



# TOWN OF COLLINGWOOD

Audit of 2018 Consolidated Financial Report

# Audit Results

- Draft Consolidated Financial Report presented for approval
- Consolidated: includes Library and BIA
- Audit Report dated July 22, 2019 – anticipated date of Council approval
- Unqualified audit opinion – financial statements are free from material misstatement
- Management letter includes 1 point: lack of controls over water department inventory

## Consolidated Statement of Operations

	Budget 2018 (Note 20)	Actual 2018	Actual 2017
	\$	\$	\$
Operating revenues	54,419,909	<b>59,650,710</b>	54,925,757
Operating expenses	45,118,205	<b>54,319,786</b>	50,995,745
Net expenses	9,301,704	<b>5,330,924</b>	3,930,012
Capital and other revenues	14,162,916	<b>17,276,113</b>	2,669,051
Annual surplus	23,464,620	<b>22,607,037</b>	6,599,063

- Note 20: Common for actual capital revenue to not “line up” with budget as recognition depends on timing of projects that may span several years. Actual 2018 figures also include \$10.5 million gain on sale of hydro utility and \$6.1 million contributed tangible capital assets (assumption of Mair Mills subdivision), off set by contaminated site expense of \$5 million

## Statement of Operations Variances

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Major variances in operating revenues and expenses are as follows:

### Revenues

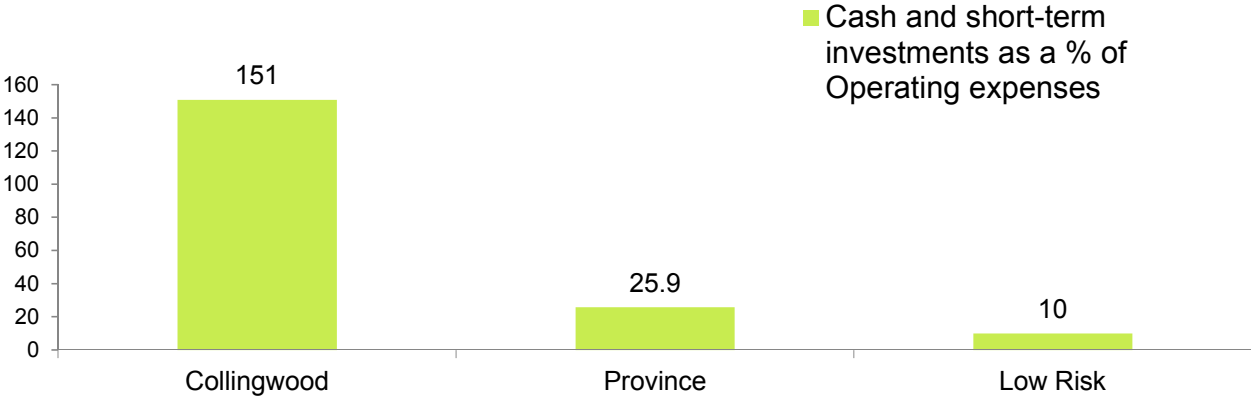
- Net municipal taxation increased by approximately \$1.6 million year over year. This is \$1 million greater than budget amount, due to supplementary taxes
- Other revenue is higher than both last year and budget due to \$1.3 million in dividends from the hydro utility prior to sale

### Expenses

- In all categories, actual 2018 and 2017 figures include amortization expense but it is not included in the annual budget column. Amortization was \$10.7 million in 2018 and \$10.4 million in 2017

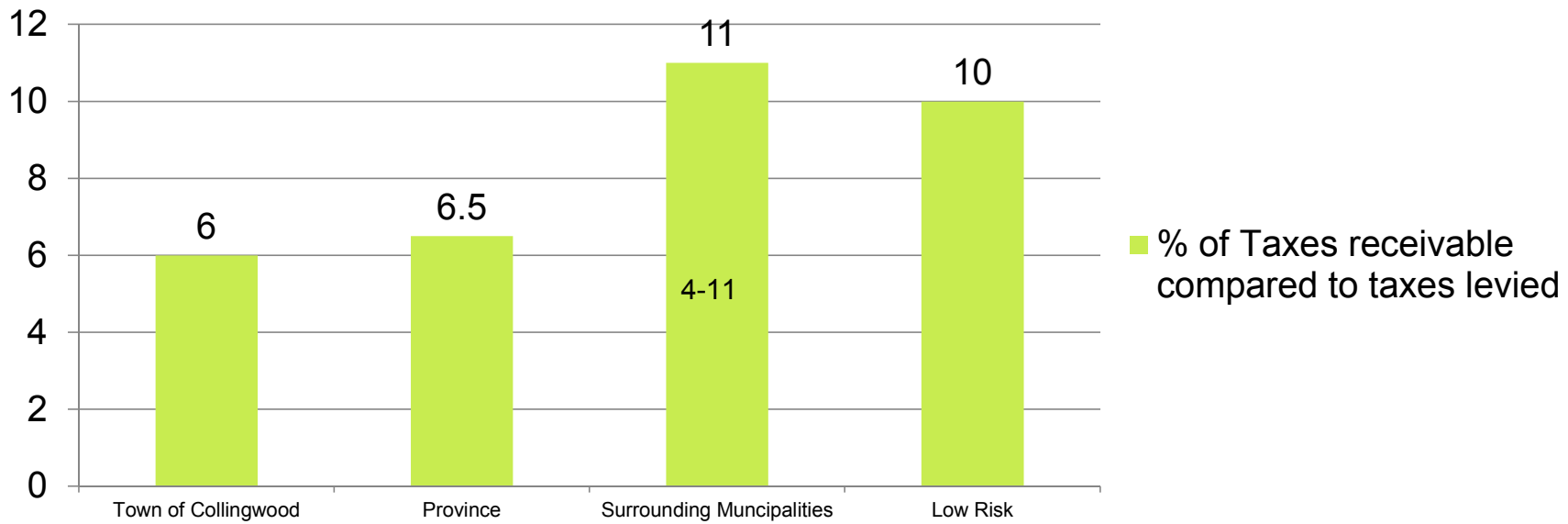
# Cash and Short-Term Investments

	2018	2017
	\$	\$
Cash (Note 3)	64,914,963	43,189,347
Investments (Note 4)	16,630,872	14,153,563



# Taxes Receivable

	2018	2017
	\$	\$
Taxes receivable	3,482,097	4,202,000



## Long-term Receivables (Note 5)

	2018	2017
	\$	\$
Long-term receivables (Note 5 and Note 11)	<b>10,837,468</b>	3,242,721

- As part of the sale of Collingwood PowerStream Utility Services Corp. the Town of Collingwood entered into a reimbursement agreement with Collus PowerStream Corp., later transferred to EPCOR Electricity Distribution Ontario Inc. following the execution of a share purchase agreement. At year end the total principal balance receivable was approximately \$8 million and there is an equal and off-setting amount under long-term liabilities

## Deferred Revenue - Obligatory Reserve Funds (Note 12)

	2018	2017
	\$	\$
Deferred revenue – obligatory reserve funds and other (Note 12)	<b>24,408,449</b>	20,740,789
Comprised of:		
Development Charges Act	<b>20,848,152</b>	18,106,257
Building Code Act	<b>1,209,491</b>	674,927
Federal Gas Tax	<b>1,732,424</b>	1,708,907
Other	<b>618,382</b>	250,698



## Long-term Liabilities

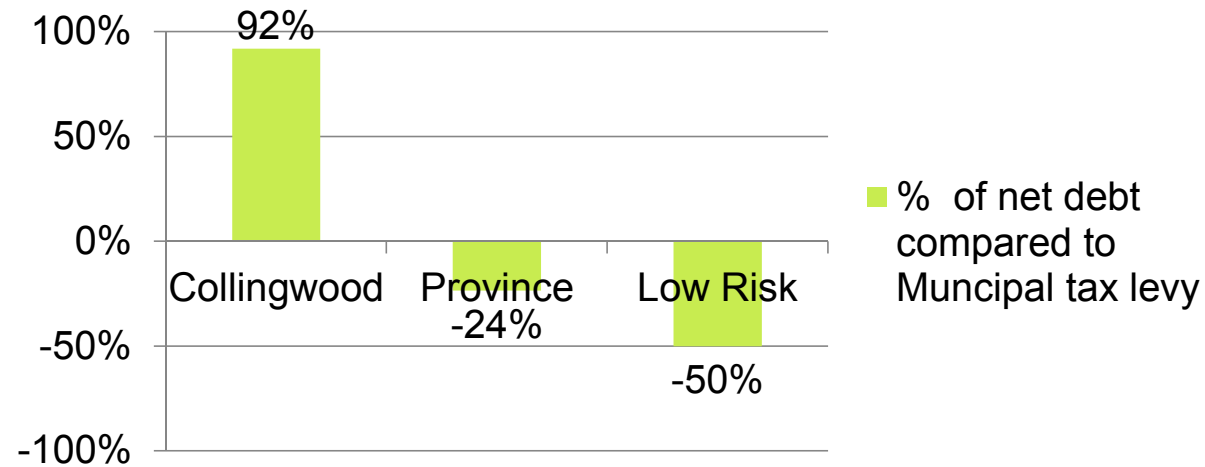
	2018	2017
	\$	\$
Long-term (Note 5 and Note 11)	32,428,797	27,994,744
Liability for contaminated site (Note 10(b))	5,000,000	-

- Significant new long-term liabilities incurred in 2018 related to sale of Collus to EPCOR (equal and off-setting accounts receivable)
- \$5 million liability was recorded related to the Terminals



## Net Financial Assets

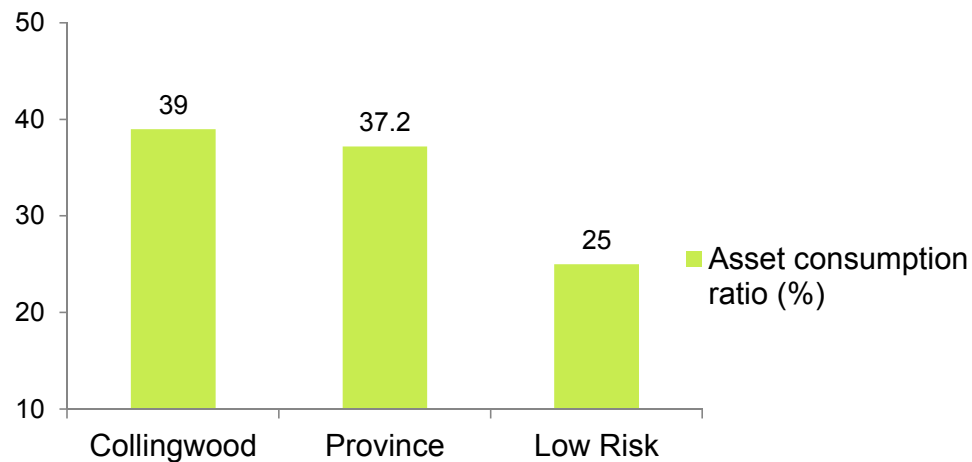
	2018	2017
	\$	\$
Total financial assets	107,919,364	75,021,625
Total liabilities	77,807,444	64,349,342
Net financial assets	30,111,920	10,672,283



## Tangible Capital Assets

	2018	2017
	\$	\$
Tangible capital assets – net (Note 1 and Schedule 14)	<b>210,542,421</b>	206,925,879

Tangible capital assets (TCA) represent assets owned by the Town to carry out operations – Land, buildings, equipment, vehicles and linear assets – roads, water and sewer lines, etc.



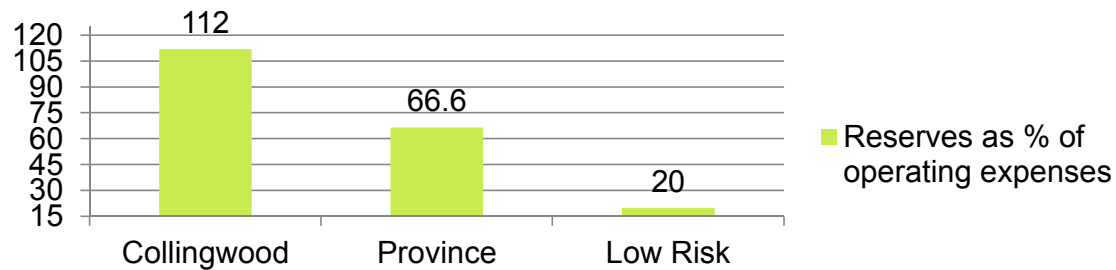
## Other Disclosures

	2018	2017
	\$	\$
Assets held for sale (Note 23)	1,407,256	-
Portfolio investment – Hydro companies (Note 22)	-	3,622,164

- On March 22, 2019, the Town of Collingwood finalized the sale of the Collingwood Regional Airport to Winterland Developments Ltd. The final purchase price was \$4.1 million less a \$300,000 indemnification amount
- On October 1, 2018 the Town of Collingwood sold their shares in Collingwood PowerStream Utility Services Corporation to EPCOR Electricity Distribution Ontario Inc.
- Note 21: Disclosed commitment regarding Judicial Inquiry

## Accumulated Surplus (Note 13)

	2018	2017
	\$	\$
Accumulated Surplus	241,113,157	218,506,120
Consists of:		
Invested in Tangible Capital Assets (Net)	184,240,552	171,000,308
Current fund surplus	(4,973,141)	26,859
Reserves and Reserve Funds	61,845,746	43,856,789



## Reserves and Reserves Funds

	2018	2017
	\$	\$
<b>Reserves set aside for specific purposes by Council:</b>		
Contingencies	300,000	300,000
Post-employment benefits	1,420,007	1,329,275
Current purposes	1,700,658	1,716,332
Acquisition of tangible capital assets	3,112,958	2,641,269
Total reserves	6,533,623	5,986,876
<b>Reserve funds set aside for specific purposes by Council:</b>		
Current purposes	2,557,680	2,557,681
Acquisition of tangible capital assets	37,217,002	35,312,232
Collus share sale	15,537,441	-
Total reserve funds	55,312,123	37,869,913
Total reserves and reserve funds	61,845,746	43,856,789



**THANK YOU**