

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Financial Statements
For the year ended December 31, 2022**

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 13



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Parry Sound

Opinion

We have audited the financial statements of The Corporation of the Town of Parry Sound - Administration of Land Ambulance Services (the "Entity"), which comprise the statement of financial position as at December 31, 2022, and the statement of operations and accumulated surplus, the statement of changes in net financial assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its results of operations, its change in net financial assets, 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 responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 these 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 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 Entity'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 Entity'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 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 Entity 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

October 25, 2023
Barrie, Ontario

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Statement of Financial Position**

December 31	2022	2021
Financial assets		
Cash	\$ 993,338	\$ 971,120
Due from Town of Parry Sound (Note 3)	1,292,513	1,317,886
Due from the Ministry of Health	287,484	222,418
	2,573,335	2,511,424
Liabilities		
	-	-
Net financial assets	2,573,335	2,511,424
Non-financial assets		
Tangible capital assets (Note 2)	1,914,928	1,815,307
Accumulated surplus (Note 4)	\$ 4,488,263	\$ 4,326,731

Commitments (Note 6)

On behalf of the Council:

_____, Mayor

_____, Clerk

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Statement of Operations and Accumulated Surplus**

For the year ended December 31	2022 Budget	2022 Actual	2021 Actual
Revenues			
Provincial grants	\$ 6,573,400	\$ 6,246,358	\$ 6,130,589
Municipal contributions (Note 3)	4,610,264	4,610,264	4,351,115
Interest revenue	15,555	38,222	7,735
	<u>11,199,219</u>	<u>10,894,844</u>	<u>10,489,439</u>
Expenses			
Advertising and promotion	-	22	19
Amortization (Note 2)	461,281	456,255	440,722
Conference and travel	10,555	1	2,859
Contract fees - WPSHC (Note 5 & 6)	10,234,406	9,760,052	9,018,692
Insurance	84,436	89,145	87,174
Membership dues and fees	-	2,998	1,423
Office supplies and other	8,948	8,265	5,156
Professional fees	14,622	23,025	3,452
Salaries and employee benefits	135,601	149,068	138,177
Station occupancy costs and supplies	191,159	127,015	172,159
Telecommunications and GPS	21,041	25,561	18,991
Town administration fees (Note 3)	81,437	80,153	80,371
Vehicle supplies and licences	60,178	11,752	14,921
	<u>11,303,664</u>	<u>10,733,312</u>	<u>9,984,116</u>
Annual surplus (deficit)	(104,445)	161,532	505,323
Accumulated surplus, beginning of the year	4,326,731	4,326,731	3,821,408
Accumulated surplus, end of the year	\$ 4,222,286	\$ 4,488,263	\$ 4,326,731

The accompanying notes are an integral part of these financial statements.

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Statement of Changes in Net Financial Assets**

For the year ended December 31	2022 Budget	2022 Actual	2021 Actual
Annual surplus	\$ (104,445)	\$ 161,532	\$ 505,323
Acquisition of tangible capital assets (Note 2)	-	(555,876)	(471,236)
Amortization of tangible capital assets (Note 2)	461,281	456,255	440,722
Change in net financial assets	356,836	61,911	474,809
Net financial assets, beginning of year	2,511,424	2,511,424	2,036,615
Net financial assets, end of year	\$ 2,868,260	\$ 2,573,335	\$ 2,511,424

The accompanying notes are an integral part of these financial statements.

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Statement of Cash Flows**

For the year ended December 31	2022	2021
Cash provided by (used in)		
Operating transactions		
Annual deficit for the year	\$ 161,532	\$ 505,323
Amortization of tangible capital assets (Note 2)	456,255	440,722
	<u>617,787</u>	946,045
Changes in non-cash working capital balances		
Due to Town of Parry Sound	25,373	(402,005)
Due from the Ministry of Health	(65,066)	(65,069)
	<u>578,094</u>	478,971
Capital transactions		
Acquisition of tangible capital assets	(555,876)	(471,236)
Increase in cash during the year	22,218	7,735
Cash, beginning of year	<u>971,120</u>	<u>963,385</u>
Cash, end of year	<u>\$ 993,338</u>	<u>\$ 971,120</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Town of Parry Sound Administration of the Land Ambulance Services Notes to Financial Statements

December 31, 2022

1. Summary of Significant Accounting Policies

Nature and Purpose

Effective January 1, 2001 The Corporation of the Town of Parry Sound assumed the Administration of the Land Ambulance Services for the Parry Sound District. The purpose is to administrate the land ambulance services for the Parry Sound District.

Management Responsibility

The financial statements of the Town of Parry Sound - Administration of Land Ambulance Services are the responsibility of management. They 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.

Non-financial Assets

Non-financial assets are not 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.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Building	40 years
Machinery and equipment	7 - 15 years
Vehicles	5 - 7 years

Annual amortization is charged in the year of acquisition and in the year of disposal on a pro-rated basis determined by the number of months in use.

Reserves

Certain amounts, received for specific purposes, are set aside in reserves. Transfers from the reserves are made when the expenses are incurred for the specific purposes. Further disclosure of the amounts are part of accumulated surplus in Note 4 of the financial statements.

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Notes to Financial Statements**

December 31, 2022

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenues are recognized as follows:

- a. Municipal contributions are recognized in the period to which the related expenses are incurred.
- b. Government transfers are recognized in the financial statements 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.
- c. Interest and other income is recognized in the period it is earned.

Use of Estimates

The preparation of financial statements in accordance 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. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets. 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.

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Notes to Financial Statements**

December 31, 2022

2. Tangible Capital Assets

	Land	Building	Machinery and Equipment	Vehicles	Assets under Construction	Total 2022
Cost, beginning of year	\$ 22,687	\$ 69,032	\$ 1,074,842	\$ 2,608,156	\$ -	\$ 3,774,717
Additions	-	-	-	555,876	-	555,876
Cost, end of year	22,687	69,032	1,074,842	3,164,032	-	4,330,593
Accumulated amortization, beginning of year	-	31,353	556,617	1,371,440	-	1,959,410
Amortization	-	1,726	110,120	344,409	-	456,255
Accumulated amortization, end of year	-	33,079	666,737	1,715,849	-	2,415,665
Net carrying amount, end of year	\$ 22,687	\$ 35,953	\$ 408,105	\$ 1,448,183	\$ -	\$ 1,914,928

	Land	Building	Machinery and Equipment	Vehicles	Assets under Construction	Total 2021
Cost, beginning of year	\$ 22,687	\$ 69,032	\$ 1,063,930	\$ 2,147,832	\$ -	\$ 3,303,481
Additions	-	-	10,912	460,324	-	471,236
Cost, end of year	22,687	69,032	1,074,842	2,608,156	-	3,774,717
Accumulated amortization, beginning of year	-	29,627	442,292	1,046,769	-	1,518,688
Amortization	-	1,726	114,325	324,671	-	440,722
Accumulated amortization, end of year	-	31,353	556,617	1,371,440	-	1,959,410
Net carrying amount, end of year	\$ 22,687	\$ 37,679	\$ 518,225	\$ 1,236,716	\$ -	\$ 1,815,307

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Notes to Financial Statements**

December 31, 2022

3. Due from the Town of Parry Sound

The Administration Board had the following related party transactions with the Corporation of the Town of Parry Sound, valued at cost:

	<u>2022</u>	<u>2021</u>
Contributions for land ambulance services	\$ 279,024	\$ 280,149
Land ambulance admin fee	76,938	77,536
Community paramedicine LTC admin fee	3,215	2,835
Balance outstanding at December 31:		
Due from the Corporation of the Town of Parry Sound	<u>\$ 1,292,513</u>	<u>\$ 1,317,886</u>

The balance due to the Corporation of the Town of Parry Sound is non-interest bearing and has no set terms of repayment.

4. Accumulated Surplus

The accumulated surplus balance at year end consists of the following:

	<u>2022</u>	<u>2021</u>
Invested in tangible capital assets	\$ 1,914,928	\$ 1,815,308
Reserves:		
Severance pay	596,352	583,015
Other - municipal contributions	1,829,238	1,613,617
Equipment and vehicle replacement	147,745	314,791
	<u>\$ 4,488,263</u>	<u>\$ 4,326,731</u>

**The Corporation of the Town of Parry Sound
Administration of the Land Ambulance Services
Notes to Financial Statements**

December 31, 2022

5. Contract Fees - WPSHC

The contract fees reported on the statement of operations include the contract fees which are based on the annual budget for Parry Sound Ambulance Service operated by West Parry Sound Health Centre (WPSHC) and any deficit or surplus for the year of the Parry Sound Ambulance Service.

A breakdown of the contract fees is as follows:

	<u>2022</u>	<u>2021</u>
Contract fees	\$ 9,421,088	\$ 8,711,951
Contract fees - paramedicine	631,727	488,735
Deficit of Parry Sound Ambulance Service (i)	(292,763)	(181,994)
	<u>\$ 9,760,052</u>	<u>\$ 9,018,692</u>

(i) The Defecit of Parry Sound Ambulance Service includes \$91,952 (2021 - \$NIL) relating to the paramedicine funding received from the Ministry of Health.

The Corporation of the Town of Parry Sound Administration of the Land Ambulance Services Notes to Financial Statements

December 31, 2022

6. Commitments

Operating Agreement West Parry Sound Health Centre

The Town has entered into an operating agreement with the West Parry Sound Health Centre (WPSHC) whereby the WPSHC provides and operates land ambulance services through Parry Sound Ambulance Services in the geographical area of Parry Sound using the equipment provided by the Town. This agreement is effective for the period January 1, 2016 to December 31, 2019 and remains in place until a new contract is negotiated. The contract costs are paid based on the annual budget and in year cost increases due to factors not under the control of WPSHC. See Note 5 for a breakdown of contract fees related to the operating agreement with WPSHC.

Under this agreement the Administration of the Land Ambulance Services is also responsible for covering the costs related to the non-pension post-employment and post-retirement benefits for medical and dental in the year the expense occurs for the Parry Sound Ambulance Service Employees. These costs have been determined during the most recent actuarial valuation conducted in 2018 and the Parry Sound Ambulance Service's share of the total WPSHC liability is \$696,400 (2021 - \$685,000) as of March 31, 2022.

Ambulance Base Lease

The Town has entered into an agreement with the Corporation of the Township of the Archipelago for the utilization of property as an ambulance base. The term of the lease is 30 years ending on the 31st day of December 2047. For the first 15 years of the agreement, the total annual cost will be \$35,572 for a total commitment of \$533,581 over the initial 15 years. The remaining commitment amount for the first 15 years, as of December 31, 2022 is \$382,387. For the final 15 years of the agreement, the Town shall be responsible for its proportionate share of the operating costs of the facility.

7. Segmented Reporting

The Canadian Institute of Chartered Accountants Public Sector Accounting Handbook Section PS 2700, Segmented Disclosures, establishes standards on defining and disclosing segments in a government's financial statements. Governments that apply these standards are encouraged to provide the disclosures established by this section when their operations are diverse enough to warrant disclosures. Due to the nature of the organization segmented reporting has not been disclosed.
