, Equipment and Furniture	Streets and Structures	Water System	Sewer System	Assets Under Construction	2018	2017
COST:									
BALANCE, BEGINNING OF YEAR	\$ 20,018,234	\$ 137,294,052	\$ 109,163,122	\$ 156,410,643	\$ 40,963,715	\$ 39,583,404	\$ 20,642,420	\$ 524,075,590	\$ 506,613,756
Additions	133,369	5,177,381	4,809,932	5,491,679	659,655	144,907	-	16,416,923	10,661,114
Construction-in-progress	-	-	-	-	-	-	14,618,741	14,618,741	7,609,403
Disposal of tangible capital assets	-	-	(2,554,134)	-	-	-	-	(2,554,134)	(808,683)
BALANCE, END OF YEAR	20,151,603	142,471,433	111,418,920	161,902,322	41,623,370	39,728,311	35,261,161	552,557,120	524,075,590
ACCUMULATED AMORTIZATION:									
BALANCE, BEGINNING OF YEAR	10,431,618	47,877,275	53,927,944	81,121,074	19,212,471	11,657,903	-	224,228,285	208,462,044
Amortization	854,719	4,202,810	7,189,462	3,263,749	766,177	552,197	-	16,829,114	16,513,208
Disposals and write downs	-	-	(2,327,598)	-	-	-	-	(2,327,598)	(746,967)
BALANCE, END OF YEAR	11,286,337	52,080,085	58,789,808	84,384,823	19,978,648	12,210,100	-	238,729,801	224,228,285
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 8,865,266	\$ 90,391,348	\$ 52,629,112	\$ 77,517,499	\$ 21,644,722	\$ 27,518,211	\$ 35,261,161	\$ 313,827,319	\$ 299,847,305
2017 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 9,586,616	\$ 89,416,777	\$ 55,235,178	\$ 75,289,569	\$ 21,751,244	\$ 27,925,501	\$ 20,642,420	\$ -	\$ 299,847,305