

Township of Whitewater Region

Financial Statements

For the year ended 31 December 2022

**MACKILLICAN & ASSOCIATES**

CHARTERED PROFESSIONAL ACCOUNTANTS

## Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Township of Whitewater Region (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is contained in *Note 1* to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MacKillican & Associates, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.



Ivan Burton  
CAO

(613) 646-2282



P.O. Box 40,  
44 Main Street  
Cobden, ON  
K0J 1K0



[www.whitewaterregion.ca](http://www.whitewaterregion.ca)



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For the year ended 31 December 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

**Opinion**

We have audited the consolidated financial statements of the Township of Whitewater Region (the Township), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net financial assets (liabilities) and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Township as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

**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 Township 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.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 Township'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 Township or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at MacKillican's website at: [http://mackillicans.com/PDF/Auditors\\_Responsibilities.pdf](http://mackillicans.com/PDF/Auditors_Responsibilities.pdf). This description forms part of our auditor's report.

*MacKillican & Associates*

RENFREW, Ontario.

7 June 2023.

Chartered Professional Accountants,

Licensed Public Accountants.

620 Barnet Blvd.  
Renfrew ON, K7V 0A8  
T: 613.432.3664 | F: 613.432.8424

Email: [info@mackillicans.com](mailto:info@mackillicans.com) | Website: [www.mackillicans.com](http://www.mackillicans.com)

14 Madawaska Street – P.O. Box 94  
Amprior ON, K7S 3H2  
T: 613.623.7926 | F: 613.623.7927

Township of Whitewater Region  
Consolidated Statement of Financial Position  
For the year ended 31 December 2022  
(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 1,121,543	\$ 643,315
Taxes receivable	898,811	935,641
Accounts receivable	823,070	851,040
Investments (Note 3)	<u>295,029</u>	<u>295,029</u>
	<u>\$ 3,138,453</u>	<u>\$ 2,725,025</u>
Liabilities:		
Operating loan (Note 15)		\$ 125,000
Accounts payable and accrued liabilities	\$ 2,218,179	1,571,238
Ontario Infrastructure and Lands Corporation - advance (Note 17)	3,125,000	
Deferred revenue - obligatory reserve funds (Note 5)	242,670	151,424
Net long term liabilities (Note 10)	10,538,758	10,880,160
Landfill closure and post closure costs (Note 6)	<u>391,000</u>	<u>371,000</u>
	<u>\$ 16,515,607</u>	<u>\$ 13,098,822</u>
Net financial assets (liabilities)	<u>\$ (13,377,154)</u>	<u>\$ (10,373,797)</u>
Non-financial assets:		
Tangible capital assets (net)	\$ 46,559,880	\$ 42,686,629
Inventories of supplies	374,613	258,790
Prepaid expenses	<u>33,199</u>	<u>24,996</u>
	<u>\$ 46,967,692</u>	<u>\$ 42,970,415</u>
Accumulated surplus	<u>\$ 33,590,538</u>	<u>\$ 32,596,618</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 12)	\$ 31,828,421	\$ 30,010,009
Whitewater Region Public Library Board	42,316	53,681
Whitewater Historical Society	14,279	12,541
Reserve and reserve funds	2,096,522	2,891,387
Unfunded - Landfill closure and post closure costs (Note 2)	<u>(391,000)</u>	<u>(371,000)</u>
Total accumulated surplus	<u>\$ 33,590,538</u>	<u>\$ 32,596,618</u>

(See accompanying notes)

Township of Whitewater Region  
Consolidated Statement of Operations and Accumulated Surplus

For the year ended 31 December 2022  
(with 2022 budget and 2021 actual figures for comparison)

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Revenue:			
Taxation and user charges	\$ 8,803,554	\$ 8,921,998	\$ 8,531,746
Government transfers:			
Ontario	1,835,581	2,777,883	1,894,103
Canada	264,000	265,230	561,962
Other municipalities	9,000	8,000	8,000
Other	<u>1,084,925</u>	<u>1,461,913</u>	<u>1,258,513</u>
	<u>\$ 11,997,060</u>	<u>\$ 13,435,024</u>	<u>\$ 12,254,324</u>
Expenses:			
General government	\$ 1,465,567	\$ 1,539,464	\$ 1,451,480
Protection to persons and property	2,132,201	2,155,292	2,072,012
Transportation services	3,834,582	4,186,492	3,615,879
Environmental services	2,793,956	2,930,685	2,517,995
Health services	31,400	77,771	
Recreation and cultural services	1,333,603	1,204,687	1,121,209
Planning and development	<u>297,879</u>	<u>346,713</u>	<u>433,960</u>
	<u>\$ 11,889,188</u>	<u>\$ 12,441,104</u>	<u>\$ 11,212,535</u>
Excess of revenue over expenses	\$ 107,872	\$ 993,920	\$ 1,041,789
Accumulated surplus at the beginning of the year	<u>32,596,618</u>	<u>32,596,618</u>	<u>31,554,829</u>
Accumulated surplus at the end of the year	<u>\$ 32,704,490</u>	<u>\$ 33,590,538</u>	<u>\$ 32,596,618</u>

(See accompanying notes)

Township of Whitewater Region  
Consolidated Statement of Changes in Net Financial Assets (Liabilities)  
For the year ended 31 December 2022  
(with 2022 budget and 2021 actual figures for comparison)

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Excess of revenue over expenses	\$ 107,872	\$ 993,920	\$ 1,041,789
Amortization of tangible capital assets	1,906,815	1,906,815	1,844,559
Acquisition of tangible capital assets	(1,869,497)	(5,545,681)	(5,754,062)
Contributed tangible capital assets		(234,385)	
Loss (gain) on sale of tangible capital assets		(11,100)	(36,628)
Proceeds on sale of tangible capital assets		11,100	92,400
Consumption (acquisition) of inventory		(115,823)	(84,961)
Consumption (acquisition) of prepaid expenses	<u>                    </u>	<u>(8,203)</u>	<u>(22,823)</u>
Increase (decrease) in net financial assets (liabilities)	\$ 145,190	\$ (3,003,357)	\$ (2,919,726)
Net financial assets (liabilities) at the beginning of the year	<u>(10,373,797)</u>	<u>(10,373,797)</u>	<u>(7,454,071)</u>
Net financial assets (liabilities) at the end of the year	<u>\$ (10,228,607)</u>	<u>\$ (13,377,154)</u>	<u>\$ (10,373,797)</u>

(See accompanying notes)

Township of Whitewater Region  
Consolidated Statement of Cash Flows  
For the year ended 31 December 2022  
(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 993,920	\$ 1,041,789
Add (deduct) items which do not involve cash:		
- amortization	1,906,815	1,844,559
- contributed tangible capital asset	(234,385)	
- loss (gain) on disposal of tangible capital assets	<u>(11,100)</u>	<u>(36,628)</u>
	<u>\$ 2,655,250</u>	<u>\$ 2,849,720</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ 36,830	\$ 375,358
- decrease (increase) in accounts receivable	27,970	(235,099)
- decrease (increase) in inventories of supplies	(115,823)	(84,961)
- increase (decrease) in accounts payable and accrued liabilities	646,941	480,008
- increase (decrease) in deferred revenue	91,246	(14,015)
- increase (decrease) in employee future benefits		(48,000)
- increase (decrease) in landfill closure and post closure costs	20,000	(86,000)
- decrease (increase) in prepaid expenses	<u>(8,203)</u>	<u>(22,823)</u>
	<u>\$ 698,961</u>	<u>\$ 364,468</u>
Cash flows from operating activities	<u>\$ 3,354,211</u>	<u>\$ 3,214,188</u>
Cash flows from financing activities:		
Increase (decrease) in OILC - advance	\$ 3,125,000	\$ (3,950,000)
Repayment of OILC debentures	(639,559)	(373,580)
Proceeds from OILC debentures	298,157	6,529,732
Temporary bank loan	<u>(125,000)</u>	<u>125,000</u>
Cash flows from financing activities	<u>\$ 2,658,598</u>	<u>\$ 2,331,152</u>
Cash flows used for capital activities:		
Additions to tangible capital assets:		
General government	\$ (115,136)	\$ (38,150)
Protection services	(92,566)	(120,986)
Transportation services	(3,912,378)	(3,277,303)
Environmental services	(1,353,902)	(1,977,974)
Recreation and cultural services	(71,699)	(335,956)
Planning and development		(3,693)
Proceeds from the sale of tangible capital assets	<u>11,100</u>	<u>92,400</u>
Cash flows used for capital activities	<u>\$ (5,534,581)</u>	<u>\$ (5,661,662)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ 478,228	\$ (116,322)
Cash and cash equivalents at the beginning of the year	<u>643,315</u>	<u>759,637</u>
Cash and cash equivalents at the end of the year	<u>\$ 1,121,543</u>	<u>\$ 643,315</u>

(See accompanying notes)



Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Whitewater Region are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township. Interdepartmental and organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Township of Whitewater Region Waterworks
- Whitewater Region Public Library Board
- Whitewater Historical Society

- (ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

(c) 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. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Tangible Capital Assets

- (i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI). Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 - 40 years
Buildings	15 - 80 years
Machinery and equipment	5 - 30 years
Vehicles	10 - 50 years
Linear assets	15 - 100 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(e) Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

(f) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(g) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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.

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (h) **Deferred Revenue**  
 Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.
- (i) **Deferred Revenue - Obligatory Reserve Funds**  
 The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.
- (j) **Use of Estimates**  
 The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Significant estimates include the allowance for doubtful taxes, landfill closure and post closure costs, employee future benefits and amortization.
- (k) **Cash and Cash Equivalents**  
 Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.
- (l) **Revenue Recognition**  
 Taxation revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years. Fees and user charges relate to utility charges [water, wastewater, and solid waste] licensing fees, fees for use of various programming, and fees imposed based on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.
- (m) **Financial Instruments**  
 Financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, Ontario Infrastructure and Lands Corporation - advance and net long term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.
- The carrying amounts reported on the statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and Ontario Infrastructure and Lands Corporation - advance, approximates their fair values, due to the immediate and short term maturities of these financial instruments.
- The fair value of net long term liabilities, including the current portion, is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

2. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to finance unfunded liabilities, comprised of the employee future benefits and landfill closure and post closure liabilities.

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

### 3. INVESTMENTS

The investments are carried at cost and are comprised as follows:

147 Common shares of Ottawa River Power Corporation	\$	147,000
147 Special shares of Ottawa River Power Corporation		147
147 Common shares of Ottawa River Solutions Inc.		735
147 Special shares of Ottawa River Solutions Inc.		147
Promissory Note from Ottawa River Power Corporation 5.37%		<u>147,000</u>
	\$	<u><u>295,029</u></u>

### 4. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 1,765,003	\$ 3,603,616
Payments in lieu	<u>101</u>	<u>35,811</u>
	<u>\$ 1,765,104</u>	<u>\$ 3,639,427</u>

### 5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

- (a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	<u>2022</u>	<u>2021</u>
Parkland Reserve Fund		\$ 30,781
Water and Sewer Reserve Fund	\$ 13,874	13,812
Gasoline Tax - Federal	20,839	19,472
OCIF - Component based	6,525	45,143
Development charges	<u>201,432</u>	<u>42,216</u>
	<u>\$ 242,670</u>	<u>\$ 151,424</u>

- (b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year	\$ 151,424	\$ 165,439
Gas tax revenue received	222,292	435,987
Shoreline fees		3,000
Development fees	159,216	42,216
OCIF revenue received	488,393	242,636
Interest earned	<u>5,365</u>	<u>783</u>
	<u>\$ 1,026,690</u>	<u>\$ 890,061</u>
Transfer for tangible capital asset acquisitions	<u>784,020</u>	<u>738,637</u>
Balance at the end of the year	<u>\$ 242,670</u>	<u>\$ 151,424</u>

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

6. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. Some closure costs are incurred on an ongoing basis and are included in the yearly fiscal operating budget. All remaining expected closure and post closure costs have been discounted at the Township's average long term borrowing rate, net of estimated inflation. There are currently no reserves set aside for either closure or post closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the useful life and estimated post closure care 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.

Landfill sites' estimated remaining capacity in cubic metres	181,200
Landfill sites' remaining useful life in years	21
Expected years of post closure care	10

The estimated total undiscounted expenses over the 10 year post closure period amount to approximately \$ 391,000 (2021 - \$ 371,000).

7. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Township is not aware of any claims or possible claims as at 31 December 2022.

8. BUDGET FIGURES

The operating budget approved by the Township of Whitewater Region for 2022 is reflected on the Consolidated Statement of Operations. The budget established for capital investment in tangible capital assets is on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budget figures have not been audited.

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

## 9. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by function, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. In 2022 an external party contributed an asset with a value of \$ 234,385 to recreation buildings.

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2022 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

10. NET LONG TERM LIABILITIES	<u>2021</u>	<u>2020</u>
(a) OIPC loan payable, interest at 4.94%, \$ 42,471 blended payment, payable semi-annually, maturing June 2040	\$ 987,481	\$ 1,022,345
OIPC loan payable, interest at 3.35%, \$ 32,631 blended payment, payable semi-annually, maturing June 2027	270,520	
OIPC loan payable, interest at 3.59%, \$ 5,664 blended payment, payable semi-annually, maturing June 2031	86,465	94,473
OIPC loan payable, interest at 3.9%, \$ 5,374 blended payment, payable semi-annually, maturing December 2041	143,306	148,319
OIPC loan payable, interest at 3.59%, \$ 4,234 blended payment, payable semi-annually, maturing December 2031	64,631	70,617
OIPC loan payable, interest at 3.39%, \$ 11,081 blended payment, payable semi-annually, maturing February 2039	278,328	290,738
OIPC loan payable, interest at 2.64%, \$ 33,426 principal only payment, payable semi-annually, maturing September 2024	66,853	100,279
OIPC loan payable, interest at 3.39%, \$ 41,555 blended payment, payable semi-annually, maturing February 2039	1,043,729	1,090,269
OIPC loan payable, interest at 3.01%, \$ 13,432 blended payment, payable semi-annually, maturing February 2029	157,521	179,153
OIPC loan payable, interest at 2.68%, \$ 40,902 blended payment, payable semi-annually, maturing February 2024	119,488	196,537
OIPC loan payable, interest at 3.39%, \$ 2,770 blended payment, payable semi-annually, maturing February 2039	69,582	72,685
OIPC loan payable, interest at 1.04%, \$ 40,536 blended payment, payable semi-annually, maturing August 2025	238,851	316,830

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

10. NET LONG TERM LIABILITIES (Continued)

OIPC loan payable, interest at 2.78%, \$ 9,683 blended payment, payable semi-annually, maturing February 2045	322,309	332,501
OIPC loan payable, interest at 2.48%, \$ 28,582 blended payment, payable semi-annually, maturing February 2030	389,035	435,682
OIPC loan payable, interest at 2.98%, \$ 151,969 blended payment, payable semi-annually, maturing October 2051	5,873,929	6,000,000
OIPC loan payable, interest at 1.32%, \$ 16,330 blended payment, payable semi-annually, maturing September 2026	126,843	157,524
OIPC loan payable, interest at 1.44%, \$ 38,711 blended payment, payable semi-annually, maturing November 2026	<u>299,887</u>	<u>372,208</u>
Net long term liabilities at the end of the year	<u>\$ 10,538,758</u>	<u>\$ 10,880,160</u>

(b) Principal and interest payments required on the net long term liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 683,394	\$ 323,423	\$ 1,006,817
2024	659,652	305,384	965,036
2025	601,353	288,694	890,047
2026	536,035	272,938	808,973
2027	408,551	257,710	666,261
2028 to 2032	1,811,797	1,099,548	2,911,345
2033 onward	<u>5,837,976</u>	<u>1,633,603</u>	<u>7,471,579</u>
	<u>\$ 10,538,758</u>	<u>\$ 4,181,300</u>	<u>\$ 14,720,058</u>

(c) The Municipality is contingently liable for debt with respect to tile drainage loans made by landowners with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The Municipality collects the loan repayments from the owners and remits them to OMAFRA. The Municipality does not have any history of default payments on the loans. The total amount outstanding as at 31 December 2022 is \$ 58,697 (2021 - \$ 72,935) and is not recorded on the statement of financial position.

11. CHARGES FOR NET LONG TERM LIABILITIES

(a) Total charges for the year for net long term liabilities are as follows:

	<u>2022</u>	<u>2021</u>
Principal	\$ 639,559	\$ 373,580
Interest	<u>335,514</u>	<u>180,252</u>
	<u>\$ 975,073</u>	<u>\$ 553,832</u>

These payments are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing under Ontario Regulation 403/02.

(b) The interest charges shown in (a) above are reported on the Consolidated Statement of Operations under the appropriate functional expenditure heading.

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2022</u>	<u>2021</u>
Tangible capital assets - net	\$ 46,559,880	\$ 42,686,629
Net long term liabilities (Note 10)	(10,538,758)	(10,880,160)
Amounts to be funded in future years	<u>(4,192,701)</u>	<u>(1,796,460)</u>
Equity in tangible capital assets	<u>\$ 31,828,421</u>	<u>\$ 30,010,009</u>

13. PENSION CONTRIBUTIONS

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. During the year ended 31 December 2022, the Municipality contributed \$ 208,535 (2021 - \$ 202,509) to the plan and is included as an expense in the consolidated statement of operations. The Township does not recognize in its consolidated financial statements any share of the pension plan surplus as this is a joint responsibility of all Ontario municipalities and their employees. The pension plan deficit for 2022 was \$ 6,100,000,000 (2021 - deficit of \$ 69,000,000) based on the fair market value of the Plan's assets.

14. CONTRACTUAL OBLIGATIONS

In 2020, the Township renewed its' contract with Ontario Clean Water Agency for a two year term. The fixed price contract was established for water and sewage treatment. The annual cost of this contract was \$ 1,009,623 (2021 - \$ 911,612) and is adjusted annually for inflation and insurance.

The Township has not negotiated a contract with the Ontario Provincial Police for the provision of policing services, however the Ontario Provincial Police provide policing services on an annual basis. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The contract for 2022 was \$ 1,036,657 (2021 - \$ 1,068,833).

In 2020, the Township entered into a 5 year contract with Miller Waste Systems Inc. for the collection of curbside garbage. Annual charges are determined by reference to the Township's number of households. The contract for 2022 was \$ 223,506 (2021 - \$ 232,562).

In 2020, the Township entered into a 5 year contract with Miller Waste Systems Inc. for the collection and disposal of recycled materials. Annual charges are determined by reference to the Township's number of households. The contract for 2022 was \$ 284,465 (2021 - \$ 277,527).

15. OPERATING LOAN

Operating loan payable of \$ NIL (2021 - \$ 125,000), bears interest at prime and is secured by a general security agreement. Advances and repayments occur on a revolving basis and total available financing under the agreement is \$ 600,000.

16. SEGMENTED INFORMATION

- (a) The Township is responsible for providing a wide range of services to its citizens. The Township reports on functional areas and programs in its' consolidated financial statements. A brief description of each segment follows:
- i) General government is comprised of Council and administration and is responsible for the overall governance and management of the Municipality.
  - ii) Protection is comprised of police, fire, and other protective services.
  - iii) Transportation is comprised of roads including parking, signs and signals, streetlights and the maintenance of roads of the Township.



Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

16. SEGMENTED INFORMATION (Continued)

- iv) Environmental services include water supply and distribution, wastewater treatment, and solid waste and recycling services.
- v) Health services include expenditures related to the doctor recruitment.
- vi) Recreation and cultural services include parks and recreation and libraries.
- vii) Planning and development services are comprised of managing development for residential and business interests, as well as infrastructure and parks.

(b) For each functional area, expenditures represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The expenditures for 31 December 2022 are as follows:

	<u>Salaries and benefits</u>	<u>Interest on long term debt</u>	<u>Materials and contracted services</u>	<u>Rent, financial expense and external transfers</u>	<u>Amortization</u>	<u>Total</u>
General government	\$ 901,708	\$ 2,425	\$ 553,067	\$ 12,168	\$ 70,097	\$ 1,539,465
Protection services	613,745	19,691	1,373,674		148,182	2,155,292
Transportation services	1,186,479	61,720	1,625,861	99,099	1,213,333	4,186,492
Environmental services	258,026	251,675	2,074,680		346,304	2,930,685
Social services	29,417		48,354			77,771
Recreation services	636,311		447,795		120,580	1,204,686
Planning and development	<u>177,681</u>		<u>160,713</u>		<u>8,319</u>	<u>346,713</u>
	<u>\$ 3,803,367</u>	<u>\$ 335,511</u>	<u>\$ 6,284,144</u>	<u>\$ 111,267</u>	<u>\$ 1,906,815</u>	<u>\$ 12,441,104</u>

(c) The expenditures for 31 December 2021 are as follows:

	<u>Salaries and benefits</u>	<u>Interest on long term debt</u>	<u>Materials and contracted services</u>	<u>Rent, financial expense and external transfers</u>	<u>Amortization</u>	<u>Total</u>
General government	\$ 862,958	\$ 3,307	\$ 514,373	\$ 6,156	\$ 64,686	\$ 1,451,480
Protection services	518,155	21,104	1,391,305		141,448	2,072,012
Transportation services	1,130,832	54,651	1,215,366	19,447	1,195,583	3,615,879
Environmental services	200,164	101,190	1,888,698		327,943	2,517,995
Recreation services	581,780		417,600		106,764	1,106,144
Planning and development	<u>210,070</u>		<u>230,820</u>		<u>8,135</u>	<u>449,025</u>
	<u>\$ 3,503,959</u>	<u>\$ 180,252</u>	<u>\$ 5,658,162</u>	<u>\$ 25,603</u>	<u>\$ 1,844,559</u>	<u>\$ 11,212,535</u>

17. ONTARIO INFRASTRUCTURE AND LANDS CORPORATION - ADVANCE

The advance is due on demand with a variable interest rate determined by Ontario Infrastructure and Lands Corporation and has a maximum draw of \$ 5,000,000, with a balance at 31 December 2022 of \$ 3,125,000 (2021 - \$ NIL). As the capital projects and capital purchases are completed they will be debentured individually with Ontario Infrastructure and Lands Corporation.

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022

18. NON ACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had the provision been made, the reserve balance at 31 December 2022 would have decreased and expenditures would have increased by \$ 54,737 (2021 - \$ 77,692).

Township of Whitewater Region  
Schedule of General Operations  
For the year ended 31 December 2022  
(with 2022 budget and 2021 actual figures for comparison)

	2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 6,862,479	\$ 7,213,764	\$ 6,650,518
User charges	841,075	855,452	801,177
Government transfers:			
Ontario	1,819,286	2,734,852	1,872,116
Canada	253,000	287,002	561,962
Other municipalities	9,000	8,000	8,000
Other	<u>1,067,550</u>	<u>1,414,549</u>	<u>1,235,812</u>
	<u>\$ 10,852,390</u>	<u>\$ 12,513,619</u>	<u>\$ 11,129,585</u>
Expenses:			
General government	\$ 1,465,567	\$ 1,539,463	\$ 1,451,483
Protection to persons and property	2,132,201	2,155,292	2,072,012
Transportation services	3,834,582	4,186,490	3,615,881
Environmental services	1,683,956	1,777,407	1,451,325
Health services	31,400	77,771	
Recreation and cultural services	1,180,851	1,130,267	1,006,121
Planning and development	<u>297,879</u>	<u>281,472</u>	<u>433,960</u>
	<u>\$ 10,626,436</u>	<u>\$ 11,148,162</u>	<u>\$ 10,030,782</u>
Excess of revenue over expenses	<u>\$ 225,954</u>	<u>\$ 1,365,457</u>	<u>\$ 1,098,803</u>
Transfers:			
Transfer to Whitewater Region Public Library	\$ (90,000)	\$ (85,000)	\$ (83,000)
Transfer to Whitewater Historical Society	(10,000)	(7,650)	(7,500)
Transfer from (to) reserves	72,311	547,612	(547,332)
Transfer to unfunded - Employee future benefits			(48,000)
Transfer from (to) unfunded - landfill closure and post closure costs		20,000	(86,000)
Transfer to equity in tangible capital assets	<u>(198,265)</u>	<u>(1,840,419)</u>	<u>(326,971)</u>
Net transfers	<u>\$ (225,954)</u>	<u>\$ (1,365,457)</u>	<u>\$ (1,098,803)</u>
Change in general surplus for the year	\$ -	\$ -	\$ -
General surplus at the beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>
General surplus at the end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(See accompanying notes)

Township of Whitewater Region  
Schedule of Tangible Capital Assets  
For the year ended 31 December 2022  
(with 2021 figures for comparison)

Segmented by asset class:	Balance at 31 December <u>2021</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2022</u>
<u>Cost</u>				
Land	\$ 554,702			\$ 554,702
Land improvements	812,777	\$ 47,072		859,849
Buildings	18,851,706	298,058		19,149,764
Linear assets	49,489,496	840,157		50,329,653
Machinery and equipment	2,489,241	194,143		2,683,384
Vehicles	7,410,678	298,157	\$ (143,059)	7,565,776
Capital work in progress	<u>13,315,410</u>	<u>4,102,479</u>		<u>17,417,889</u>
Total	<u>\$ 92,924,010</u>	<u>\$ 5,780,066</u>	<u>\$ (143,059)</u>	<u>\$ 98,561,017</u>

Accumulated <u>amortization</u>	Balance at 31 December <u>2021</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2022</u>
Land improvements	\$ 351,110	\$ 20,631		\$ 371,741
Buildings	10,637,313	312,230		10,949,543
Linear assets	35,241,820	1,044,262		36,286,082
Machinery and equipment	1,251,867	138,125		1,389,992
Vehicles	<u>2,755,271</u>	<u>391,567</u>	\$ (143,059)	<u>3,003,779</u>
Total	<u>\$ 50,237,381</u>	<u>\$ 1,906,815</u>	<u>\$ (143,059)</u>	<u>\$ 52,001,137</u>

<u>Net book value</u>	Balance at 31 December <u>2021</u>	Balance at 31 December <u>2022</u>
Land	\$ 554,702	\$ 554,702
Land improvements	461,667	488,108
Buildings	8,214,393	8,200,221
Linear assets	14,247,676	14,043,571
Machinery and equipment	1,237,374	1,293,392
Vehicles	4,655,407	4,561,997
Capital work in progress	<u>13,315,410</u>	<u>17,417,889</u>
Total	<u>\$ 42,686,629</u>	<u>\$ 46,559,880</u>

(See accompanying notes)

Township of Whitewater Region  
Schedule of Tangible Capital Assets  
For the year ended 31 December 2022  
(with 2021 figures for comparison)

Segmented by function:	Balance at 31 December <u>2021</u>	<u>Additions</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2022</u>
<u>Cost</u>				
General government	\$ 2,194,898	\$ 115,136		\$ 2,310,034
Protection services	3,633,583	92,566		3,726,149
Transportation services	50,391,703	3,912,378	\$ (143,059)	54,161,022
Environmental services	31,186,008	1,353,902		32,539,910
Recreation and cultural services	5,165,916	306,084		5,472,000
Planning and development	<u>351,902</u>			<u>351,902</u>
Total	<u>\$ 92,924,010</u>	<u>\$ 5,780,066</u>	<u>\$ (143,059)</u>	<u>\$ 98,561,017</u>
<u>Accumulated amortization</u>	Balance at 31 December <u>2021</u>	<u>Amortization</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2022</u>
General government	\$ 685,126	\$ 70,097		\$ 755,223
Protection services	1,497,235	148,182		1,645,417
Transportation services	35,057,395	1,213,333	\$ (143,059)	36,127,669
Environmental services	9,528,194	346,304		9,874,498
Recreation and cultural services	3,283,914	120,580		3,404,494
Planning and development	<u>185,517</u>	<u>8,319</u>		<u>193,836</u>
Total	<u>\$ 50,237,381</u>	<u>\$ 1,906,815</u>	<u>\$ (143,059)</u>	<u>\$ 52,001,137</u>
<u>Net book value</u>			Balance at 31 December <u>2021</u>	Balance at 31 December <u>2022</u>
General government			\$ 1,509,772	\$ 1,554,811
Protection services			2,136,348	2,080,732
Transportation services			15,334,308	18,033,353
Environmental services			21,657,814	22,665,412
Recreation and cultural services			1,882,002	2,067,506
Planning and development			<u>166,385</u>	<u>158,066</u>
Total			<u>\$ 42,686,629</u>	<u>\$ 46,559,880</u>

(See accompanying notes)

Township of Whitewater Region  
Schedule of Reserves and Reserve Funds  
For the year ended 31 December 2022  
(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Contributions:		
From operations	\$ 564,753	\$ 1,546,090
Other	<u>323</u>	<u>163</u>
	<u>\$ 565,076</u>	<u>\$ 1,546,253</u>
Transfers:		
Transfer to operations	\$ 286,738	\$ 454,686
Transfer for tangible capital asset acquisitions	<u>1,073,203</u>	<u>464,568</u>
	<u>\$ 1,359,941</u>	<u>\$ 919,254</u>
Change in reserves and reserve funds balance	\$ (794,865)	\$ 626,999
Reserves and reserve funds at the beginning of the year	<u>2,891,387</u>	<u>2,264,388</u>
Reserves and reserve funds at the end of the year	<u>\$ 2,096,522</u>	<u>\$ 2,891,387</u>
Reserves:		
Working funds	\$ 771,574	\$ 1,023,482
General government	16,521	61,000
Protection services	107,815	89,115
Roadways	167,831	461,421
Wastewater system	336,093	598,011
Waterworks system	352,424	368,879
Solid waste disposal	150,397	95,435
Health services	66,198	66,198
Recreation	82,766	83,266
Planning	15,199	15,199
Sick leave	<u>3,267</u>	<u>3,267</u>
Total reserves	\$ 2,070,085	\$ 2,865,273
Discretionary reserve fund set aside for specific purpose:		
Wastewater system	<u>26,437</u>	<u>26,114</u>
Total reserves and reserve funds	<u>\$ 2,096,522</u>	<u>\$ 2,891,387</u>

(See accompanying notes)

Whitewater Region Public Library Board

Financial Statements

For the year ended 31 December 2022

**MACKILLICAN & ASSOCIATES**

CHARTERED PROFESSIONAL ACCOUNTANTS



## INDEPENDENT AUDITOR'S REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

### **Opinion**

We have audited the financial statements of the Whitewater Region Public Library Board (the Library Board), which comprise the statement of financial position as at 31 December 2022, and the statement of operations and accumulated surplus and 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 Library Board as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

### **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 Library Board 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 the financial statements in accordance with PSAS, 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 Library Board'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 Library Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library Board'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.



A further description of the auditor's responsibilities for the audit of the financial statements is located at *MacKillican's* website at: [http://mackillicans.com/PDF/Auditors\\_Responsibilities.pdf](http://mackillicans.com/PDF/Auditors_Responsibilities.pdf). This description forms part of our auditor's report.

RENFREW, Ontario.  
7 June 2023.

*MacKillican & Associates*  
**Chartered Professional Accountants,**  
Licensed Public Accountants.

Whitewater Region Public Library Board

Statement of Financial Position

As at 31 December 2022  
(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash on hand and in bank	\$ 32,977	\$ 51,496
Term deposits	11,315	11,109
Due from Canada	<u>1,479</u>	<u>1,548</u>
	<u>\$ 45,771</u>	<u>\$ 64,153</u>
Liabilities:		
Accounts payable	\$ 2,995	\$ 4,009
Due to Township		3,955
Due to Ontario	<u>460</u>	<u>2,508</u>
	<u>\$ 3,455</u>	<u>\$ 10,472</u>
Net financial assets	<u>\$ 42,316</u>	<u>\$ 53,681</u>
Accumulated surplus	<u>\$ 42,316</u>	<u>\$ 53,681</u>

(See accompanying notes)

Whitewater Region Public Library Board  
Statement of Operations and Accumulated Surplus  
For the year ended 31 December 2022  
(with 2022 budget and 2021 actual figures for comparison)

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Revenue:			
Grants from the Province of Ontario - operating	\$ 13,517	\$ 13,517	\$ 13,517
- pay equity	2,278	2,278	2,278
- Trillium		2,049	6,192
Municipal grant	85,000	85,000	83,000
Summer Family Fund grant		750	
IDAO grant	500	500	
Fines and sale of books	1,054	3,020	972
Investment income	213	206	51
Donations and fundraising	<u>13,747</u>	<u>5,754</u>	<u>17,384</u>
	<u>\$ 116,309</u>	<u>\$ 113,074</u>	<u>\$ 123,394</u>
Expenses:			
Bank charges	\$ 251	\$ 409	\$ 291
Books and videos	23,055	20,852	19,473
Insurance	1,200	1,182	1,125
Postage, telephone and internet	5,100	5,529	5,202
Repairs and maintenance		470	
Rent	2,400	2,400	1,200
Salaries	69,200	75,031	64,280
MacWha scholarship		1,000	1,000
Supplies	14,000	14,707	13,126
Travel and training	3,020	1,238	1,485
Trillium grant expenses	2,510		
Utilities	<u>3,000</u>	<u>1,621</u>	<u>1,349</u>
	<u>\$ 123,736</u>	<u>\$ 124,439</u>	<u>\$ 108,531</u>
Excess (shortfall) of revenue over expenses	\$ (7,427)	\$ (11,365)	\$ 14,863
Accumulated surplus at the beginning of the year	<u>53,681</u>	<u>53,681</u>	<u>38,818</u>
Accumulated surplus at the end of the year	<u>\$ 46,254</u>	<u>\$ 42,316</u>	<u>\$ 53,681</u>

(See accompanying notes)

Whitewater Region Public Library Board

Statement of Cash Flows

For the year ended 31 December 2022  
(with 2021 actual figures for comparison)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ <u>(11,365)</u>	\$ <u>14,863</u>
Net change in non cash working capital balance related to operations:		
- decrease (increase) in term deposits	\$ (206)	\$ (6,051)
- decrease (increase) in due from Canada	69	(429)
- decrease (increase) in accounts receivable		1,572
- decrease (increase) in prepaid expenses		1,200
- increase (decrease) in accounts payable	(1,014)	(929)
- increase (decrease) in due to Township	(3,955)	(414)
- increase (decrease) in due to Ontario	<u>(2,048)</u>	<u>2,508</u>
	<u>\$ (7,154)</u>	<u>\$ (2,543)</u>
Cash flows from (used for) operating activities	<u>\$ (18,519)</u>	<u>\$ 12,320</u>
Net increase (decrease) in cash during the year	\$ (18,519)	\$ 12,320
Cash on hand and in bank at the beginning of the year	<u>51,496</u>	<u>39,176</u>
Cash on hand and in bank at the end of the year	<u>\$ 32,977</u>	<u>\$ 51,496</u>

(See accompanying notes)

Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Whitewater Region Public Library Board are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) 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. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

(c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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.

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2022

2. FINANCIAL INSTRUMENTS

Financial instruments include cash on hand and in bank, term deposits, accounts receivable, accounts payable, due to Township and due to Ontario. Unless otherwise noted, it is management's opinion that the Library Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash on hand and in bank, term deposits, accounts receivable, accounts payable, due to Township and due to Ontario, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of the Board's activities is such that there may be litigation pending or in prospect at any time. The Library Board is not aware of any claims or possible claims as at 31 December 2022.

Whitewater Historical Society

Financial Statements

For the year ended 31 December 2022



## INDEPENDENT AUDITOR'S REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

### **Opinion**

We have audited the financial statements of the Whitewater Historical Society (the Society), which comprise the statement of financial position as at 31 December 2022, and the statement of operations and accumulated surplus 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 Society as at 31 December 2022, and its financial performance for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

### **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 Society 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 the financial statements in accordance with PSAS, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at *MacKillican's* website at: [http://mackillicans.com/PDF/Auditors\\_Responsibilities.pdf](http://mackillicans.com/PDF/Auditors_Responsibilities.pdf). This description forms part of our auditor's report.

*MacKillican & Associates*

RENFREW, Ontario.  
7 June 2023.

**Chartered Professional Accountants,  
Licensed Public Accountants.**

620 Barnet Blvd.  
Renfrew ON, K7V 0A8  
T: 613.432.3664 | F: 613.432.8424

Email: [info@mackillicans.com](mailto:info@mackillicans.com) | Website: [www.mackillicans.com](http://www.mackillicans.com)

14 Madawaska Street – P.O. Box 94  
Amprior ON, K7S 3H2  
T: 613.623.7926 | F: 613.623.7927



Whitewater Historical Society  
Statement of Financial Position  
For the year ended 31 December 2022  
(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash on hand in bank	\$ <u>22,648</u>	\$ <u>14,358</u>
Liability:		
Due to Township of Whitewater Region	\$ <u>8,369</u>	\$ <u>1,817</u>
Net financial assets	\$ <u>14,279</u>	\$ <u>12,541</u>
Accumulated surplus	\$ <u>14,279</u>	\$ <u>12,541</u>

(See accompanying notes)

Whitewater Historical Society  
Statement of Operations and Accumulated Surplus  
For the year ended 31 December 2022  
(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Revenue:		
Government of Canada	\$ 3,228	
Municipal grant	7,650	\$ 7,500
Fundraising and donations	<u>6,082</u>	<u>1,593</u>
	<u>\$ 16,960</u>	<u>\$ 9,093</u>
Expenses:		
Building maintenance	\$ 175	\$ 1,319
Office, advertising and supplies	5,464	1,808
Salaries	3,999	
Utilities	<u>5,584</u>	<u>3,368</u>
	<u>\$ 15,222</u>	<u>\$ 6,495</u>
Excess of revenue over expenses	\$ 1,738	\$ 2,598
Accumulated surplus at the beginning of the year	<u>12,541</u>	<u>9,943</u>
Accumulated surplus at the end of the year	<u>\$ 14,279</u>	<u>\$ 12,541</u>

(See accompanying notes)

Whitewater Historical Society  
Notes to the Financial Statements  
For the year ended 31 December 2022

## 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Whitewater Historical Society are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

### (a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

### (b) 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. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

### (c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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.

### (d) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

### (e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

## 2. FINANCIAL INSTRUMENTS

Financial instruments include cash on hand and in bank and due to Township of Whitewater Region. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Whitewater Historical Society  
Notes to the Financial Statements  
For the year ended 31 December 2022

2. FINANCIAL INSTRUMENTS (Continued)

The carrying amounts reported on the statement of financial position for cash on hand and in bank and due to Township of Whitewater Region, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of the Society's activities is such that there may be litigation pending or in prospect at any time. The Society is not aware of any claims or possible claims as at 31 December 2022.