

Township of Whitewater Region

Financial Statements

For the year ended 31 December 2020

**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.

A handwritten signature in black ink, appearing to read "R. Tremblay", is written over a horizontal line.

Robert Tremblay  
CAO

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For the year ended 31 December 2020

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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 2020, 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 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAB).

**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 PSAB, 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 MacKilligan'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.

*MacKilligan & Associates*

RENFREW, Ontario.  
21 April 2021.

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

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Township of Whitewater Region  
Consolidated Statement of Financial Position

As at 31 December 2020  
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 759,637	\$ 245,040
Taxes receivable	1,310,999	1,033,453
Accounts receivable	615,941	1,112,264
Investments (Note 3)	<u>295,029</u>	<u>295,029</u>
	<u>\$ 2,981,606</u>	<u>\$ 2,685,786</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,091,230	\$ 801,994
Ontario Infrastructure and Lands Corporation - advance (Note 17)	3,950,000	2,453,532
Deferred revenue - obligatory reserve funds (Note 5)	165,439	363,533
Net long term liabilities (Note 10)	4,724,008	3,750,850
Employee future benefits	48,000	53,007
Landfill closure and post closure costs (Note 6)	<u>457,000</u>	<u>457,000</u>
	<u>\$ 10,435,677</u>	<u>\$ 7,879,916</u>
Net financial assets (liabilities)	<u>\$ (7,454,071)</u>	<u>\$ (5,194,130)</u>
Non-financial assets:		
Tangible capital assets (net)	\$ 38,832,898	\$ 33,438,203
Inventories of supplies	173,829	214,669
Prepaid expenses	<u>2,173</u>	<u>14,756</u>
	<u>\$ 39,008,900</u>	<u>\$ 33,667,628</u>
Accumulated surplus	<u>\$ 31,554,829</u>	<u>\$ 28,473,498</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 12)	\$ 29,746,680	\$ 26,222,551
Whitewater Region Public Library Board	38,818	31,441
Whitewater Historical Society	9,943	5,478
Reserve and reserve funds	2,264,388	2,724,035
Unfunded - Employee future benefits (Note 2)	(48,000)	(53,007)
Unfunded - Landfill closure and post closure costs (Note 2)	<u>(457,000)</u>	<u>(457,000)</u>
Total accumulated surplus	<u>\$ 31,554,829</u>	<u>\$ 28,473,498</u>

(See accompanying notes)

Township of Whitewater Region  
Consolidated Statement of Operations and Accumulated Surplus  
For the year ended 31 December 2020  
(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenue:			
Taxation and user charges	\$ 7,996,092	\$ 7,980,619	\$ 6,972,582
Government transfers:			
Ontario	1,742,470	5,286,962	4,516,069
Canada	309,286	207,987	364,467
Other municipalities	9,000	10,706	8,000
Other	<u>1,228,350</u>	<u>798,908</u>	<u>1,269,079</u>
	<u>\$ 11,285,198</u>	<u>\$ 14,285,182</u>	<u>\$ 13,130,197</u>
Expenses:			
General government	\$ 1,361,246	\$ 1,429,834	\$ 1,337,566
Protection to persons and property	1,990,517	2,058,338	2,802,759
Transportation services	3,739,041	3,920,886	3,908,440
Environmental services	2,513,710	2,444,685	2,274,852
Recreation and cultural services	1,245,487	1,041,585	1,368,669
Planning and development	<u>442,806</u>	<u>308,523</u>	<u>201,643</u>
	<u>\$ 11,292,807</u>	<u>\$ 11,203,851</u>	<u>\$ 11,893,929</u>
Excess (shortfall) of revenue over expenses	\$ (7,609)	\$ 3,081,331	\$ 1,236,268
Accumulated surplus at the beginning of the year	<u>28,473,498</u>	<u>28,473,498</u>	<u>27,237,230</u>
Accumulated surplus at the end of the year	<u>\$ 28,465,889</u>	<u>\$ 31,554,829</u>	<u>\$ 28,473,498</u>

(See accompanying notes)

Township of Whitewater Region  
Consolidated Statement of Changes in Net Financial Assets (Liabilities)  
For the year ended 31 December 2020  
(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Excess (shortfall) of revenue over expenses	\$ (7,609)	\$ 3,081,331	\$ 1,236,268
Amortization of tangible capital assets	1,809,812	1,809,812	1,963,016
Acquisition of tangible capital assets	(2,673,567)	(7,223,322)	(4,937,816)
Loss (gain) on sale of tangible capital assets		(13,491)	17,445
Proceeds on sale of tangible capital assets		32,306	7,437
Consumption (acquisition) of inventory		40,840	16,583
Consumption (acquisition) of prepaid expenses	<u>                    </u>	<u>12,583</u>	<u>(13,987)</u>
Decrease in net financial assets (liabilities)	\$ (871,364)	\$ (2,259,941)	\$ (1,711,054)
Net financial assets (liabilities) at the beginning of the year	<u>(5,194,130)</u>	<u>(5,194,130)</u>	<u>(3,483,076)</u>
Net financial assets (liabilities) at the end of the year	\$ <u>(6,065,494)</u>	\$ <u>(7,454,071)</u>	\$ <u>(5,194,130)</u>

(See accompanying notes)

Township of Whitewater Region  
Consolidated Statement of Cash Flows  
For the year ended 31 December 2020  
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 3,081,331	\$ 1,236,268
Add (deduct) items which do not involve cash:		
- amortization	1,809,812	1,963,016
- loss (gain) on disposal of tangible capital assets	<u>(13,491)</u>	<u>17,445</u>
	<u>\$ 4,877,652</u>	<u>\$ 3,216,729</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (277,546)	\$ 241,630
- decrease (increase) in accounts receivable	496,323	(315,320)
- decrease (increase) in inventories of supplies	40,840	16,583
- increase (decrease) in accounts payable and accrued liabilities	289,236	390,283
- increase (decrease) in deferred revenue	(198,094)	323,342
- increase (decrease) in employee future benefits	(5,007)	(15,186)
- decrease (increase) in prepaid expenses	<u>12,583</u>	<u>(13,987)</u>
	<u>\$ 358,335</u>	<u>\$ 627,345</u>
Cash flows from operating activities	<u>\$ 5,235,987</u>	<u>\$ 3,844,074</u>
Cash flows from financing activities:		
Increase (decrease) in OILC - advance	\$ 1,496,468	\$ (1,010,908)
Repayment of OILC debentures	(271,650)	(174,603)
Proceeds from OILC debentures	<u>1,244,808</u>	<u>2,210,908</u>
Cash flows from financing activities	<u>\$ 2,469,626</u>	<u>\$ 1,025,397</u>
Cash flows used for capital activities:		
Additions to tangible capital assets:		
General government	\$ (72,258)	\$ (26,545)
Protection services	(83,510)	(664,041)
Transportation services	(1,589,136)	(578,729)
Environmental services	(5,123,121)	(3,614,415)
Recreation and cultural services	(247,445)	(54,086)
Planning and development	(107,852)	
Proceeds from the sale of tangible capital assets	<u>32,306</u>	<u>7,437</u>
Cash flows used for capital activities	<u>\$ (7,191,016)</u>	<u>\$ (4,930,379)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ 514,597	\$ (60,908)
Cash and cash equivalents at the beginning of the year	<u>245,040</u>	<u>305,948</u>
Cash and cash equivalents at the end of the year	<u>\$ 759,637</u>	<u>\$ 245,040</u>

(See accompanying notes)



Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

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 2020

(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 2020

- (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, operating loan 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 2020

### 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>	<u>295,029</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	\$ 1,865,957	\$ 3,354,981
Payments in lieu	<u>101</u>	<u>33,863</u>
	<u>\$ 1,866,058</u>	<u>\$ 3,388,844</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>2020</u>	<u>2019</u>
Parkland Reserve Fund	\$ 30,601	\$ 30,143
Water and Sewer Reserve Fund	10,750	10,609
Gasoline Tax - Federal	124,088	81,550
OCIF - Component based	<u>                    </u>	<u>241,231</u>
	<u>\$ 165,439</u>	<u>\$ 363,533</u>

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

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	\$ 363,533	\$ 40,191
Gas tax revenue received	212,627	437,173
OCIF revenue received	242,636	240,284
Interest earned	<u>1,745</u>	<u>2,649</u>
	\$ 820,541	\$ 720,297
Transfer for tangible capital asset acquisitions	<u>655,102</u>	<u>356,764</u>
Balance at the end of the year	<u>\$ 165,439</u>	<u>\$ 363,533</u>

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

#### 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	199,294
Landfill sites' remaining useful life in years	23
Expected years of post closure care	10

The estimated total undiscounted expenses over the 10 year post closure period amount to approximately \$ 457,000 (2019 - \$ 457,000).

#### 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 2020.

#### 8. BUDGET FIGURES

The operating budget approved by the Township of Whitewater Region for 2020 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 2020

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. There were no such transfers in 2020.

(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 2020 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>2020</u>	<u>2019</u>
(a) OIPC loan payable, interest at 4.94%, \$ 42,471 blended payment, payable semi-annually, maturing June 2040	\$ 1,055,548	\$ 1,087,170
OIPC loan payable, interest at 4.02%, \$ 10,492 blended payment, payable semi-annually, matured June 2020		10,286
OIPC loan payable, interest at 3.59%, \$ 5,664 blended payment, payable semi-annually, maturing June 2031	102,201	109,658
OIPC loan payable, interest at 3.9%, \$ 5,374 blended payment, payable semi-annually, maturing December 2041	153,142	157,782
OIPC loan payable, interest at 3.59%, \$ 4,234 blended payment, payable semi-annually, maturing December 2031	76,393	81,967
OIPC loan payable, interest at 3.39%, \$ 11,081 blended payment, payable semi-annually, maturing February 2039	302,739	314,343
OIPC loan payable, interest at 2.64%, \$ 33,426 principal only payment, payable semi-annually, maturing September 2024	133,705	167,132
OIPC loan payable, interest at 3.39%, \$ 41,555 blended payment, payable semi-annually, maturing February 2039	1,135,271	1,178,785
OIPC loan payable, interest at 3.01%, \$ 13,432 blended payment, payable semi-annually, maturing February 2029	200,148	220,526
OIPC loan payable, interest at 2.68%, \$ 40,902 blended payment, payable semi-annually, maturing February 2024	271,561	344,615
OIPC loan payable, interest at 3.39%, \$ 2,770 blended payment, payable semi-annually, maturing February 2039	75,685	78,586
OIPC loan payable, interest at 1.04%, \$ 40,536 blended payment, payable semi-annually, maturing August 2025	394,005	

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

10. NET LONG TERM LIABILITIES (Continued)

OIPC loan payable, interest at 2.78%, \$ 9,683 blended payment, payable semi-annually, maturing February 2045	342,416	
OIPC loan payable, interest at 2.48%, \$ 28,582 blended payment, payable semi-annually, maturing February 2030	<u>481,194</u>	<u>                    </u>
Net long term liabilities at the end of the year	<u>\$ 4,724,008</u>	<u>\$ 3,750,850</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>
2021	\$ 373,580	\$ 155,723	\$ 529,303
2022	382,849	145,569	528,418
2023	392,413	135,120	527,533
2024	361,089	124,367	485,456
2025	295,603	115,165	410,768
2026 to 2030	1,100,402	456,890	1,557,292
2031 onward	<u>1,818,072</u>	<u>372,584</u>	<u>2,190,656</u>
	<u>\$ 4,724,008</u>	<u>\$ 1,505,418</u>	<u>\$ 6,229,426</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 2020 is \$ 86,367 (2019 - \$ 101,717) 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>2020</u>	<u>2019</u>
Principal	\$ 271,650	\$ 174,603
Interest	<u>149,701</u>	<u>110,106</u>
	<u>\$ 421,351</u>	<u>\$ 284,709</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.

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2020</u>	<u>2019</u>
Tangible capital assets - net	\$ 38,832,898	\$ 33,438,203
Net long term liabilities (Note 10)	(4,724,008)	(3,750,850)
Amounts to be funded in future years	<u>(4,362,210)</u>	<u>(3,464,802)</u>
Equity in tangible capital assets	<u>\$ 29,746,680</u>	<u>\$ 26,222,551</u>

Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

### 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 2020, the Municipality contributed \$ 190,990 (2019 - \$ 180,598) 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 2020 was \$ 7,655,000,000 (2019 - surplus of \$ 1,531,000,000) 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 \$ 910,365 (2019 - \$ 847,280) 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 2020 was \$ 1,085,835 (2019 - \$ 1,090,018).

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 2020 was \$ 240,210.

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 2020 was \$ 261,342.

### 15. OPERATING LOAN

Operating loan payable of \$ Nil (2019 - \$ Nil), 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.
- 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.



Township of Whitewater Region  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

## 16. SEGMENTED INFORMATION (Continued)

(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 2020 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	\$ 945,736	\$ 4,202	\$ 422,026	\$ 7,634	\$ 50,236	\$ 1,429,834
Protection services	513,579	11,071	1,397,764		135,924	2,058,338
Transportation services	1,083,278	54,830	1,551,962	19,106	1,211,710	3,920,886
Environmental services	196,660	79,598	1,830,285	30,171	307,971	2,444,685
Recreation services	487,687		435,124	19,900	98,874	1,041,585
Planning and development	<u>154,002</u>		<u>149,424</u>		<u>5,097</u>	<u>308,523</u>
	<u>\$ 3,380,942</u>	<u>\$ 149,701</u>	<u>\$ 5,786,585</u>	<u>\$ 76,811</u>	<u>\$ 1,809,812</u>	<u>\$ 11,203,851</u>

(c) The expenditures for 31 December 2019 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	\$ 800,827	\$ 5,072	\$ 460,506	\$ 26,234	\$ 44,927	\$ 1,337,566
Protection services	554,459		2,142,213		106,087	2,802,759
Transportation services	1,004,979	28,906	1,446,400	17,500	1,410,655	3,908,440
Environmental services	176,519	76,128	1,674,812	48,880	298,513	2,274,852
Recreation services	596,570		604,515	69,846	97,738	1,368,669
Planning and development	<u>84,089</u>		<u>112,458</u>		<u>5,096</u>	<u>201,643</u>
	<u>\$ 3,217,443</u>	<u>\$ 110,106</u>	<u>\$ 6,440,904</u>	<u>\$ 162,460</u>	<u>\$ 1,963,016</u>	<u>\$ 11,893,929</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 \$ 8,714,440. As the capital projects and capital purchases are completed they will be debentured individually with Ontario Infrastructure and Lands Corporation.

## 18. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.

Township of Whitewater Region

Schedule of General Operations

For the year ended 31 December 2020

(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 6,398,057	\$ 6,396,342	\$ 5,626,960
User charges	605,515	606,099	506,535
Government transfers:			
Ontario	1,726,675	5,271,167	4,500,274
Canada	303,686	202,413	356,764
Other municipalities	9,000	10,706	8,000
Other	<u>1,217,600</u>	<u>793,127</u>	<u>1,249,000</u>
	<u>\$ 10,260,533</u>	<u>\$ 13,279,854</u>	<u>\$ 12,247,533</u>
Expenses:			
General government	\$ 1,361,246	\$ 1,429,834	\$ 1,337,566
Protection to persons and property	1,990,517	2,058,338	2,802,759
Transportation services	3,739,041	3,925,893	3,923,626
Environmental services	1,515,828	1,431,130	1,331,576
Recreation and cultural services	1,127,992	933,259	1,235,620
Planning and development	<u>442,806</u>	<u>308,523</u>	<u>201,643</u>
	<u>\$ 10,177,430</u>	<u>\$ 10,086,977</u>	<u>\$ 10,832,790</u>
Excess of revenue over expenses	<u>\$ 83,103</u>	<u>\$ 3,192,877</u>	<u>\$ 1,414,743</u>
Transfers:			
Transfer to Whitewater Region Public Library	\$ (83,000)	\$ (85,838)	\$ (88,858)
Transfer to Whitewater Historical Society	(7,500)	(7,754)	(11,939)
Transfer from (to) reserves	1,029,352	440,980	(488,287)
Transfer to equity in tangible capital assets	<u>(1,021,955)</u>	<u>(3,540,265)</u>	<u>(825,659)</u>
Net transfers	<u>\$ (83,103)</u>	<u>\$ (3,192,877)</u>	<u>\$ (1,414,743)</u>
Change in general surplus (deficit) 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>

(See accompanying notes)

Township of Whitewater Region  
Schedule of Tangible Capital Assets  
As at 31 December 2020  
(with 2019 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December <u>2019</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2020</u>
Land	\$ 544,078	\$ 16,395		\$ 560,473
Land improvements	558,896	155,207		714,103
Buildings	18,592,515	26,389	\$ 2,767	18,621,671
Linear assets	46,088,634	985,198	1,660,113	48,733,945
Machinery and equipment	1,890,038	389,719	(176,126)	2,103,631
Vehicles	6,381,112	573,463	(104,707)	6,849,868
Capital work in progress	<u>6,318,794</u>	<u>5,076,951</u>	<u>(1,662,880)</u>	<u>9,732,865</u>
Total	<u>\$ 80,374,067</u>	<u>\$ 7,223,322</u>	<u>\$ (280,833)</u>	<u>\$ 87,316,556</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2019</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2020</u>
Land improvements	\$ 323,203	\$ 12,210		\$ 335,413
Buildings	10,019,128	311,642		10,330,770
Linear assets	33,094,995	1,084,158		34,179,153
Machinery and equipment	1,269,096	74,952	\$ (176,126)	1,167,922
Vehicles	<u>2,229,442</u>	<u>326,850</u>	<u>(85,892)</u>	<u>2,470,400</u>
Total	<u>\$ 46,935,864</u>	<u>\$ 1,809,812</u>	<u>\$ (262,018)</u>	<u>\$ 48,483,658</u>

<u>Net book value</u>	Balance at 31 December <u>2019</u>	Balance at 31 December <u>2020</u>
Land	\$ 544,078	\$ 560,473
Land improvements	235,693	378,690
Buildings	8,573,387	8,290,901
Linear assets	12,993,639	14,554,792
Machinery and equipment	620,942	935,709
Vehicles	4,151,670	4,379,468
Capital work in progress	<u>6,318,794</u>	<u>9,732,865</u>
Total	<u>\$ 33,438,203</u>	<u>\$ 38,832,898</u>

(See accompanying notes)

Township of Whitewater Region  
Schedule of Tangible Capital Assets

As at 31 December 2020  
(with 2019 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 December <u>2019</u>	<u>Additions</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2020</u>
General government	\$ 2,084,490	\$ 72,258		\$ 2,156,748
Protection services	3,503,827	83,510	\$ (37,233)	3,550,104
Transportation services	45,920,990	1,589,136	(292,396)	47,217,730
Environmental services	24,036,117	5,123,121	48,796	29,208,034
Recreation and cultural services	4,582,515	247,445		4,829,960
Planning and development	<u>246,128</u>	<u>107,852</u>		<u>353,980</u>
Total	<u>\$ 80,374,067</u>	<u>\$ 7,223,322</u>	<u>\$ (280,833)</u>	<u>\$ 87,316,556</u>
<u>Accumulated amortization</u>	Balance at 31 December <u>2019</u>	<u>Amortization</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2020</u>
General government	\$ 570,204	\$ 50,236		\$ 620,440
Protection services	1,264,990	135,924	\$ (18,418)	1,382,496
Transportation services	32,939,148	1,211,710	(224,919)	33,925,939
Environmental services	8,910,961	307,971	(18,681)	9,200,251
Recreation and cultural services	3,078,276	98,874		3,177,150
Planning and development	<u>172,285</u>	<u>5,097</u>		<u>177,382</u>
Total	<u>\$ 46,935,864</u>	<u>\$ 1,809,812</u>	<u>\$ (262,018)</u>	<u>\$ 48,483,658</u>
<u>Net book value</u>	Balance at 31 December <u>2019</u>		Balance at 31 December <u>2020</u>	
General government			\$ 1,514,286	\$ 1,536,308
Protection services			2,238,837	2,167,608
Transportation services			12,981,842	13,291,791
Environmental services			15,125,156	20,007,783
Recreation and cultural services			1,504,239	1,652,810
Planning and development			<u>73,843</u>	<u>176,598</u>
Total			<u>\$ 33,438,203</u>	<u>\$ 38,832,898</u>

(See accompanying notes)

Township of Whitewater Region  
Schedule of Reserves and Reserve Funds  
For the year ended 31 December 2020  
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Contributions:		
From operations	\$ 668,488	\$ 1,036,256
Other	<u>345</u>	<u>449</u>
	<u>\$ 668,833</u>	<u>\$ 1,036,705</u>
Transfers:		
Transfer to operations	\$ 254,242	\$ 410,447
Transfer for tangible capital asset acquisitions	<u>874,238</u>	<u>95,813</u>
	<u>\$ 1,128,480</u>	<u>\$ 506,260</u>
Change in reserves and reserve funds balance	\$ (459,647)	\$ 530,445
Reserves and reserve funds at the beginning of the year	<u>2,724,035</u>	<u>2,193,590</u>
Reserves and reserve funds at the end of the year	<u>\$ 2,264,388</u>	<u>\$ 2,724,035</u>
Reserves:		
Working funds	\$ 742,535	\$ 1,027,117
General government	43,000	25,000
Protection services	86,108	194,228
Roadways	420,296	568,911
Wastewater system	320,829	206,001
Waterworks system	289,375	308,387
Solid waste disposal	76,515	89,000
Health services	66,198	66,198
Recreation	100,643	42,169
Planning	48,117	126,597
Sick leave	<u>44,821</u>	<u>44,821</u>
Total reserves	\$ 2,238,437	\$ 2,698,429
Discretionary reserve fund set aside for specific purpose:		
Wastewater system	<u>25,951</u>	<u>25,606</u>
Total reserves and reserve funds	<u>\$ 2,264,388</u>	<u>\$ 2,724,035</u>

(See accompanying notes)

Township of Whitewater Region

Financial Statements

For the year ended 31 December 2020



## 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 Waterworks (the Waterworks), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of operations and accumulated surplus 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 Waterworks as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAB).

### **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 Waterworks 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 PSAB, 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 Waterworks'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 Waterworks or to cease operations, or has no realistic alternative but to do so.

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

21 April 2021.

**Chartered Professional Accountants,**

Licensed Public Accountants.

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Township of Whitewater Region Waterworks  
Consolidated Statement of Financial Position

As at 31 December 2020  
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash in bank	\$ 37,911	\$ 37,720
Accounts receivable	163,082	7,427
Due from Municipality	<u>521</u>	<u>73,622</u>
	<u>\$ 201,514</u>	<u>\$ 118,769</u>
Liabilities:		
Accounts payable		\$ 22,500
O.I.P.C. debentures (Note 4)	<u>\$ 1,613,630</u>	<u>1,679,239</u>
	<u>\$ 1,613,630</u>	<u>\$ 1,701,739</u>
Net financial assets (liabilities)	\$ (1,412,116)	\$ (1,582,970)
Non-financial assets:		
Tangible capital assets (net)	<u>7,608,549</u>	<u>7,814,551</u>
Accumulated surplus	<u>\$ 6,196,433</u>	<u>\$ 6,231,581</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets: (Note 6)		
Cobden	\$ 3,504,476	\$ 3,448,878
Beachburg	1,945,509	2,003,354
Haley	457,073	470,962
Reserves	<u>289,375</u>	<u>308,387</u>
Total accumulated surplus	<u>\$ 6,196,433</u>	<u>\$ 6,231,581</u>

(See accompanying notes)



Township of Whitewater Region Waterworks  
Consolidated Statement of Operations and Accumulated Surplus  
For the year ended 31 December 2020  
(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenue:			
Water service charges	\$ 992,520	\$ 978,178	\$ 839,087
Interest	<u>500</u>	<u>229</u>	<u>1,755</u>
	<u>\$ 993,020</u>	<u>\$ 978,407</u>	<u>\$ 840,842</u>
Expenses:			
Administration	\$ 26,450	\$ 30,483	\$ 25,051
Amortization	226,342	226,342	211,545
Debenture interest	74,120	74,065	71,684
Distribution:			
Salaries	19,710	19,895	14,326
Facility supplies, utilities and maintenance	42,850	58,775	58,321
Operating charges - Ontario Clean Water Agency	528,000	521,979	494,745
Transmission:			
Salaries	19,710	19,895	13,126
Facility supplies, utilities and maintenance	<u>65,700</u>	<u>62,121</u>	<u>54,478</u>
	<u>\$ 1,002,882</u>	<u>\$ 1,013,555</u>	<u>\$ 943,276</u>
Shortfall of revenue over expenses	\$ (9,862)	\$ (35,148)	\$ (102,434)
Accumulated surplus at the beginning of the year	<u>6,231,581</u>	<u>6,231,581</u>	<u>6,334,015</u>
Accumulated surplus at the end of the year	<u>\$ 6,221,719</u>	<u>\$ 6,196,433</u>	<u>\$ 6,231,581</u>

(See accompanying notes)

Township of Whitewater Region Waterworks

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Shortfall of revenue over expenses	\$ (35,148)	\$ (102,434)
Add amortization which does not involve cash	<u>226,342</u>	<u>211,545</u>
	<u>\$ 191,194</u>	<u>\$ 109,111</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in accounts receivable	\$ (155,655)	\$ (2,681)
- increase (decrease) in due to Ontario		84,378
- increase (decrease) in accounts payable	<u>(22,500)</u>	<u>22,500</u>
	<u>\$ (178,155)</u>	<u>\$ 104,197</u>
Cash flows from operating activities	<u>\$ 13,039</u>	<u>\$ 213,308</u>
Cash flows from financing activities:		
Advances from (repayment to) general fund	\$ 73,101	\$ (273,570)
Proceeds from O.I.P.C debentures		320,000
Repayment of O.I.P.C debentures	<u>(65,609)</u>	<u>(67,401)</u>
Cash flows from (used for) financing activities	<u>\$ 7,492</u>	<u>\$ (20,971)</u>
Cash flows used for capital activities:		
Additions to tangible capital assets - Cobden	<u>\$ (20,340)</u>	<u>\$ (184,335)</u>
Increase in cash in bank during the year	\$ 191	\$ 8,002
Cash in bank at the beginning of the year	<u>37,720</u>	<u>29,718</u>
Cash in bank at the end of the year	<u><u>\$ 37,911</u></u>	<u><u>\$ 37,720</u></u>

(See accompanying notes)

Township of Whitewater Region Waterworks  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

## 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township of Whitewater Region Waterworks 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) 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. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	50 - 80 years
Linear assets	50 - 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 Waterworks 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 expenditure equal to the net book value of the assets as of the date of transfer.

Township of Whitewater Region Waterworks  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

(d) 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.

(e) 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 amortization.

(f) 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 in bank, accounts receivable, due from Municipality, accounts payable and O.I.P.C. debentures. Unless otherwise noted, it is management's opinion that the Waterworks 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 in bank, accounts receivable, due from Municipality and accounts payable, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

The fair value of the O.I.P.C. debentures, including the current portion, is based on rates currently available to the Waterworks with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

## 3. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Waterworks is not aware of any claims or possible claims as at 31 December 2020.

Township of Whitewater Region Waterworks  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

## 4. O.I.P.C. DEBENTURES

	<u>2020</u>	<u>2019</u>
(a) OIPC loan payable, interest at 4.94%, \$ 42,471 blended payment, payable semi-annually, maturing June 2040	\$ 1,055,548	\$ 1,087,170
OIPC loan payable, interest at 4.02%, \$ 10,492 blended payment, payable semi-annually, matured June 2020		10,286
OIPC loan payable, interest at 3.59%, \$ 5,664 blended payment, payable semi-annually, maturing June 2031	102,201	109,658
OIPC loan payable, interest at 3.9%, \$ 5,374 blended payment, payable semi-annually, maturing December 2041	153,142	157,782
OIPC loan payable, interest at 3.39%, \$ 11,081 blended payment, payable semi-annually, maturing February 2039	<u>302,739</u>	<u>314,343</u>
Net long term liabilities at the end of the year	<u>\$ 1,613,630</u>	<u>\$ 1,679,239</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>
2021	\$ 57,755	\$ 71,428	\$ 129,183
2022	60,295	68,887	129,182
2023	62,950	66,231	129,181
2024	65,726	63,456	129,182
2025	68,627	60,555	129,182
2026 to 2030	391,460	254,449	645,909
2031 onward	<u>906,817</u>	<u>217,782</u>	<u>1,124,599</u>
	<u>\$ 1,613,630</u>	<u>\$ 802,788</u>	<u>\$ 2,416,418</u>

## 5. CHARGES FOR O.I.P.C. DEBENTURES

Total charges for the year for debentures are as follows:

	<u>2020</u>	<u>2019</u>
Principal	\$ 65,609	\$ 67,401
Interest	<u>74,065</u>	<u>71,684</u>
	<u>\$ 139,674</u>	<u>\$ 139,085</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.

Township of Whitewater Region Waterworks  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2020

## 6. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2020</u>	<u>2019</u>
Tangible capital assets - net	\$ 7,608,549	\$ 7,814,551
Net long term liabilities (Note 4)	(1,613,630)	(1,679,239)
Amounts to be funded in future years	<u>(87,861)</u>	<u>(212,118)</u>
Equity in tangible capital assets	<u>\$ 5,907,058</u>	<u>\$ 5,923,194</u>
Equity in tangible capital assets:		
Cobden	\$ 3,504,476	\$ 3,448,878
Beachburg	1,945,509	2,003,354
Haley	<u>457,073</u>	<u>470,962</u>
	<u>\$ 5,907,058</u>	<u>\$ 5,923,194</u>

## 7. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.

Township of Whitewater Region Waterworks

Consolidated Schedule of Operations

For the year ended 31 December 2020

(with 2020 budget and 2019 actual figures for comparison)

	2020 <u>Budget</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
Revenue:			
Water service charges	\$ 992,520	\$ 978,178	\$ 839,087
Interest	<u>500</u>	<u>229</u>	<u>1,755</u>
	<u>\$ 993,020</u>	<u>\$ 978,407</u>	<u>\$ 840,842</u>
Expenses:			
Administration	\$ 26,450	\$ 30,483	\$ 25,051
Amortization	226,342	226,342	211,545
Debenture interest	74,120	74,065	71,684
Distribution:			
Salaries	19,710	19,895	14,326
Facility supplies, utilities and maintenance	42,850	58,775	58,321
Operating charges - Ontario Clean Water Agency	528,000	521,979	494,745
Transmission:			
Salaries	19,710	19,895	13,126
Facility supplies, utilities and maintenance	<u>65,700</u>	<u>62,121</u>	<u>54,478</u>
	<u>\$ 1,002,882</u>	<u>\$ 1,013,555</u>	<u>\$ 943,276</u>
Shortfall of revenue over expenses	<u>\$ (9,862)</u>	<u>\$ (35,148)</u>	<u>\$ (102,434)</u>
Financing and transfers:			
Transfer from (to) equity in tangible capital assets	\$ (133,278)	\$ 16,136	\$ 144,143
Transfer from (to) reserves	<u>143,140</u>	<u>19,012</u>	<u>(41,709)</u>
Net financing and transfers	<u>\$ 9,862</u>	<u>\$ 35,148</u>	<u>\$ 102,434</u>
Change in waterworks surplus during the year	\$ -	\$ -	\$ -
Waterworks surplus at the beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>
Waterworks 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 Waterworks - Cobden

Schedule of Tangible Capital Assets

As at 31 December 2020  
(with 2019 figures for comparison)

<u>Cost</u>	Balance at 31 December <u>2019</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2020</u>
Land	\$ 1			\$ 1
Buildings	4,902,884			4,902,884
Linear assets	1,797,888	\$ 6,317	\$ 326,268	2,130,473
Construction in progress	<u>339,656</u>	<u>14,023</u>	<u>(326,268)</u>	<u>27,411</u>
Total	<u>\$ 7,040,429</u>	<u>\$ 20,340</u>	<u>\$ -</u>	<u>\$ 7,060,769</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2019</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2020</u>
Buildings	\$ 1,605,350	\$ 92,412	\$ -	\$ 1,697,762
Linear assets	<u>678,044</u>	<u>34,562</u>		<u>712,606</u>
Total	<u>\$ 2,283,394</u>	<u>\$ 126,974</u>	<u>\$ -</u>	<u>\$ 2,410,368</u>

<u>Net book value</u>	Balance at 31 December <u>2019</u>	Balance at 31 December <u>2020</u>
Land	\$ 1	\$ 1
Buildings	3,297,534	3,205,122
Linear assets	1,119,844	1,417,867
Construction in progress	<u>339,656</u>	<u>27,411</u>
Total	<u>\$ 4,757,035</u>	<u>\$ 4,650,401</u>

(See accompanying notes)



Township of Whitewater Region Waterworks - Beachburg

Schedule of Tangible Capital Assets

For the year ended 31 December 2020

(with 2019 figures for comparison)

<u>Cost</u>	Balance at 31 December <u>2019</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2020</u>
Land	\$ 1	\$ -	\$ -	\$ 1
Land improvements	8,741			8,741
Buildings	2,132,428			2,132,428
Linear assets	<u>1,713,127</u>			<u>1,713,127</u>
Total	<u>\$ 3,854,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,854,297</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2019</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2020</u>
Land improvements	\$ 2,100	\$ 350	\$ -	\$ 2,450
Buildings	1,013,618	42,648		1,056,266
Linear assets	<u>757,400</u>	<u>32,591</u>		<u>789,991</u>
Total	<u>\$ 1,773,118</u>	<u>\$ 75,589</u>	<u>\$ -</u>	<u>\$ 1,848,707</u>

<u>Net book value</u>	Balance at 31 December <u>2019</u>	Balance at 31 December <u>2020</u>
Land	\$ 1	\$ 1
Land improvements	6,641	6,291
Buildings	1,118,810	1,076,162
Linear assets	<u>955,727</u>	<u>923,136</u>
Total	<u>\$ 2,081,179</u>	<u>\$ 2,005,590</u>

(See accompanying notes)

Township of Whitewater Region Waterworks - Haley

Schedule of Tangible Capital Assets

For the year ended 31 December 2020

(with 2019 figures for comparison)

<u>Cost</u>	Balance at 31 December 2019	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December 2020
Land	\$ 1	\$ -	\$ -	\$ 1
Buildings	637,398			637,398
Linear assets	<u>554,873</u>			<u>554,873</u>
Total	<u>\$ 1,192,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192,272</u>
<u>Accumulated amortization</u>	Balance at 31 December 2019	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December 2020
Buildings	\$ 114,732	\$ 12,748	\$ -	\$ 127,480
Linear assets	<u>101,203</u>	<u>11,031</u>		<u>112,234</u>
Total	<u>\$ 215,935</u>	<u>\$ 23,779</u>	<u>\$ -</u>	<u>\$ 239,714</u>
<u>Net book value</u>			Balance at 31 December 2019	Balance at 31 December 2020
Land			\$ 1	\$ 1
Buildings			522,666	509,918
Linear assets			<u>453,670</u>	<u>442,639</u>
Total			<u>\$ 976,337</u>	<u>\$ 952,558</u>

(See accompanying notes)

Whitewater Region Public Library Board

Financial Statements

For the year ended 31 December 2020

**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.

### **Qualified 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 2020, 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, except for the possible effects on the corresponding figures of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Library Board as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAB).

### **Basis for Qualified 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 qualified audit 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 PSAB, 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.

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*J.D. Healey, CPA, CA, LPA / R.K. Richards, CPA, CA, LPA / B.D. Thompson, CPA, CA, LPA / D.J. Thompson, CPA, CA, LPA*

### **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.  
21 April 2021.

*MacKillican & Associates*

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

Whitewater Region Public Library Board

Statement of Financial Position

As at 31 December 2020

(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash on hand and in bank	\$ 39,176	\$ 29,133
Term deposits	5,058	5,057
Accounts receivable	1,572	
Due from Canada	1,119	2,168
Prepaid expense	<u>1,200</u>	<u>          </u>
	<u>\$ 48,125</u>	<u>\$ 36,358</u>
Liabilities:		
Accounts payable	\$ 4,938	\$ 96
Due to Township	<u>4,369</u>	<u>4,821</u>
	<u>\$ 9,307</u>	<u>\$ 4,917</u>
Net financial assets	<u>\$ 38,818</u>	<u>\$ 31,441</u>
Accumulated surplus	<u>\$ 38,818</u>	<u>\$ 31,441</u>

(See accompanying notes)

Whitewater Region Public Library Board

Statement of Operations and Accumulated Surplus

For the year ended 31 December 2020

(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>Revenue:</b>			
Grants from the Province of Ontario - operating	\$ 13,517	\$ 13,517	\$ 13,517
- pay equity	2,278	2,278	2,278
Municipal grant	83,000	85,838	88,858
Fines and sale of books	600	628	1,417
Investment income	1	1	1
Donations and fundraising	<u>8,700</u>	<u>4,018</u>	<u>10,101</u>
	<u>\$ 108,095</u>	<u>\$ 106,280</u>	<u>\$ 116,172</u>
<b>Expenses:</b>			
Bank charges	\$ 125	\$ 226	\$ 112
Books and videos	21,250	18,115	16,258
Insurance	800	1,086	761
Postage, telephone and internet	5,000	4,922	5,295
Rent	2,400	2,400	2,400
Salaries	65,300	60,215	62,877
Supplies	8,970	9,243	16,541
Travel and training	1,250	460	948
Utilities	<u>3,000</u>	<u>2,236</u>	<u>3,164</u>
	<u>\$ 108,095</u>	<u>\$ 98,903</u>	<u>\$ 108,356</u>
Excess of revenue over expenses	\$ -	\$ 7,377	\$ 7,816
Accumulated surplus at the beginning of the year	<u>31,441</u>	<u>31,441</u>	<u>23,625</u>
Accumulated surplus at the end of the year	<u><u>\$ 31,441</u></u>	<u><u>\$ 38,818</u></u>	<u><u>\$ 31,441</u></u>

(See accompanying notes)

Whitewater Region Public Library Board

Statement of Cash Flows

For the year ended 31 December 2020  
(with 2019 actual figures for comparison)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Excess of revenue over expenses	\$ <u>7,377</u>	\$ <u>7,816</u>
Net change in non cash working capital balance related to operations:		
- decrease (increase) in term deposits	\$ (1)	\$ (1)
- decrease (increase) in due from Canada	1,049	(1,853)
- decrease (increase) in accounts receivable	(1,572)	
- decrease (increase) in due from Whitewater Historical Society		261
- decrease (increase) in prepaid expenses	(1,200)	
- increase (decrease) in accounts payable	4,842	96
- increase (decrease) in due to Township	<u>(452)</u>	<u>(4,895)</u>
	\$ <u>2,666</u>	\$ <u>(6,392)</u>
Cash flows from operating activities	\$ <u>10,043</u>	\$ <u>1,424</u>
Net increase in cash during the year	\$ 10,043	\$ 1,424
Cash on hand and in bank at the beginning of the year	<u>29,133</u>	<u>27,709</u>
Cash on hand and in bank at the end of the year	<u><u>39,176</u></u>	<u><u>29,133</u></u>

(See accompanying notes)



Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2020

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 2020

2. FINANCIAL INSTRUMENTS

Financial instruments include cash on hand and in bank, term deposits, accounts receivable, accounts payable and due to Township. 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 and due to Township, 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 2020.

4. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.

Whitewater Historical Society

Financial Statements

For the year ended 31 December 2020



## 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 2020, 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 2020, and its financial performance for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAB).

### **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 PSAB, 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 MacKilligan'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.

*MacKilligan & Associates*

RENFREW, Ontario.  
21 April 2021.

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

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Whitewater Historical Society  
Statement of Financial Position  
As at 31 December 2020  
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash on hand in bank	\$ <u>11,907</u>	\$ <u>11,794</u>
Liability:		
Due to Township of Whitewater Region	\$ <u>1,964</u>	\$ <u>6,316</u>
Net financial assets	\$ <u><u>9,943</u></u>	\$ <u><u>5,478</u></u>
Accumulated surplus	\$ <u><u>9,943</u></u>	\$ <u><u>5,478</u></u>

(See accompanying notes)

Whitewater Historical Society  
Statement of Operations and Accumulated Surplus  
For the year ended 31 December 2020  
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Revenue:		
Government of Canada	\$ 5,574	\$ 7,703
Municipal grant	7,754	11,939
Fundraising and donations	<u>560</u>	<u>6,356</u>
	<u>\$ 13,888</u>	<u>\$ 25,998</u>
Expenses:		
Archives		\$ 1,356
Building maintenance	\$ 427	5,142
Fundraising		2,384
Office, advertising and supplies	3,258	3,485
Salaries	5,052	10,618
Utilities	<u>686</u>	<u>1,708</u>
	<u>\$ 9,423</u>	<u>\$ 24,693</u>
Excess of revenue over expenses	\$ 4,465	\$ 1,305
Accumulated surplus at the beginning of the year	<u>5,478</u>	<u>4,173</u>
Accumulated surplus at the end of the year	<u>\$ 9,943</u>	<u>\$ 5,478</u>

(See accompanying notes)

Whitewater Historical Society  
Notes to the Financial Statements  
For the year ended 31 December 2020

## 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 2020

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 2020.

4. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.