

Financial Statements of

**THE CORPORATION OF THE
MUNICIPALITY OF TEMAGAMI
AMBULANCE SERVICE**

And Independent Auditors' Report thereon

Year ended December 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of Temagami

Opinion

We have audited the financial statements of The Corporation of the Municipality of Temagami Ambulance Service (the "Ambulance Service"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ambulance Service as at December 31, 2019, and its results of operations and its 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 responsibility under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Ambulance Service in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 Financial Statements

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



In preparing the financial statements, management is responsible for assessing the Ambulance Service'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 Ambulance Service or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 risk of material misstatement of the 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, internal 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 purposes of expressing an opinion on the effectiveness of the Ambulance Service'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 the events or conditions that may cast significant doubt on the Ambulance Service's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Ambulance Service's to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

Date

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THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI AMBULANCE SERVICE

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets:		
Accounts receivable	\$ 327	\$ 327
Due from the Corporation of the Municipality of Temagami (note 2)	84,164	75,183
	84,491	75,510
Financial liabilities:		
Accounts payable and accrued liabilities	58,049	49,068
Net financial assets and accumulated surplus	\$ 26,442	\$ 26,442

See accompanying notes to financial statements.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI AMBULANCE SERVICE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
Revenue:			
District of Nipissing Social Services Administration Board			
- Operating grant	\$ 668,100	\$ 637,364	\$ 644,343
Expenses:			
Salaries and wages	446,900	451,612	475,004
Employee benefits	128,600	112,965	108,461
Services and rentals	45,050	30,219	28,506
Supplies and equipment	27,750	23,175	17,370
Administration	12,200	14,330	12,958
Transportation and communications	7,600	5,063	6,469
Total expenses	668,100	637,364	648,768
Annual surplus (deficit)	-	-	(4,425)
Accumulated surplus, beginning of year	26,442	26,442	30,867
Accumulated surplus, end of year	\$ 26,442	\$ 26,442	\$ 26,442

See accompanying notes to financial statements.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI AMBULANCE SERVICE

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ -	\$ (4,425)
Net change in non-cash working capital:		
Increase in accounts payable and accrued liabilities	8,981	5,918
	8,981	1,493
Investing activities:		
Increase in due to/from the Corporation of the Municipality of Temagami	(8,981)	(1,493)
Net change in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying notes to financial statements.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI AMBULANCE SERVICE

Notes to Financial Statements

Year ended December 31, 2019

The Corporation of the Municipality of Temagami Ambulance Service (the "Ambulance Service") is operated by the Corporation of the Municipality of Temagami in accordance with the Ambulance Act of Ontario and provides ambulance services to the Municipality of Temagami.

1. Significant accounting policies:

The financial statements of the Ambulance Service are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Ambulance Service are as follows:

(a) Basis of accounting:

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. 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.

(b) Pension plan:

The Ambulance Service is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Ambulance Service has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The Ambulance Service records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

(c) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified.

Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Related party transactions:

The amount due to/from the Municipality of Temagami is non-interest bearing, unsecured and has no fixed terms of repayment.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI AMBULANCE SERVICE

Notes to Financial Statements (continued)

Year ended December 31, 2019

3. Pension contributions:

OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2019. The results of this valuation disclosed total going concern actuarial liabilities of \$107,687 million (2018 - \$100,081 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$104,290 million (2018 - \$95,890 million) indicating a going concern actuarial deficit of \$3,397 million (2018 - \$5,403 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees and the Authority's share is not determinable. As a result, the Ambulance Service does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for 2019 was \$34,974 (2018 – \$27,066) and is included as an expense in the statement of operations and accumulated surplus.

4. Economic dependence:

A substantial portion of the Ambulance Service's revenue is derived from the receipt of grants from the District of Nipissing Social Services Administration Board. This one funder accounted for 100% (2018 – 100%) of total revenues. The loss of this relationship would have a significant impact on the Ambulance Service's revenue and operations.

5. Public Sector salary disclosure:

During 2019, one employee was paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Ambulance Service.