

**THE CORPORATION OF THE  
TOWNSHIP OF WHITE RIVER  
FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**Contents**

---

<b>INDEPENDENT AUDITOR'S REPORT</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Changes In Net Financial Assets (Net Debt)	6
Notes to Consolidated Financial Statements	7-22
<b>TRUST FUNDS</b>	
Independent Auditor's Report	23-24
Statement of Financial Position	25
Statement of Continuity of Trust Funds	25
Note to Financial Statements	26



ANTHONY S. ROSSI, CPA, CA

369 QUEEN ST. EAST, SUITE 302 • SAULT STE. MARIE, ON • P6A 1Z4  
Tel: 705.253.0110 • Fax: 705.253.1771

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Council, Inhabitants and Ratepayers of The Corporation of The Township of White River

### *Qualified Opinion*

I have audited the accompanying consolidated financial statements of the **Corporation of The Township of White River (the "Township")**, which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then December 31, 2019
- the consolidated statement of changes in net financial assets (net debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2019, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets (net debt) and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis of Qualified Opinion*

Canadian public sector accounting standards require the recognition of a liability for a contaminated site assumed by a Municipality. The Township has not recognized the liability of the bark pile site nor has the Township estimated nor recorded this liability and the related environmental expense. Accordingly, I am not able to determine the adjustments, if any that would be necessary to accrued liabilities, long term liabilities, environmental expense, annual surplus (deficit) and accumulated surplus (deficit).

Canadian public sector accounting standards require the discounting of no interest note receivable and recognition of impairment based recoverable future cash flows. The Township has not estimated the possible impairment nor discounted the note receivable. Accordingly, I am not able to determine the adjustments, if any that would be necessary to the note receivable, interest revenue, planning and development, annual surplus (deficit) and accumulated surplus (deficit).

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Township in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada and I have fulfilled my other responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Responsibility for the Audit of the Financial Statements**

My 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 my 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.  

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Chartered Professional Accountant, Licensed Public Accountant  
Sault Ste. Marie, Canada  
October 20, 2021

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**Restatement  
(Note 11)**

**AS AT DECEMBER 31,** **2019** **2018**

**Financial assets:**

Cash	\$ 2,481,899	\$ 1,769,064
Taxes receivable (allowance \$1,225,000)	755,864	860,959
Accounts receivable	394,702	475,527
User charges receivable	153,927	105,195
Inventory for resale	38,926	35,491
<u>Long - term note receivable (note 2)</u>	<u>1,309,763</u>	<u>1,309,763</u>
Financial assets	5,135,081	4,555,999

**Financial Liabilities**

Accounts payable and accrued liabilities	978,388	925,490
Payable from trust fund	2,812	1,102
Deferred revenue - (note 3)	243,800	-
Long-term obligations (note 4)	1,799,636	1,558,000
<u>Landfill site closure and post closure liabilities (note 5)</u>	<u>789,565</u>	<u>758,833</u>
Financial liabilities	3,814,201	3,243,425

<b>Net Financial Assets/(Liabilities)</b>	<b>1,320,880</b>	<b>1,312,574</b>
---	------------------	------------------

**Non- financial Assets:**

Prepaid expenses	66,129	62,532
<u>Tangible Capital Assets (note 12)</u>	<u>6,504,053</u>	<u>6,789,377</u>

<b>Non- financial Assets</b>	<b>6,570,182</b>	<b>6,851,909</b>
------------------------------	------------------	------------------

<b>Total Net Assets</b>	<b>7,891,062</b>	<b>8,164,483</b>
-------------------------	------------------	------------------

<b>Accumulated Surplus (note 6)</b>	<b>\$ 7,891,062</b>	<b>\$ 8,164,483</b>
-------------------------------------	---------------------	---------------------

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

\_\_\_\_\_ CAO

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

**YEAR ENDED DECEMBER 31, (with comparative figures for the prior year)**

	<b>Budget 2019</b>	<b>Actual 2019</b>	<b>Restatement (Note 11) Actual 2018</b>
<b>Revenues</b>			
Taxation, net	\$ 1,341,464	\$ 1,330,834	\$ 1,257,089
Government grants	852,335	896,799	1,628,306
User charges	500,215	490,840	452,655
Other	360,756	427,852	443,622
Gain on sale of tangible capital assets	-	24,500	-
<b>Total Revenues</b>	<b>3,054,770</b>	<b>3,170,825</b>	<b>3,781,672</b>
<b>Expenditures</b>			
General government	774,940	952,110	678,779
Protection to persons and property	326,053	355,228	317,788
Transportation services	250,330	323,108	251,200
Environmental services	661,015	845,336	888,565
Health services	239,006	130,060	285,230
Social and family services	149,067	149,067	144,588
Recreation and cultural services	382,219	413,410	414,252
Planning and development	256,375	275,927	484,471
<b>Total Expenditures</b>	<b>3,039,005</b>	<b>3,444,246</b>	<b>3,464,873</b>
<b>Annual Surplus (Deficit)</b>	<b>15,765</b>	<b>(273,421)</b>	<b>316,799</b>
<b>Accumulated Surplus, beginning of year</b>	<b>8,164,483</b>	<b>8,164,483</b>	<b>7,847,684</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 8,180,248</b>	<b>\$ 7,891,062</b>	<b>\$ 8,164,483</b>

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
CONSOLIDATED STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31,	2019	Restatement (Note 11) 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual Surplus (Deficit)	\$ (273,421)	\$ 316,799
Amortization	490,251	475,871
Gain on disposal of tangible capital assets	(24,500)	-
<b>Uses:</b>		
Increase in user charges	(48,732)	(2,977)
Increase in prepaid expenses	(3,597)	(10,450)
Increase in inventories	(3,435)	
Decrease in deferred revenue - other	-	(996,305)
Decrease in deferred revenue - obligatory reserves	-	(2,527)
	(55,764)	(1,012,259)
<b>Sources:</b>		
Decrease in taxes receivable	105,095	515
Decrease in accounts receivable	80,825	210,716
Decrease in inventories	-	3,919
Increase in accounts payable and accrued liabilities	52,898	548,716
Increase in trust payable	1,710	105
Increase in deferred revenue - other	243,800	-
Increase in landfill closure and post closure liabilities	30,732	27,345
	515,060	791,316
<b>Net increase in cash from operations</b>	<b>651,626</b>	<b>571,727</b>
<b>CASH FLOWS FROM FINANCING</b>		
Proceeds on long-term debt	333,636	-
Repayment of long-term debt	(92,000)	(92,000)
	241,636	(92,000)
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(204,927)	(699,508)
Proceeds of disposition of tangible capital assets	24,500	-
	(180,427)	(699,508)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in long-term loan receivable	-	203,237
<b>Net increase (decrease) in cash position</b>	<b>712,835</b>	<b>(16,544)</b>
Cash position, beginning of year	1,769,064	1,785,608
<b>CASH POSITION, END OF YEAR</b>	<b>\$ 2,481,899</b>	<b>\$ 1,769,064</b>

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)**

<b>YEAR ENDED DECEMBER 31,</b>	<b>Budget 2019</b>	<b>Actual 2019</b>	<b>Restatement (Note 11) Actual 2018</b>
<b>Annual Surplus (Deficit)</b>	\$ 15,765	\$ (273,421)	\$ 316,799
Acquisition of tangible capital assets	(15,765)	(204,927)	(699,508)
Amortization of tangible capital assets	-	490,251	475,871
Gain on sale of tangible capital assets	-	(24,500)	-
Proceeds on sale of tangible capital assets	-	24,500	-
	(15,765)	285,324	(223,637)
Acquisition/Utilization of prepaid expenses	-	(3,597)	(10,450)
Change in Net Financial Assets (Net Debt)	-	8,306	82,712
<b>Net Financial Assets (Net Debt), Beginning of Year</b>	1,312,574	1,312,574	1,229,862
<b>Net Financial Assets (Net Debt), End of Year</b>	\$ 1,312,574	\$ 1,320,880	\$ 1,312,574

# **THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

---

The Corporation of the Township of White River ("the Township") is a Township in the province of Ontario, Canada. The Township conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE MUNICIPALITY:**

#### **MANAGEMENT RESPONSIBILITY**

The consolidated financial statements of the Corporation of the Township of White River are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

#### **REPORTING ENTITY**

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of Corporation of the Township of White River. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Township, and which are owned or controlled by the Township of White River. The Public Library is accordingly consolidated in these financial statements.

All material inter-entity transactions and balances are eliminated on consolidation.

#### **CONSOLIDATED ENTITY**

White River Public Library

#### **NON-CONSOLIDATED ENTITIES**

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma Health Unit  
Algoma District Homes for the Aged  
Algoma District Social Services Board

#### **Accounting for School Board transactions**

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

#### **Trust Funds**

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Statement of Financial Position".



**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**ACCRUAL ACCOUNTING**

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

**NON-FINANCIAL ASSETS**

Non-financial assets are not available to discharge liabilities but are held for use in the provision of services. The useful lives of such assets extend 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 net revenue (expenditure), provides the Change in Net Financial Assets (Net Debt) for the year.

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**TANGIBLE CAPITAL ASSETS**

Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives as follows:

	<u>Useful Life - Years</u>
<b>Non Linear assets</b>	
Land improvements	10
Buildings and building components	50
Vehicles	5-15
Machinery and equipment	10-15
Library collection	7
<b>Linear assets</b>	
- Road paved surface	15-25
- Sewer and water mains	50
- Bridges and structures	15-50

Assets are amortized in the month following the purchase or in-service date. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Township of White River has capitalization thresholds between \$5,000 to \$200,000 on various categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Municipality's lowest threshold for pooled assets is \$5,000.

Contributions of tangible capital assets are recorded at fair value at the date of receipt and that fair value is also recorded as revenue.

Works of art and historical treasures are property that has cultural, aesthetic, or historical value that is worth preserving perpetually. Works of art and historical treasures would not be recognized as tangible capital assets in government financial statements because a reasonable estimate of the future benefits associated with such property can not be determined.

Tangible Capital Assets meeting the aforementioned description for the Township of White River are:

- Winnie the Pooh Statue
- CP Rail Caboose
- Cross at cemetery
- Various display items at Museum

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

# THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

---

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### INVENTORIES

Inventories held for consumption are recorded at the lower of cost and net realizable value on a first-in first-out basis.

#### SURPLUS LAND

The carrying value of surplus land is based on the purchase and development costs and does not reflect any gain that may arise if the land sells for more than the carrying value.

#### DEFERRED REVENUES (CHARGES) - OBLIGATORY RESERVE FUNDS

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. From time to time the Municipality receives development charges under the authority of provincial legislation and Municipal by-laws.

A requirement of public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is placed as provincial and federal legislation restricts how these funds may be used and, under certain circumstances, these funds may possibly be refunded.

#### GOVERNMENT GRANTS AND TRANSFERS

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period of the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

#### TAXATION AND RELATED REVENUE:

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by the Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Realty taxes are billed based on the assessment rolls provided by MPAC. Taxation revenues are recorded at the time tax billings are issued.

A normal part of the assessment process is the issue of supplementary rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with the school boards as appropriate.

The Municipality has established an allowance for tax appeals and other items in the amount of \$ 1,225,000 (2018 - \$ 850,000 ).

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

---

**BUDGET FIGURES**

Budget figures for operations, capital and capital investment in tangible capital assets have been provided and are unaudited. Budget detail and capital investment in tangible capital assets are on a projected-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 expenditures.

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**2. LONG-TERM LOAN RECEIVABLE:**

Long-term note receivable reported on the consolidated statement of financial position consist of the following:

	<b>2019</b>	<b>2018</b>
White River CDC Note receivable, non-interest bearing, repayable in three annual installments of \$100,000 from May 27, 2014 until May 27, 2016, with one annual installment of \$25,000 on May 27, 2017, \$50,000 on May 27, 2018, \$75,000 on May 2019 with eight equal installments of \$100,000 on May 27, in each of the years 2020 to and including 2027. Then, one last installment of \$263,000 on May 27, 2028.	\$ 1,309,763	\$ 1,309,763

**3. DEFERRED REVENUE CONTINUITY:**

	<b>2019</b>	<b>Restatement (Note 11) 2018</b>
Deferred Revenue, beginning of the year:	\$ -	\$ 778,886
Contributions	243,800	38,667
Interest	-	101
	243,800	817,654
Contributions used/transferred	-	817,654
Deferred Revenue, end of year	\$ 243,800	\$ -

**DEFERRED REVENUE COMPONENT:**

	<b>2019</b>	<b>Restatement (Note 11) 2018</b>
Ontario Service Modernization Funding	\$ 243,800	\$ -

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**4. LONG-TERM OBLIGATIONS**

Long-term obligations reported on the consolidated statement of financial position consist of the following:

	<b>2019</b>	<b>2018</b>
Ontario Infrastructure Projects Corporation (OIPC) advance, bearing interest semi-annually at a 4.55% per annum, debentured on June 1, 2011, repayable with semi-annual principal payments of \$20,000 on June 1 and December 1, on a 25 year term, maturing June 2036.	\$ 660,000	\$ 700,000
2.64%, Ontario Infrastructure Projects Corporation (OIPC) debenture, bearing interest semi-annually, repayable on a 25 year term with semi-annual principal payments of \$26,000 on March 1 and September 1, each year, maturing March 2035.	806,000	858,000
2.40% Ontario Infrastructure Projects Corporation (OIPC) debenture, bearing interest semi-annually, repayable with semi-annual principal payments of \$17,560 on January 15 and July 15, on a 10 year term, maturing July 2029.	333,636	-
	<b>\$ 1,799,636</b>	<b>\$ 1,558,000</b>

The principal payments due on long term debt over the next five years is approximately as follows:

2020	-	\$127,120
2021	-	\$127,120
2022	-	\$127,120
2023	-	\$127,120
2024	-	\$127,120
Thereafter	-	\$1,164,036

The long-term obligations have been approved by by-laws and the annual principal and interest payments required to service these obligations are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**5. LANDFILL LIABILITY**

The Township owns and operates one landfill site. The consolidated statement of financial position reflects an estimated liability for anticipated future costs related to the closing and monitoring of the existing landfill site. The landfill closure and post closure cost liability has been estimated at December 31, 2019 to be \$ 789,565 . This liability represents the estimated total expenditures required for closure and post closure care. Where there was no internal information available, information was obtained from outside consultants and engineering firms with experience with landfill construction. The consulting engineer has determined that the remaining site capacity is approximately 20 years, however the township is in the process of increasing the operating life for an additional 25 years. Once closed, this landfill site will be monitored for an estimated 30 years. The consulting engineer applied an inflation rate of 2.1% and discount rate of 3.00%. As at December 31, 2019 the Township has not maintained a reserve or other financing related to the the landfill closure and post closure costs.

**6. ACCUMULATED SURPLUS:**

The accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	<b>2019</b>	<b>Restatement (Note 11) 2018</b>
<b>Surplus (Deficit)</b>		
For general reduction of taxation or user charges	\$(1,192,281)	(1,347,229)
To be applied to operations of local boards	25,355	25,050
Funds for acquisition of capital assets	2,962,617	2,962,617
Invested in tangible capital assets	6,504,053	6,789,377
Amounts to be Recovered		
Net Long Term Liabilities	(1,799,636)	(1,558,000)
Landfill Liability	(789,565)	(758,833)
	5,710,543	6,112,982
<b>Reserve funds set aside for specific purposes by Council</b>		
Working capital purposes	114,507	114,507
Infrastructure	76,063	73,135
Arena maintenance	1,068	1,027
Cemetery	31,056	29,862
Industrial park	17,624	16,946
Machinery and equipment	19,647	18,891
Ambulance	10,854	10,436
Curling club maintenance	36,183	34,792
Water supply	1,044,242	1,004,079
Fire department	352,674	289,555
MNR feasibility	8,658	8,325
Community well being	467,943	449,946
	2,180,519	2,051,501
<b>Accumulated Surplus</b>	<b>\$ 7,891,062</b>	<b>\$ 8,164,483</b>

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**7. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS:**

The following contributions were made by the Municipality to these unconsolidated boards:

	<b>2019</b>	<b>2018</b>
Algoma Health Unit	\$ 21,802	\$ 21,692
Algoma District Services Administration Board	149,067	144,588
	<u>\$ 170,869</u>	<u>\$ 166,280</u>

**8. TAXATION AND OPERATIONS OF SCHOOL BOARDS:**

During 2019, the Township collected (recovered) and transferred (received credit of) property taxes in the amount of \$134,876 (2018 - \$130,231).

**9. TRUST FUNDS**

Trust funds administrated by the Township amounting to \$7,146 (2018 - \$5,436) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

**10. BUDGET RECONCILIATION**

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by Council differs from the budget in the Consolidated Statement of Operations as a result of numerous factors and material changes due to PSAB reporting requirements.

	<b>Revenues 2019</b>	<b>Expenditures 2019</b>
Council approved budget		
Operating fund	\$ 3,054,770	\$ 3,039,005
Reserves, Reserve funds and financing	<u>-</u>	<u>15,765</u>
	3,054,770	3,054,770
Capital Budget	<u>-</u>	<u>-</u>
Total Approved by Council	3,054,770	3,054,770
add: Reserves, reserve funds and financing	-	-
Less Capital budget	-	(15,765)
Plus: Budgeted amortization expense	<u>NIL</u>	<u>NIL</u>
Budget per Consolidated Statement of Operations	<u>\$ 3,054,770</u>	<u>\$ 3,039,005</u>

**11. PRIOR YEAR RESTATEMENT**

The prior year financial statements have been restated in respect to the Ministry of Agriculture, Food, and Rural Affairs - OCIF Lagoon Update Project. As a result of a change in the project timeframe and cost eligibility, tangible capital assets with respect to work-in-process was reduced by \$149,350, deferred revenue was decreased by \$219,946, and accounts payable to the Ministry increased by \$527,830. Provincial grant revenue was reduced by \$307,884 and environmental expenditures were increased by \$149,350, resulting in a reduction in the annual surplus of \$457,234. The result of the restatement decreased accumulated surplus in 2018 by \$457,234 (General reduction of taxation and user charges decreased by \$307,884 and Investment in tangible capital assets decrease by \$149,350).



**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**12. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS**

	Cost				Accumulated Amortization			2019	Restatement (Note 11) 2018	
	2019 Opening Balance	Additions and Betterments	Disposals/ Transfers	2019 Closing Balance	2019 Opening Balance	2019 Amortization Expense	Accumulated Amortization on Disposals	2019 Ending Balance	Net Book Value	Net Book Value
<b>General Capital Assets</b>										
Land	\$ 99,024	\$ -	\$ -	\$ 99,024	\$ -	\$ -	\$ -	\$ -	\$ 99,024	\$ 99,024
Land improvements	453,168	-	-	453,168	453,168	-	-	453,168	-	-
Buildings	4,563,957	-	-	4,563,957	3,515,732	83,244	-	3,598,976	964,981	1,048,225
Equipment and machinery	113,454	-	-	113,454	105,948	3,267	-	109,215	4,239	7,506
Technology equipment	28,458	18,307	-	46,765	16,134	4,998	-	21,132	25,633	12,324
Vehicle and machinery	329,164	-	-	329,164	319,268	2,969	-	322,237	6,927	9,896
Furniture and fixtures	127,578	-	-	127,578	127,578	-	-	127,578	-	-
Book Collection	205,884	-	-	205,884	205,884	-	-	205,884	-	-
	5,920,687	18,307	-	5,938,994	4,743,712	94,478	-	4,838,190	1,100,804	1,176,975
<b>Infrastructure Assets</b>										
Land	\$ 6,713	\$ 62,887	\$ -	\$ 69,600	\$ -	\$ -	\$ -	\$ -	\$ 69,600	\$ 6,713
Land improvements	301,383	-	-	301,383	215,386	21,526	-	236,912	64,471	85,997
Buildings	3,007,443	-	-	3,007,443	1,796,904	39,141	-	1,836,045	1,171,398	1,210,539
Equipment and machinery	4,203,806	-	(221,388)	3,982,418	2,816,769	175,924	(221,388)	2,771,305	1,211,113	1,387,037
Vehicles	108,590	-	-	108,590	98,134	2,987	-	101,121	7,469	10,456
Linear - Hydrants	256,232	-	-	256,232	256,232	-	-	256,232	-	-
Linear - Roads	5,310,826	-	-	5,310,826	4,542,282	54,498	-	4,596,780	714,046	768,544
Linear - Street Lights	151,738	-	-	151,738	66,182	4,143	-	70,325	81,413	85,556
Linear - Environmental	10,567,107	498,460	-	11,065,567	9,123,967	97,554	-	9,221,521	1,844,046	1,443,140
Assets Work-in-process	614,420	34,510	(409,237)	239,693	-	-	-	-	239,693	614,420
	24,528,258	595,857	(630,625)	24,493,490	18,915,856	395,773	(221,388)	19,090,241	5,403,249	5,612,402
	\$ 30,448,945	\$ 614,164	\$ (630,625)	\$ 30,432,484	\$ 23,659,568	\$ 490,251	\$ (221,388)	\$ 23,928,431	\$ 6,504,053	\$ 6,789,377

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**12. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS (Continued)**

	Cost				Accumulated Amortization				Restatement (Note 11) 2018	2017
	2018 Opening Balance	Additions and Betterments	Disposals/ Transfers	2018 Closing Balance	2018 Opening Balance	2018 Amortization Expense	Accumulated Amortization on Disposals	2018 Ending Balance	Net Book Value	Net Book Value
<b>General Capital Assets</b>										
Land	\$ 99,024	\$ -	\$ -	\$ 99,024	\$ -	\$ -	\$ -	\$ -	\$ 99,024	\$ 99,024
Land improvements	453,168	-	-	453,168	452,379	789	-	453,168	-	789
Buildings	4,563,957	-	-	4,563,957	3,432,488	83,244	-	3,515,732	1,048,225	1,131,469
Equipment and machinery	113,454	-	-	113,454	100,262	5,686	-	105,948	7,506	13,192
Technology equipment	23,906	4,552	-	28,458	11,885	4,249	-	16,134	12,324	12,021
Vehicle and machinery	329,164	-	-	329,164	316,299	2,969	-	319,268	9,896	12,865
Furniture and fixtures	127,578	-	-	127,578	126,939	639	-	127,578	-	639
Book Collection	205,884	-	-	205,884	205,884	-	-	205,884	-	-
	5,916,135	4,552	-	5,920,687	4,646,136	97,576	-	4,743,712	1,176,975	1,269,999
<b>Infrastructure Assets</b>										
Land	\$ 6,713	\$ -	\$ -	\$ 6,713	\$ -	\$ -	\$ -	\$ -	\$ 6,713	\$ 6,713
Land improvements	301,383	-	-	301,383	193,860	21,526	-	215,386	85,997	107,523
Buildings	3,007,443	-	-	3,007,443	1,757,764	39,140	-	1,796,904	1,210,539	1,249,679
Equipment and machinery	3,870,170	333,636	-	4,203,806	2,650,523	166,246	-	2,816,769	1,387,037	1,219,647
Vehicles	108,590	-	-	108,590	95,145	2,989	-	98,134	10,456	13,445
Linear - Hydrants	256,232	-	-	256,232	256,232	-	-	256,232	-	-
Linear - Roads	5,310,826	-	-	5,310,826	4,487,784	54,498	-	4,542,282	768,544	823,042
Linear - Street Lights	151,738	-	-	151,738	61,800	4,382	-	66,182	85,556	89,938
Linear - Environmental	10,567,107	-	-	10,567,107	9,034,453	89,514	-	9,123,967	1,443,140	1,532,654
Assets Work-in-Process	253,100	361,320	-	614,420	-	-	-	-	614,420	253,100
	\$ 23,833,302	694,956	-	24,528,258	18,537,561	378,295	-	18,915,856	5,612,402	5,295,741
	\$ 29,749,437	\$ 699,508	\$ -	\$ 30,448,945	\$ 23,183,697	\$ 475,871	\$ -	\$ 23,659,568	\$ 6,789,377	\$ 6,565,740

# THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

---

### 13. SEGMENTED INFORMATION - SERVICE BUNDLE

The Municipality of White River is a diversified municipal government institution that provides a wide range of services to more than 645 citizens. Services include water, roads, fire, police, waste management, recreation programs, economic development, land use planning, and health and social services. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, along with the services they provide, and are as follows:

#### **General Government**

General Government consists of Office of the Mayor, Council expenses, Administrative Services (including CAO, Clerks, Elections, Communications, Legal and Information Technology Services). Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.

#### **Protection Services**

This section consists of Fire, Police, Animal Control, Building Services, and Emergency measures. Police Services ensure the safety of the lives and property of citizens, preserve peace and order; prevent crimes from occurring; detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection and extinguishment of fires. The Building Services processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

#### **Transportation Services**

This area is responsible for management of Roadways including traffic and winter control.

#### **Environmental Services**

In addition to the management of Waterworks and Sanitary Systems, this area is responsible for Waste Disposal and Recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water and sewer system.

# THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

---

### 13. SEGMENTED INFORMATION - SERVICE BUNDLE (CONT'D)

#### Health and Social Services

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to aged persons, Cemetery Services as well as the Town's contribution to the Health Unit.

#### Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and other programs and provides management of arenas and leisure facilities. This section also contributes to the information needs of the Town's citizens through the provision of the library and cultural services and by preserving local history and managing archived data.

#### Planning and Development Services

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development ensures that the Township of White River is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that the Township is an enjoyable and beautiful community to live, work and play. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to Current Fund services based on a percentage of operations.

Accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as discussed in the summary of significant accounting policies.

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2019**

**13. SEGMENTED INFORMATION - SERVICE BUNDLE - 2019 (CONT'D)**

	<b>General Government</b>	<b>Protection Services</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Health and Social Services</b>	<b>Recreation and Cultural Services</b>	<b>Planning and Development</b>	<b>Total</b>
<b>Revenues</b>								
Taxation (net)	\$ 372,634	\$ 133,083	\$ 119,775	\$ 332,709	\$ 106,467	\$ 159,700	\$ 106,466	\$ 1,330,834
Government transfers and grants	142,072	53,998	83,882	205,371	103,579	76,048	231,849	896,799
User Charges	-	-	-	490,840	-	-	-	490,840
Other	108,950	29,633	20,186	129,909	18,984	106,760	13,430	427,852
Gain on sale of tangible capital assets	-	-	24,500	-	-	-	-	24,500
	623,656	216,714	248,343	1,158,829	229,030	342,508	351,745	3,170,825
<b>Expenditures</b>								
Salaries, wages and benefits	297,121	33,711	147,068	95,881	46,154	122,301	152,258	894,494
Materials and Contracts	653,983	320,254	85,113	445,872	217,271	213,339	123,669	2,059,501
Amortization	1,006	1,263	90,927	303,583	15,702	77,770	-	490,251
	952,110	355,228	323,108	845,336	279,127	413,410	275,927	3,444,246
<b>Annual</b>								
<b>Surplus (deficit)</b>	\$ (328,454)	\$ (138,514)	\$ (74,765)	\$ 313,493	\$ (50,097)	\$ (70,902)	\$ 75,818	\$ (273,421)

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**13. SEGMENTED INFORMATION - SERVICE BUNDLE - 2018 (CONT'D)**

	<b>General Government</b>	<b>Protection Services</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Health and Social Services</b>	<b>Recreation and Cultural Services</b>	<b>Planning and Development</b>	<b>Restatement (Note 11) Total</b>
<b>Revenues</b>								
Taxation (net)	\$ 263,989	\$ 119,423	\$ 94,282	\$ 270,274	\$ 163,422	\$ 157,136	\$ 188,563	\$ 1,257,089
Government transfers and grants	108,045	90,973	38,588	665,266	327,868	81,289	316,277	1,628,306
User Charges	-	-	-	452,655	-	-	-	452,655
Other	92,249	42,951	16,173	91,026	29,735	115,940	55,548	443,622
	464,283	253,347	149,043	1,479,221	521,025	354,365	560,388	3,781,672
<b>Expenditures</b>								
Salaries, wages and benefits	307,570	19,336	79,790	90,385	178,838	111,691	160,609	948,219
Materials and Contracts	370,162	297,190	88,403	504,156	234,488	222,522	323,862	2,040,783
Amortization	1,047	1,262	83,007	294,024	16,492	80,039	-	475,871
	678,779	317,788	251,200	888,565	429,818	414,252	484,471	3,464,873
<b>Annual</b>								
<b>Surplus (deficit)</b>	\$ (214,496)	\$ (64,441)	\$ (102,157)	\$ 590,656	\$ 91,207	\$ (59,887)	\$ 75,917	\$ 316,799

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

---

**14. SUBSEQUENT EVENTS**

Subsequent to December 31, 2019, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in significant financial, market and societal impacts in Canada and around the world.

Markets are prone to volatility and the COVID-19 virus has presented many uncertainties and is threatening the outlook for future global trade and GDP. This uncertainty has translated into widespread volatility across equity and bond markets since December 31, 2019.

At this time these factors present uncertainty over future cash flows and may cause significant changes to the assets or liabilities. An estimate of the financial effect is not practicable at this time.



ANTHONY S. ROSSI, CPA, CA

369 QUEEN ST. EAST, SUITE 302 • SAULT STE. MARIE, ON • P6A 1Z4  
Tel: 705.253.0110 • Fax: 705.253.1771

---

## INDEPENDENT AUDITOR'S REPORT

---

**To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of White River**

### ***Opinion***

I have audited the accompanying financial statements of the **Corporation of The Township of White River Trust Funds (the "Trust Funds")**, which comprise:

- the statement of financial position as at December 31, 2019..
- the statement of continuity of trust funds
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2019 , and statement of continuity of trust funds for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Township's Trust Funds in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada and I have fulfilled my other responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Township's Trust Funds 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 Trust Funds financial reporting process.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

My 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 my 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 the financial statements.





As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.  
  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's Trust Funds internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's Trust Funds ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Township's Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Chartered Professional Accountant, Licensed Public Accountant  
Sault Ste. Marie, Canada  
October 20, 2021

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
PERPETUAL CARE TRUST FUND  
STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2019, (with comparative figures for the prior year)**

	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Financial assets:</b>		
Cash	\$ 4,334	\$ 4,334
<b>Financial liabilities:</b>		
Payable (receivable) to (from) revenue fund	(2,812)	(1,102)
<b>Net financial assets being fund balance, end of year</b>	<b>\$ 7,146</b>	<b>\$ 5,436</b>

**STATEMENT OF CONTINUITY  
OF TRUSTS**

**YEAR ENDED DECEMBER 31, 2019, (with comparative figures for the prior year)**

	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Balance, beginning of year</b>	<b>\$ 5,436</b>	<b>5,331</b>
<b>Revenue</b>		
Plot sales	1,710	105
<b>Expenditures</b>		
<b>Balance, end of year</b>	<b>\$ 7,146</b>	<b>\$ 5,436</b>

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER  
TRUST FUNDS  
NOTE TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

---

**1. Significant accounting policy**

The financial statements of the Corporation of the Township of White River Perpetual Care Trust Fund are the representation of management prepared in accordance with accounting principles generally accepted in Canada for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**2. Subsequent Events**

Subsequent to December 31, 2019, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in significant financial, market and societal impacts in Canada and around the world.

Markets are prone to volatility and the COVID-19 virus has presented many uncertainties and is threatening the outlook for future global trade and GDP. This uncertainty has translated into widespread volatility across equity and bond markets since December 31, 2019.

At this time these factors present uncertainty over future cash flows and may cause significant changes to the assets or liabilities. An estimate of the financial effect is not practicable at this time.