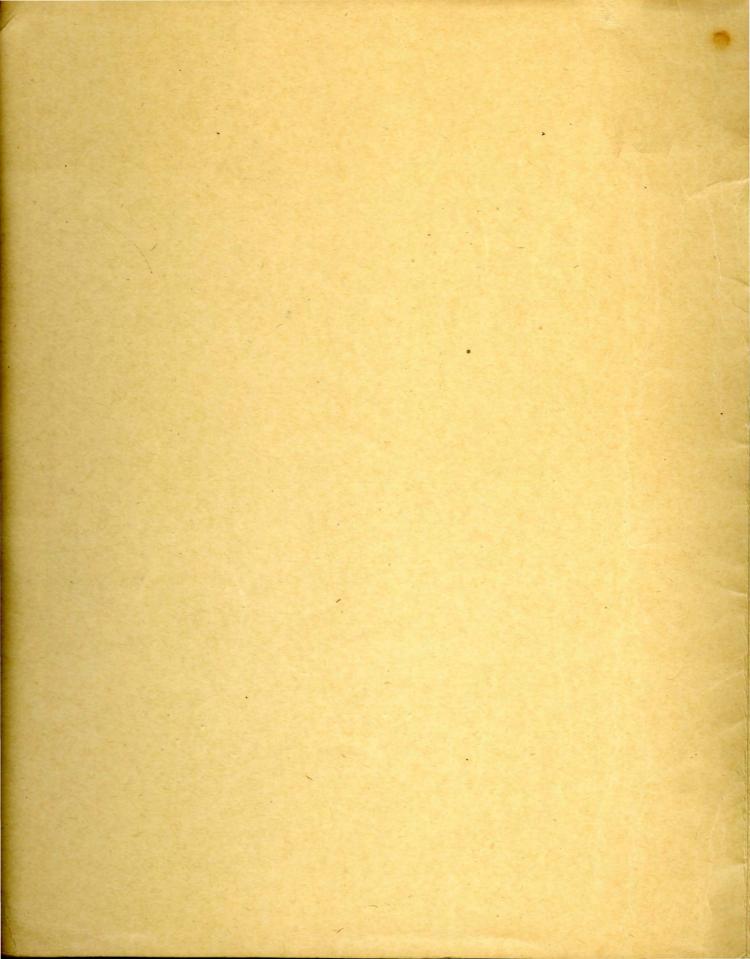
THE CORPORATION OF THE TOWN OF SUDBURY, ONTARIO

BALANCE SHEET AND REPORT

31st December, 1927

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H. T. Jamieson & Company, Chartered Accountants, Royal Bank Building, TORONTO.



H. T. JAMIESON & COMPANY Chartered Accountants

> Royal Bank Building, Toronto, Ontario.

> > 12th October, 1928.

## His Worship the Mayor and Aldermen of the Town of Sudbury, Ontario.

Gentlemen: -

As instructed, we have investigated the financial position of the Corporation of the Town of Sudbury, Ontario shown by the Corporate Accounts, as at 31st December 1927. We submit herewith the following statements:

Exhibit "A"	Balance Sheet as at 31st December 1927.
Exhibit 'B'	Difference between Penalties Due and Penalties charged on Arrears of 1927 Taxes as at 1st January, 1928.
Exhibit 'C'	Statement showing Adjustment of Capital Assets to Agree with the Amount of the relative net Debenture Debt as at 31st December, 1927.
Schedule 1	Sundry Capital Assets, as at 31st December

## CURRENT ASSETS

Taxes in Arrear, \$112,080.61: We confirmed the taxes of 1927 and prior years outstanding as at 20th June, 1928, by communicating with the respective taxpayers, requesting them to notify us of any discrepancies in the amount of taxes outstanding. We received several replies advising us of minor inaccuracies. All of these were explained to our satisfaction. From the information available we were unable to form a definite opinion of the collectibility of the taxes in arrear, and we therefore recommend that, at

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the end of the current year an analysis of the outstanding taxes be prepared distinguishing between income taxes and real estate taxes and classifying each division according to the years in which tha taxes were charged. It is unlikely that all the taxes in arrears will be paid and we are therefore of the opinion that a reserve should be provided for loss in this connection.

<u>Penalties</u>: By-Law No. 977, paragraph 4, provides that "an addition of five percent shall be made on all taxes unpaid on the 23rd day of June, A.D. 1927, and "an additional five percent shall be charged on all tax arrears unpaid on the 1st day of January, 1928 ". We found in the course of our investigation that in several instances (particulars of which will be found in Exhibit 'B', attached) the foregoing penalties had not been duly imposed.

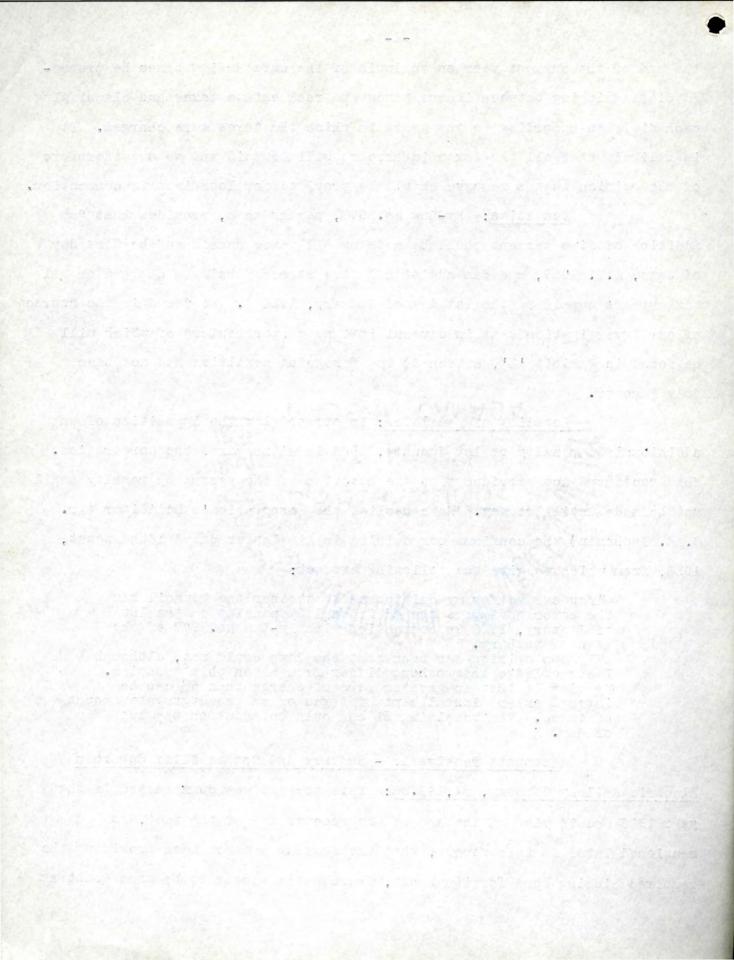
Legality of Penalties: In our opinion the imposition of an additional 5% penalty on 1st January, 1928 is ultra vires the Corporation. The Assessment Act provides that the addition of the second 5% penalty shall not be made until 1st May. We consulted the Corporation's Solicitor (Mr. G. E. Buchanan) who confirms our opinion in his letter dated 16th August, 1928, from which we give the following extract:

> "You ask me for my opinion as to whether the Council has the power to impose the additional 5% penalty on the 1st of January, 1928 in connection with By-Law No. 977 of the Town of Sudbury. "

"My own opinion has been that the Town could not, although I acknowledge that others differ from me on this question. My view is that no greater percent charge than 5% can be imposed on any installment of taxes or on the aggregate amount of taxes. The remaining 5% can only be added on the 1st of May. "

<u>Accounts Receivable - Sudbury and Copper Cliff Suburban</u> <u>Electric Railway Company, \$4,146.38</u>: This account was conxtracted in the year 1926 and in view of the age of the account and of the fact, as mentioned later in this report, that the Company has not been providing the required Sinking Fund for its bonds, there would appear to be some doubt as

-2-



to the collection of the foregoing balance. We therefore recommend that a reserve be made for possible loss on realization.

Accounts Receivable - Sundry \$1,333.67: We have verified the accounts included in the foregoing balance which were still outstanding as at 30th June, 1928, by corresponding with the respective debtors. We draw your attention to the following overdue accounts, included in the foregoing balance:

Mrs.	. M.	. A	cquin, 1924 /	Account	\$ 80.10
Mr.	H.	R.	Grant, 1924	Account	133.78
Mr.	R.	H.	Martindale,	1924 Account	248.93

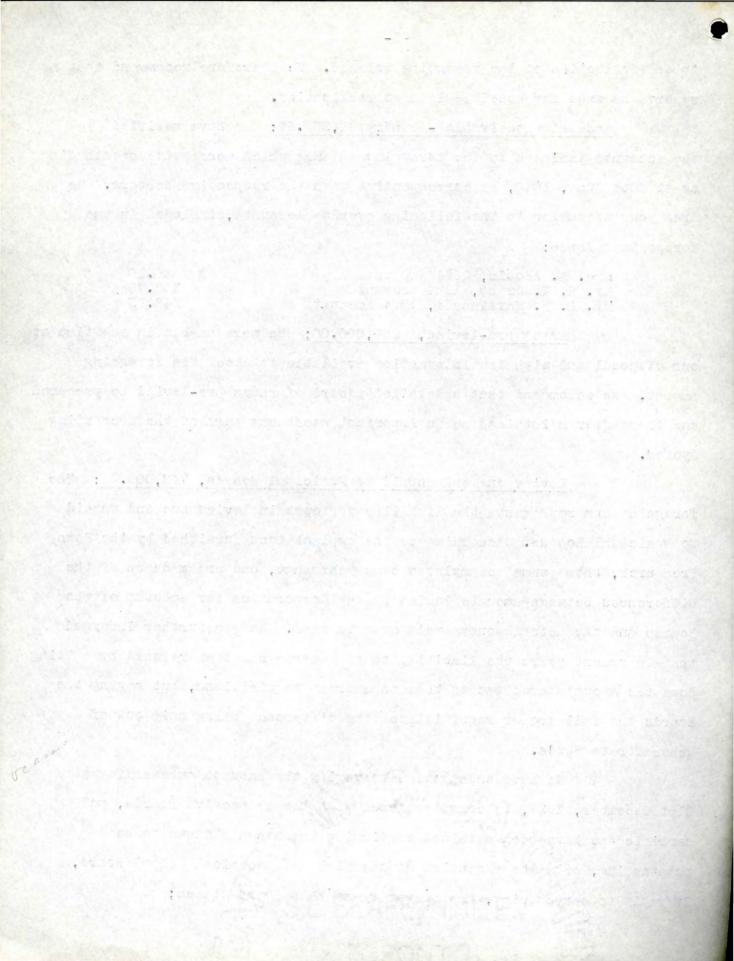
Rates pre-levied, \$30,000.00; We were unable in the time at our disposal and with the information available to check the foregoing amount. We recommend that a detailed record of rates pre-levied be prepared and thereafter maintained as an important necessary part of the accounting system.

Levies due and Unpaid to Municipal Boards, \$48,909.34: The

foregoing sum represents the liability for certain levies due and unpaid to Municipal Boards. According to the explanations furnished by the Town Treasurer, these sums accumulated some years ago, and are made up of the differences between amounts levied by the Corporation for account of the Boards and the actual moneys paid over to them. We are further informed that in recent years the liability to the Boards has been reduced by cutting down the amounts credited to them on current requisitions, but paying the Boards the full amount requisitioned the difference being paid out of general rate funds.

We have endeavoured to verify the amounts outstanding at 31st December, 1927, by correspondence with the respective Boards, and certificates have been obtained confirming the amounts shown to be outstanding, with the exception of the High and Technical School Board, In reply to our enquiry, the Secretary of that Board states;

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"The information you asked for is something that the Board themselves would be very pleased to know, because we are entirely in the dark on the subject."

We have been advised by the Town Solicitor that he is of the opinion that the council had the power to do what they have done, that is, take into consideration the moneys they had on hand when considering the amount asked for by the respective Boards, and make a reduction accordingly.

We approve of the policy of Council in reducing these liabilities and of the method adopted in doing so.

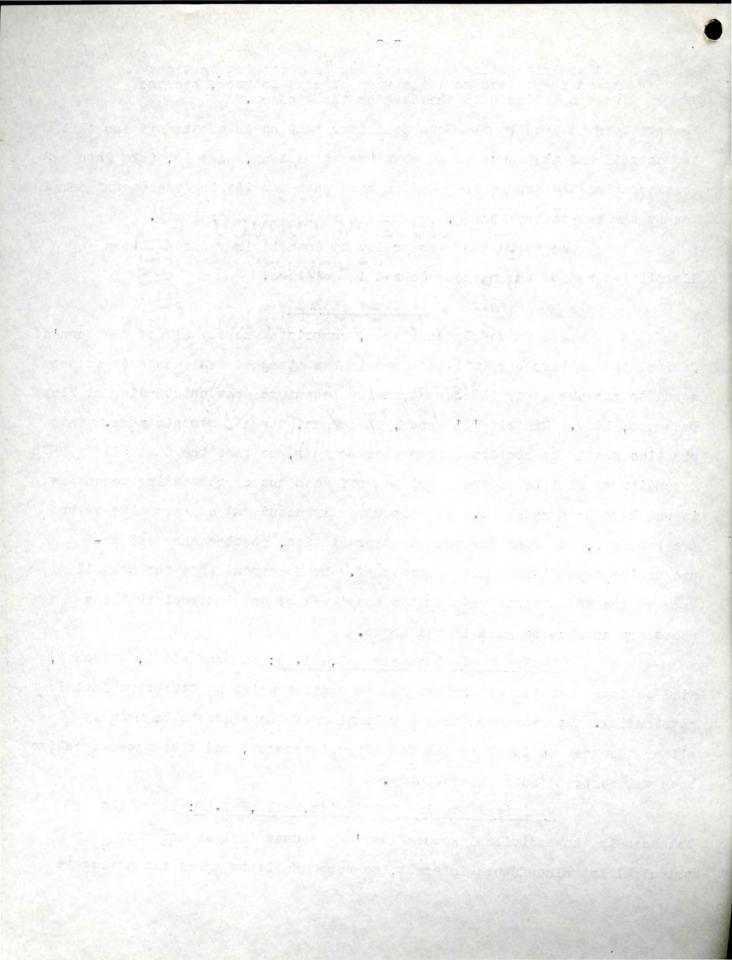
## CAPITAL ASSETS

All funded Expenditures, comprising nearly all of the Town's Capital Assets have been written down in the attached statements to values equal to the amount of the corresponding Debenture debt outstanding at 31st December, 1927. Exhibit 'C' shows, in detail, the adjustments made. This practice should be continued from year to year, so that the Capital Expenditures will be entirely written off when the corresponding debenture issues have been redeemed. In this way only sound and conservative values are retained, and such features as depreciation, obsolescence and unproductive expenditures are disposed of. We recommend that the Council approve the adjustments made in the asset values and instruct that the necessary entries be made in the books.

<u>Sundry Capital Assets \$59,491.84</u>: In Schedule 1, attahhed, will be found details of Capital Assets against which no Debenture Debt is outstanding. We recommend that a valuation of these Assets be made by either the Town Engineer or the Town Superintendent, and that the respective book values be adjusted accordingly.

Municipal Housing Commission, \$117,699.50: Since the balances in the individual Householder's Accounts include not only principal but also future interest, we were unable to agree the aggregate

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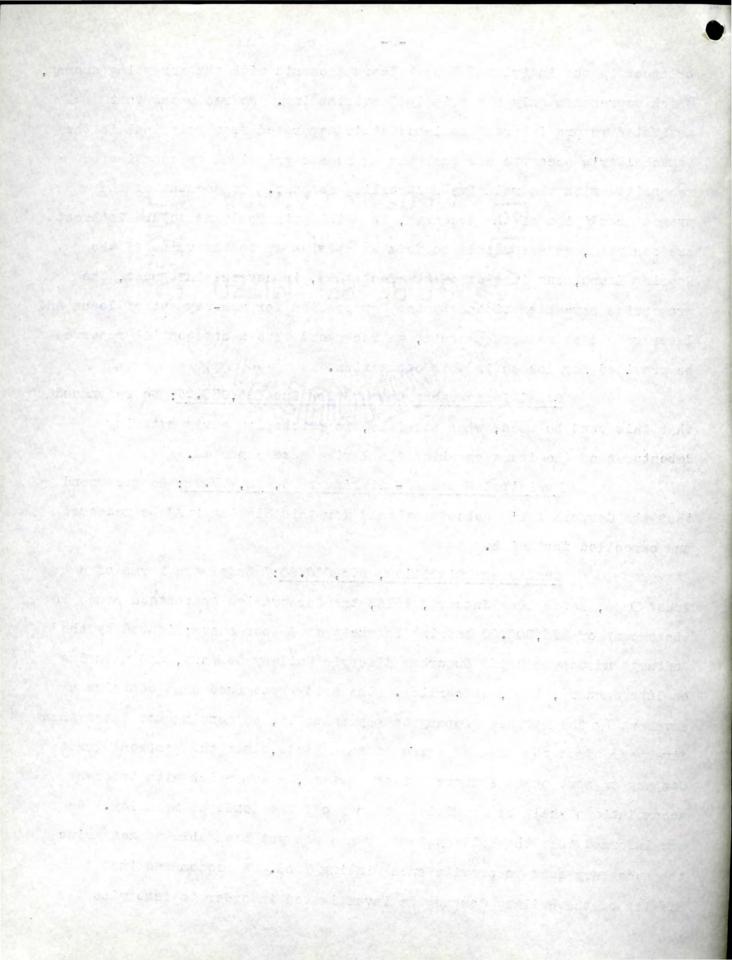
balances in the individual Householders accounts with the foregoing amount, which represents only the principal outstanding. We recommend that estimated future interest be immediately separated from principal in the Householder's accounts and that the aggregate principal outstanding be reconciled with the relative controlling account. On account of the present condition of the accounts, in which principal and future interest are confused, we are unable to form an opinion as to the value of the Housing Loans, but in view of the fact that, in several instances, the properties have been siezed by the Corporation for non-payment of loans and later resold at reduced amounts, we recommend that a substantial reserve be provided for losses in this connection.

Local Improvement Commutation Fund \$4,930.97: We recommend that this fund be used, when possible, in purchasing early maturing debentures of the issue on which the levies were commuted.

<u>Municipal Housing - Sinking Fund, \$2,197.79</u>: We recommend that the Corporation's debentures held for this Sinking Fund be redeemed and cancelled forthwith.

Contingent Liability, \$75,000.00: Under the terms of a Trust Deed, dated 10th January, 1916, the Corporation guaranteed Bonds in the amount of \$75,000.00 bearing interest at 6% per annum; issued by the Sudbury and Copper Cliff Suburban Electric Railway Company, and maturing on 10th January, 1936, or earlier. The said Trust Deed also contains a covenant by the Railway Company to pay annually, commencing not later than five years from the date of issue of such Bonds, into the Montreal Trust Company or some other approved Trust Company, a sum which with interest accumulations shall be sufficient to pay off the Bonds at maturity. We are informed that the Railway Company has not yet been able to set aside the necessary sums to provide such Sinking Fund. We recommend that the affairs of the Railway Company be investigated in order to determine its

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present financial position and future prospects so that, if necessary, steps can be taken immediately to commence accumulation of funds necessary to redeem the Railway Company's bonds at maturity as required by the terms of the guarantee.

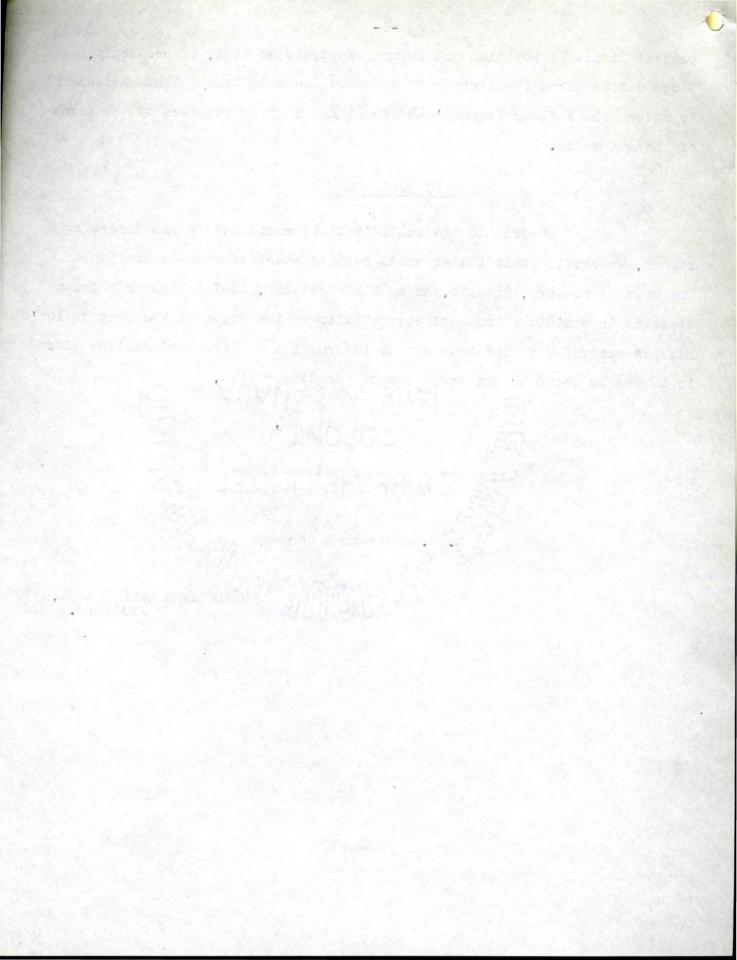
## CERTIFICATE

Subject to the qualifications mentioned in the foregoing report, we certify that the attached Balance Sheet of the Corporation of the Town of Sudbury, Ontario, as at 31st December, 1927 is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs according to the best of our information and the explanations given to us and as shown by the books form of the Corporation,

Resported by,

H. T. Hamieson & Company

CHARTERED ACCOUNTANTS, Auditors.



### CORPORATION OF THE TOWN OF SUDBURY, ONTARIO

### BALANCE SHEET AS AT 31ST DECEMBER, 1927

### REVENUE ACCOUNT

## ASSETS

## LIABILITIES

Cash on hand and in Bank:			Bills Payable		\$ 205,000.00
Cash on Hand	4.427.38				
Petty Cash	100.00		Accounts Payable:		
Cash in Bank	13,446.05	17,973.43		4,643.50	
Taxes in Arrear:			Water	525.00	
1925, 1926 and 1927	101.982.33				
Prior to 1925	10,098.28-	112,080.61	the second s	5,168.50	
			St. Joseph's Hospital, Special Grant	285.00	5,453.50
Accounts receivable:			are scoope a mospital, sportal arant		
Electric Light and Power Consumers	1.701.79		Debenture Interest Coupons Unpaid		1.032.17
Water Consumers	826.19		Debenture Instalments due and unpaid		1,958.59
Sudbury & Copper Cliff Suburban Elect			popoliticato Internation and and an internation		
Railway Company	4,146.38		Rates Pre-levied (estimated):		
Sundry	1,333.67	8.008.03		20.000.00	
		0,000,00	Debenture Instalments due 1928	10,000.00	30,000.00
Dishonoured Cheques on Hand		50.00	populato instantion and roso	10,000.00	
prononourou onoquoo on nana			Contractors' Hold-backs		891.87
Inventories:			Unclaimed Cheques		455.09
General Stores	20.037.23		ouorarmon ono duon		
Road Department	11,498.66	31 535.89-	Levies due and Unpaid to Muncipal Boards:		
noad Deparement	11,10000	01,000.00	Public Library Board	849.92	
Excess of Repayments of Housing Loans			Public Parks Board	1.674.11	
over Receipts from Householders	7.510.01		Public School Board	4.587.26	
Less: Reserve for Losses	2.000.00	5.510.01		12,871.81	
Teas: Veserve for Toppes	2,000.00	0,010.01	Separate School Board	28,986.24	48,909.34
Due by Capital Account on Work in Progr	PAR	122,741.66-		NO,000111	statement of the statem
Due by Capital Account on Nork in 1105.		100,111.00			293,700.56
			Excess of Current Assets over Current		
			Liabilities		- 4.199.07
					1
		297,899.63			\$ 297,899.63

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BADANDA SHEET AS AT SIST DECEMBER, 1987

#### PHUODA SULLEVER

	REITZ	TEATS			ASSEA
\$ 205,000.00	02.643.5	Sills Payeb e Accounts Payeble: Webnapited Fower Company: Slectric Light and Power \$		4,427,28 100.00 10,446.03	Cash on hand and in Bank: Cash on Hand Febty Cash Cash in Jank:
5,455,50	4,643.50 585.00 5,158.50 885.00	Tetew 3t. Joseph's Mospital, Special Grant	112,080,81	101,998.23	l'axes in irresr: 1985, 1926 and 1987 Prior 60 1926
1,088.17-		Debenture Interest Coupons Unpaid Debenture Instelments due and unpaid		1,701.79 886.19	Accounts receivable: Geotric Light and Power Consumers Water Consemers Suddary & Copper Cliff Suburban Sleet
80,000.00	80.000.00	Rates Fre-Lovied (setimated): Debenture Interest due 1928 Debenture Instalments due 1928	8,008,00 50,00	4,146,58 1,085,67	Rallway Company Sundry
891.87 455.09		Contractors Hold-backs Diclaimed Cheques		80,087.88	Dishonoured Cheques on Hand Inventories: Ceneral Stores
	049.78 1.674.11 4.627.26	Lavies due and Ungeld to Munoipel Boards: Fublic Library Board Public Tayles Board	81,555.89	11,499,66	Road Department Frage of Repayments of Housing Loans
48,909.84	12,871,81 28,986,24	Public School Board High and Technical School Board Separate School Board	5,510.01	7,510.01 8,000.00	over Receipte from Ecrepholders
293,700.56		Anorano revo edeset factors for essent	122,741.66	BSB	ine by Capital Account on Work in Press
4,199.07		seldilideli			
\$ 297,899.63			88.998.78S \$		

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EXHIBIT 'A' (Con

### BALANCE SHEET AS AT 31ST DECEMBER, 1927

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## CAPITAL ACCOUNT

## ASSETS

LIABILITIES

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		185,768.04 95,479.04 60,000.00	sola sohnical Schools	Municipal do Public Sol High and I Parks		128,759,04 93,479,04 48,971,75		ipal Boards: Lic Schoole b' and Touboloal	
	88.946.68	117, 699, 60		Nuni of pal	483,088.91	117 699 50-			
		80,099,58 9,489,84 6,040,88 4,628,54	diemaluge diema diemaluge diema gatate	Town Hull, Pire Dopar Sowage Fun	and and form	88.900.00 40.000.00		llansons: n Ball, Mirs Bal spartmant Rev	
	00.104.88	4.422.34 8.156.85 1.259.23		Sowago Dia Ploating i Patriotic	100, 546.68	8,040.88 4,422.54 89,491.94	d on bt	tesa indolas Stat an Discover Stat an Nasoto an pa	
	695,685.98				845,858.04				
1,155,754.9	485,095,01	811, 847, 90 49, 761, 89 174, 066, 85 85, 929, 37	truction Construction dng Construction struction	Street Pac	458,095,01	811, 347, 90 49, 751, 39 174, 066, 35 86, 989, 37		mprovementa: ain avaika aot Paving dga	
182,741.6 105,104.5 4,930.9			rio Housing Loan	in Programs	182,741.06 , 800.039.71				
1,386,882.1					4,930,97				
68,314,5	00.000.00 0.226.06		basiya Ality: 11:59:	Surplus: General Sinking Fund 1 Contingent Mabi	9,886,06	79.989.79			
			seny's Bouds guarant						
1,444,946.74					444,840.74				
	, Canad	med & neseime	и. т. л		ACIZIAN CONTRACTOR				
Accountants, Augitor.	Ohertered							. Ontarlo. Dotober, 1928.	

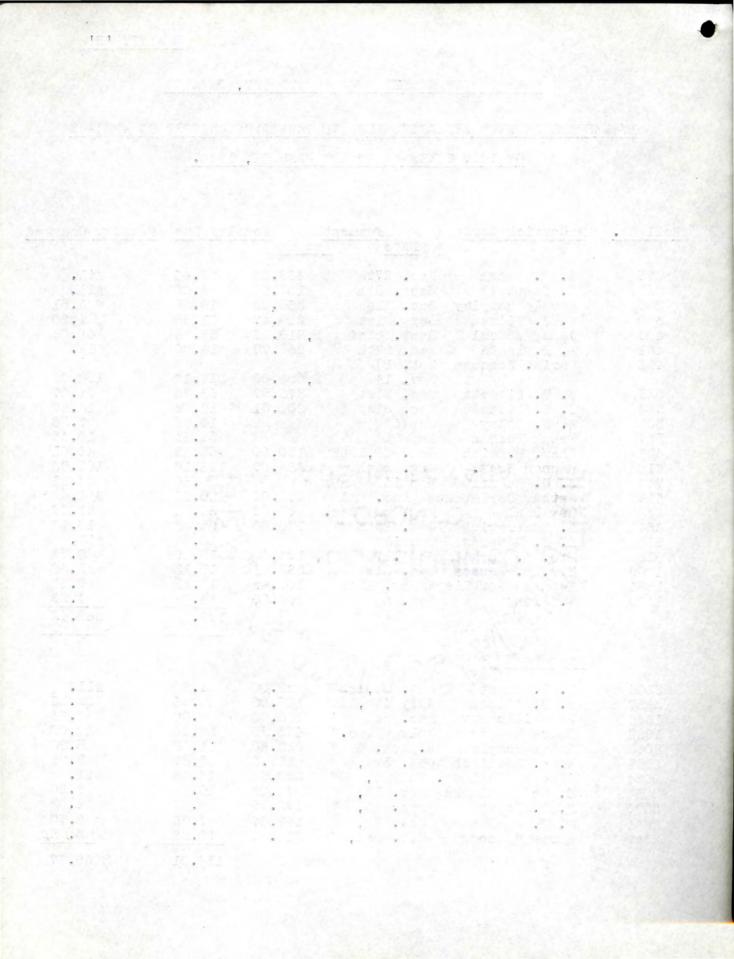
EXHIBIT 'B'

## CORPORATION OF THE TOWN OF SUDBURY, ONTARIO

DIFFERENCE BETWEEN PENALTIES DUE AND PENALTIES CHARGED ON ARREARS

## OF 1927 TAXES AS AT 1ST JANUARY, 1928.

Roll No.	McCormick Ward	Date Payme:	Amo		alty Due	Penalty Charged
275	A. H. Beath	Dec. 27th		469.22	\$ 23.46	Nil.
321	C. Campbell	Sept. 8th	1.	100.00	5.00	Nil.
330	Bessie Shipley	Oct. 11th		365.93	18.30	8.51
360	W. J. Wilson	Sept. 1st		229.47	11.68	4.20
400	James McCool	Sept. 22nd	1.0	818.16	88.85	42.05
401	A. H. Beath	Dec. 27th		280.78	14.00	Nil.
492	Chris. Johnson	Oct. 1)				
		Nov. 1)	2,1	00.00	217.17	158.79
533	J. R. Bissett	Dec. 31st		376.97	69.75	34.27
534	J. R. Bissett	Dec. 31st	1	201.01	28,32	18.27
568	A. H. Tobey	Unpaid			14.75	7.38
587	Frank Teahan	Unpaid			39.45	19.45
638	Chas. R.Smith	Oct. 20,192		150.00	52.11	44.61
718	Bannon Bros.	Aug. 24th		884.09	198.18	153.98
746	J. G. Wagner	Unpaid			51.80	23.11
819	Arthur Christak			416.06	20.84	Nil.
833	Max Paul	Aug. and De		110.00	26.32	21.27
854	N. Lazarevich	Oct. 13th		130.00	25.28	18,78
910	A. C. Edwards	Unpaid	1		10.00	Nil.
935	Mrs. A. Turgel	Sept. 7		100.00	13.29	8.29
1209	Mrs. B. Lauzon	Dec. 31st		382.76	19.13	5.50
1234	Leonard Soublie			109.45	15.13	9.67
1409	W. Grant	Oct. 3		298.53	14.71	4.29
					\$ 977.52	\$ 582,42
	Ryan Ward					
	ity all main					
3306	H. R. Grant	oct. 22,192	7	92.00	4.60	Nil.
3857	W. T. Wilcox	July 4th, 19		100.00	25.26	22.26
1848	Joe Villeneuve	Dec. 5th		160.00	8.00	3.76
1929	Price Estate	Juby & Dec.	17	453.23	22.66	12.00
2043	Labor Temple As			223.60	11.18	5.20
2051	W. E. Holditch		11	187.50	9.37	5.00
2074	Liberty Hall Co		11	329.62	16.48	Nil.
2084	E. Della Vidora		11	71.00	10.50	7.20
2090	T. E. Wright	Dec. 16,	17	173.37	8.46	4.03
2346	W. J. Hall	Oct. 20,		157.67	7.88	2.70
2397	Harry Hiscock	Oct. 3rd,		210.48	10.52	3.52
			Forw	ard	\$ 134.91	\$ 65.67



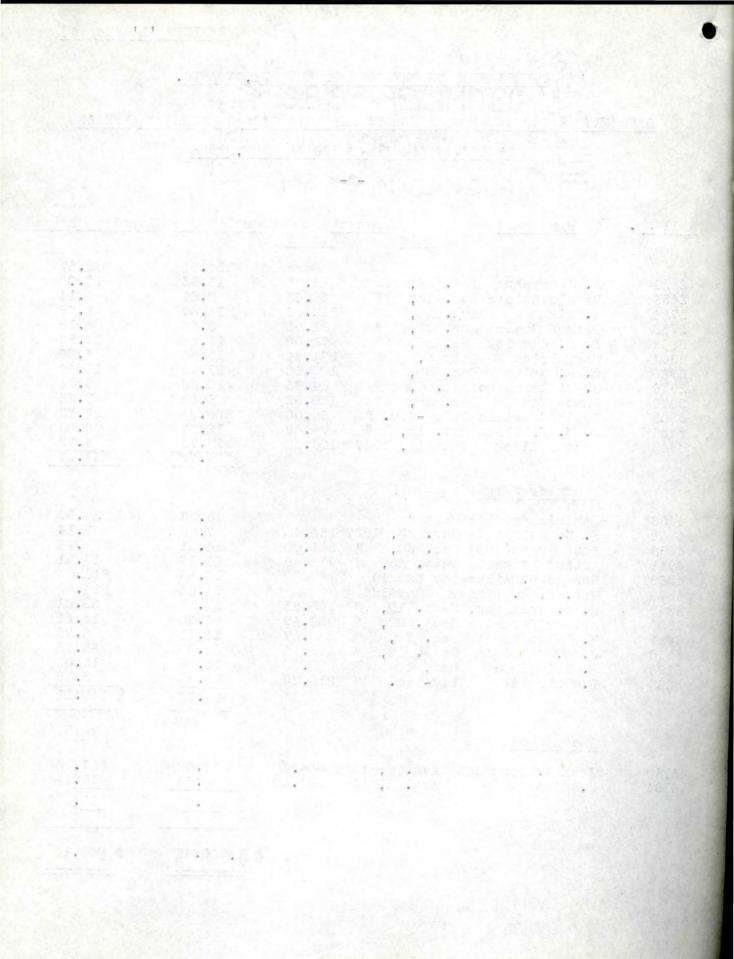
## CORPORATION OF THE TOWN OF SUDBURY, ONTARIO.

## DIFFERENCES BETWEEN PENALTIES DUE AND PENALTIES CHARGED ON ARREARS

## OF 1927 TAXES AS AT 1ST JANUARY, 1928

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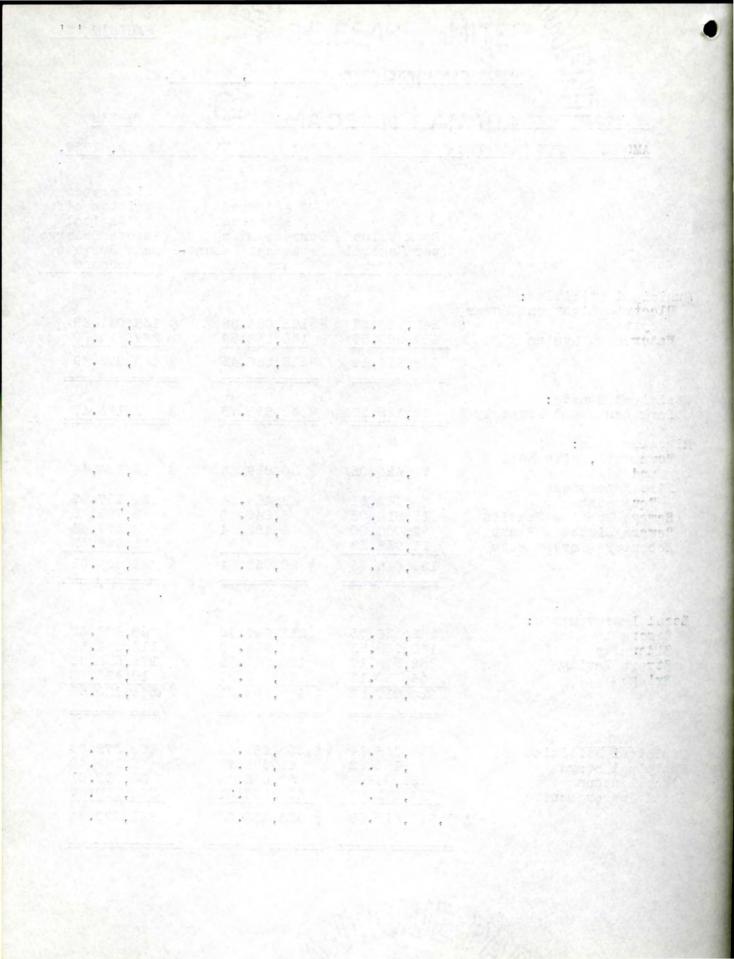
Roll No.	Ryan Ward Payn		Penalty Due	Penalty Charged
	Date	Amount		
		Forwar	a \$134.91	\$65.67
2254	J. Andrychuk Oct. 20, 1927	118.71	16.93	10.00
2458	Proulx Estate Aug. 12. "	68.63	7.61	4.18
2726	A. Dika Aug. 11. "	323.26	16.07	1.79
2733	Thomas Green Aug. 1, "	81.93	8.28	4.19
2862	R. M. Glenisk Dec. 27. "	71.00	15.35	11.85
2863	Mary Price July 5, "	271.74	13.58	6.30
2920	R. A. Waite Dec. 30, "	100.00	23.49	18.49
2956	J. Villenneuve Dec. 5, "	84.86	10.58	6.34
2979	James Roy Dec. 27, "	120.62	6.03	1.76
3305	Louis Graville July ONOV. "	85.00	25.98	21.73
3436	J. W. Phillips Oct. 15, "	74.49	12.17	8.45
3448	Alex Pollock July 11, 192'	7 100.00	12.72	7.72
			\$303.70	\$168.47
	Fournier Ward			
4458	Dominic Fortine Unpaid		46.56	24.39
4461	F. C. Muirhead Nov. 23, 19	27 154.63	7.73	3.16
4468		281.00	14.51	.46
4941		938.49	46.19	13.51
4369	George E. Silvester Unpaid		96.86	Nil.
4370	Mrs. F. F. Limeux Unpaid		96.86	Nil.
4862	J. M. Mulligan, Sept. 10,	103.25	27.61	22.61
4940	Arthur Forgette Sept. 22,	938.49	46.92	13.51
5025	M. Belanger Dec. 29,	282.27	14.11	6.75
5190	J. M. Mulligan Dopus 10,	212,16	56.85	46.79
5198	r. millippe 000, 14	80.00	16.88	12.88
5265	T. Dubrail Nov-Dec.	" 216.20	16.85	3.15
			\$ 481.73	\$ 147.21
	Income Roll			
6160	John A. Ferguson Aug. 9, 1	927 304.00	15.02	Nil.
6184		53.60	2.68	Nil.
0104	m. dibbon mag. o,		Property and the second s	
			\$ 17.70	Nil.
			\$ 1,780.65	\$ 898.10
			φ 1,100.00	φ 000010



## CORPORATION OF THE TOWN OF SUDBURY, ONTARIO.

STATEMENT SHOWING ADJUSTMENT OF CAPITAL ASSETS TO AGREE WITH THE AMOUNT OF THE RELATIVE NET DEBENTURE DEBT AS AT 31ST DECEMBER, 1927.

		Book Value per General Ledger	Adjusted Balances Corresponding to net Debent ure Debt	-	Difference Written off to Capital Assets Reserve and Surplus Account
Municipal Utilities: Electric Light and Powe	r	241,148.57	\$103,096.88	8	138,051.69
System Waterworks System	P	417,509.57	150,188.57	9	267,321.00
	\$	658,658.14	\$253,285.45	\$	405,372.69
Municipal Boards: Park Lands and Property	7\$	48,155.22	\$ 42,971.73	\$	5,183.49
Miscellaneous: Town Hall, Fire Hall and Site	\$	73,624.02	\$ 30,099.58	\$	43,524.44
Fire Department	-	30,647.81	9,489.84	-	21,157.97
Equipment Sewage Pumping Station		15,816.03	6,040.88		9,775.15
Sewage Disposal Plant Debenture Investments		7,000.00	4,422.54		2,577.46 11,958.59
Departure Investments	\$	139,046.45	\$ 50,052.84	ŝ	88,993.61
	Ŧ				
Local Improvements:					
Sewers Sidewalks	\$	262,326.73 162,965.53	211,347.90 49,751.39		50,978.83 113,214.14
Street Paving		352,573.17	174,066.35		178,506.82
Bridge	-	46,350.15	26,929.37		19,420.78
	\$	824,215.58	\$ 462,095.01	\$	362,120.57
SUMMARY Municipal Utilities Municipal Board Miscellaneous Local Improvements	\$	658,658.14 48,155.22 139,046.45 824,215.58	\$ 253,285.45 42,971.73 50,052.84 462,095.01	\$	405,372.69 5,183.49 88,993.61 362,120.57
	\$ 1	,670,075.39	\$ 808,405.03	\$	861,670.36



SCHEDULE 1.

CORPORATION OF THE TOWN OF SUDBURY, ONTARIO SUNDRY CAPITAL ASSETS AS AT 31ST DECEMBER, 1927

Isolation Hospital	\$ 300.00
Incinerator	2,200.00
Market	1,950.00
Police Equipment	2,300.00
Motor Truck	900.00
New Yard and Warehouse	13,327.98
Public Library Real Estate	4,000.00
Tools and Equipment	9,458.50
Real Estate	4,557.80
Roads, Streets and Bridges- Plant	16,222.47
Town Hall Furniture and Equipment	2,756.68
Lands hold on Account of Tax Sales	1,518.41
	₫ 59,491.84

