

**THE CORPORATION OF THE
TOWNSHIP OF WHITE RIVER
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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INDEPENDENT AUDITORS' REPORT

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

Qualified Opinion

We 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, 2020
- the consolidated statement of operations and accumulated surplus for the year then December 31, 2020
- 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 our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2020, 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, we are 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, we are 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).

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 financial statements in Canada and we have fulfilled our other 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 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.



Auditors' Responsibility for the Audit of the Financial Statements

Our objectives is 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 auditors' 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 the financial statements.

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 we identify during our audit.

Other Matter

The consolidated financial statements of the **Corporation of The Township of White River** for the year ended December 31, 2019 were audited by another practitioner who expressed a modified conclusion on those consolidated financial statements on October 20, 2021.

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
November 24, 2021

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

AS AT DECEMBER 31,	2020	Restatement (Note 11) 2019
Financial assets:		
Cash	\$ 3,422,556	\$ 2,481,899
Taxes receivable (allowance \$1,425,000)	626,862	755,864
Accounts receivable	563,064	526,514
User charges receivable (allowance \$195,000)	187,706	153,927
Inventory for resale	34,964	38,926
Long - term note receivable (note 2)	1,309,763	1,309,763
Financial assets	6,144,915	5,266,893
Financial Liabilities		
Accounts payable and accrued liabilities	1,158,169	978,388
Payable from trust fund	3,062	2,812
Deferred revenue - (note 3)	243,800	243,800
Long-term obligations (note 4)	1,677,738	1,799,636
Landfill site closure and post closure liabilities (note 5)	814,207	789,565
Financial liabilities	3,896,976	3,814,201
Net Financial Assets/(Liabilities)	2,247,939	1,452,692
Non- financial Assets:		
Prepaid expenses	70,918	66,129
Tangible capital assets (note 12)	6,349,375	6,504,053
Non- financial Assets	6,420,293	6,570,182
Total Net Assets	8,668,232	8,022,874
Accumulated Surplus (note 6)	\$ 8,668,232	\$ 8,022,874

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)

	Budget 2020	Actual 2020	Restatement (Note 11) Actual 2019
Revenues			
Taxation, net	\$ 1,410,671	\$ 1,423,199	\$ 1,330,834
Government grants	518,423	1,541,217	1,032,269
User charges	483,857	496,118	490,840
Other	413,286	404,276	424,194
Gain on sale of tangible capital assets	-	-	24,500
Total Revenues	2,826,237	3,864,810	3,302,637
Expenditures			
General government	813,385	825,877	952,110
Protection to persons and property	374,159	361,844	355,228
Transportation services	326,175	331,743	323,108
Environmental services	644,307	805,243	845,336
Health services	23,792	135,181	130,060
Social and family services	152,732	152,732	149,067
Recreation and cultural services	343,442	426,798	413,410
Planning and development	180,110	180,034	275,927
Total Expenditures	2,858,102	3,219,452	3,444,246
Annual Surplus (Deficit)	(31,865)	645,358	(141,609)
Accumulated Surplus, beginning of year	8,022,874	8,022,874	8,164,483
Accumulated Surplus, end of year	\$ 7,991,009	\$ 8,668,232	\$ 8,022,874

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

YEAR ENDED DECEMBER 31,	2020	Restatement (Note 11) 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus (Deficit)	\$ 645,358	\$ (141,609)
Amortization	486,787	490,251
Gain on disposal of tangible capital assets	-	(24,500)
Uses:		
Increase in accounts receivable	(36,550)	(50,987)
Increase in user charges	(33,779)	(48,732)
Increase in prepaid expenses	(4,789)	(3,597)
Increase in inventories	-	(3,435)
	(75,118)	(106,751)
Sources:		
Decrease in taxes receivable	129,002	105,095
Decrease in inventories	3,962	-
Increase in accounts payable and accrued liabilities	179,781	52,898
Increase in trust payable	250	1,710
Increase in deferred revenue - other	-	243,800
Increase in landfill closure and post closure liabilities	24,642	30,732
	337,637	434,235
Net increase in cash from operations	1,394,664	651,626
CASH FLOWS FROM FINANCING		
Proceeds on long-term debt	-	333,636
Repayment of long-term debt	(121,898)	(92,000)
	(121,898)	241,636
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(332,109)	(204,927)
Proceeds of disposition of tangible capital assets	-	24,500
	(332,109)	(180,427)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in cash position	940,657	712,835
Cash position, beginning of year	2,481,899	1,769,064
CASH POSITION, END OF YEAR	\$ 3,422,556	\$ 2,481,899

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

YEAR ENDED DECEMBER 31,	Budget 2020	Actual 2020	Restatement (Note 11) Actual 2019
Annual Surplus	\$ (31,865)	\$ 645,358	\$ (141,609)
Acquisition of tangible capital assets	-	(332,109)	(204,927)
Amortization of tangible capital assets	-	486,787	490,251
Gain on sale of tangible capital assets	-	-	(24,500)
Proceeds on sale of tangible capital assets	-	-	24,500
	-	154,678	285,324
Acquisition/Utilization of prepaid expenses	-	(4,789)	(3,597)
Change in Net Financial Assets (Net Debt)	(31,865)	795,247	140,118
Net Financial Assets (Net Debt), Beginning of Year	1,452,692	1,452,692	1,312,574
Net Financial Assets (Net Debt), End of Year	\$ 1,452,692	\$ 2,247,939	\$ 1,452,692

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020

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, 2020

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>
Non Linear assets	
Land improvements	10
Buildings and building components	50
Vehicles	5-15
Machinery and equipment	10-15
Library collection	7
Linear assets	
- 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, 2020

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 \$ 1,425,000 (2019 - \$ 1,225,000).

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

DECEMBER 31, 2020

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, 2020

2. LONG-TERM LOAN RECEIVABLE:

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

	2020	2019
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:

	2020	2019
Deferred Revenue, beginning of the year:	\$ 243,800	\$ -
Contributions	-	243,800
Deferred Revenue, end of year	\$ 243,800	\$ 243,800

DEFERRED REVENUE COMPONENT:

	2020	2019
Ontario Service Modernization Funding	\$ 243,800	\$ 243,800

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

DECEMBER 31, 2020

4. LONG-TERM OBLIGATIONS

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

	2020	2019
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	\$ 620,000	\$ 660,000
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	754,000	806,000
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	303,738	333,636
	\$ 1,677,738	\$ 1,799,636

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

2021	-	\$122,619
2022	-	\$123,358
2023	-	\$124,115
2025	-	\$124,891
2025	-	\$125,685
Thereafter	-	\$1,057,070

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, 2020

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, 2020 to be \$ 814,207 . 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 19 years, however the township is in the process of increasing the operating life for an additional 24 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, 2020 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:

	2020	Restatement (Note 11) 2019
Surplus		
For general reduction of taxation or user charges	\$ (788,567)	(1,060,469)
To be applied to operations of local boards	19,032	25,355
Funds for acquisition of capital assets	2,962,617	2,962,617
Invested in tangible capital assets	6,349,375	6,504,053
Amounts to be Recovered		
Net Long Term Liabilities	(1,677,738)	(1,799,636)
Landfill Liability	(814,207)	(789,565)
	6,050,512	5,842,355
Reserve funds set aside for specific purposes by Council		
Working capital purposes	114,507	114,507
Infrastructure	79,105	76,063
Arena maintenance	1,111	1,068
Cemetery	32,298	31,056
Industrial park	18,329	17,624
Machinery and equipment	20,433	19,647
Ambulance	11,288	10,854
Curling club maintenance	37,630	36,183
Water supply	1,086,012	1,044,242
Fire department	410,782	352,674
MNR feasibility	9,004	8,658
Community well being	797,221	467,943
	2,617,720	2,180,519
Accumulated Surplus	\$ 8,668,232	\$ 8,022,874

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

DECEMBER 31, 2020

7. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS:

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

	2020	2019
Algoma Health Unit	\$ 22,047	\$ 21,802
Algoma District Services Administration Board	152,732	149,067
	<u>\$ 174,779</u>	<u>\$ 170,869</u>

8. TAXATION AND OPERATIONS OF SCHOOL BOARDS:

During 2020, the Township collected (recovered) and transferred (received credit of) property taxes in the amount of \$136,341 (2019 - \$134,876).

9. TRUST FUNDS

Trust funds administrated by the Township amounting to \$7,396 (2019 - \$7,146) 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.

	Revenues 2020	Expenditures 2020
Council approved budget		
Operating fund	\$ 2,826,237	\$ 2,858,102
Reserves, Reserve funds and financing	-	-
	<u>2,826,237</u>	<u>2,858,102</u>
Capital Budget	-	-
Total Approved by Council	2,826,237	2,858,102
Reserves, reserve funds and financing	31,865	-
Plus: Budgeted amortization expense	<u>NIL</u>	<u>NIL</u>
Budget per Consolidated Statement of Operations	<u>\$ 2,858,102</u>	<u>\$ 2,858,102</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 funding for environmental. The Township settled the amount payable to the Ministry in the amount of \$527,830 regarding the lagoon project issues around timeframe and cost eligibility requirements. Provincial grant revenue was increased by \$131,812 with respect to environmental OCIF funds eligibility for 2019 and increased in the annual surplus by the same amount. The result of the restatement increased accumulated surplus in 2019 by \$131,814. The settlement of the outstanding amount of \$527,830 allows for the release of the formula based funding under the transfer agreement effective December 20, 2016 between the Ministry and the Township of White River.

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

12. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS

	Cost					Accumulated Amortization			2020	2019
	2020 Opening Balance	Additions and Betterments	Disposals/ Transfers	2020 Closing Balance	2020 Opening Balance	2020 Amortization Expense	Accumulated Amortization on Disposals	2020 Ending Balance	Net Book Value	Net Book Value
General Capital Assets										
Land	\$ 99,024	\$ -	\$ -	\$ 99,024	\$ -	\$ -	\$ -	\$ -	\$ 99,024	\$ 99,024
Land improvements	453,168	-	-	453,168	453,168	-	-	453,168	-	-
Buildings	4,563,957	15,134	-	4,579,091	3,598,976	81,531	-	3,680,507	898,584	964,981
Equipment and machinery	113,454	-	-	113,454	109,215	848	-	110,063	3,391	4,239
Technology equipment	46,765	2,513	-	49,278	21,132	7,797	-	28,929	20,349	25,633
Vehicle and machinery	329,164	-	-	329,164	322,237	2,969	-	325,206	3,958	6,927
Furniture and fixtures	127,578	-	-	127,578	127,578	-	-	127,578	-	-
Book Collection	205,884	-	-	205,884	205,884	-	-	205,884	-	-
	5,938,994	17,647	-	5,956,641	4,838,190	93,145	-	4,931,335	1,025,306	1,100,804
Infrastructure Assets										
Land	\$ 69,600	\$ -	\$ -	\$ 69,600	\$ -	\$ -	\$ -	\$ -	\$ 69,600	\$ 69,600
Land improvements	301,383	-	-	301,383	236,912	21,526	-	258,438	42,945	64,471
Buildings	3,007,443	-	-	3,007,443	1,836,045	38,889	-	1,874,934	1,132,509	1,171,398
Equipment and machinery	3,982,418	-	-	3,982,418	2,771,305	172,116	-	2,943,421	1,038,997	1,211,113
Vehicles	108,590	-	-	108,590	101,121	2,987	-	104,108	4,482	7,469
Linear - Hydrants	256,232	-	-	256,232	256,232	-	-	256,232	-	-
Linear - Roads	5,310,826	229,592	-	5,540,418	4,596,780	54,498	-	4,651,278	889,140	714,046
Linear - Street Lights	151,738	-	-	151,738	70,325	4,143	-	74,468	77,270	81,413
Linear - Environmental	11,065,567	-	-	11,065,567	9,221,521	99,483	-	9,321,004	1,744,563	1,844,046
Assets Work-in-process	239,693	84,870	-	324,563	-	-	-	-	324,563	239,693
	24,493,490	314,462	-	24,807,952	19,090,241	393,642	-	19,483,883	5,324,069	5,403,249
	\$ 30,432,484	\$ 332,109	\$ -	\$ 30,764,593	\$ 23,928,431	\$ 486,787	\$ -	\$ 24,415,218	\$ 6,349,375	\$ 6,504,053

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

	Cost					Accumulated Amortization			2019	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
General Capital Assets										
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
Infrastructure Assets										
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, 2020

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, 2020

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, 2020

13. SEGMENTED INFORMATION - SERVICE BUNDLE - 2020 (CONT'D)

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
Revenues								
Taxation (net)	\$ 370,032	\$ 156,552	\$ 142,320	\$ 355,800	\$ 128,088	\$ 185,016	\$ 85,391	\$ 1,423,199
Government transfers and grants	182,760	65,438	123,044	253,469	81,257	129,778	705,471	1,541,217
User Charges	-	-	-	496,118	-	-	-	496,118
Other	120,176	29,919	25,454	120,768	16,744	61,911	29,304	404,276
Gain on sale of tangible capital assets	-	-	-	-	-	-	-	-
	672,968	251,909	290,818	1,226,155	226,089	376,705	820,166	3,864,810
Expenditures								
Salaries, wages and benefits	338,412	40,502	164,690	93,533	-	110,024	56,719	803,880
Materials and Contracts	483,215	320,079	73,165	413,218	272,211	243,582	123,315	1,928,785
Amortization	4,250	1,263	93,888	298,492	15,702	73,192	-	486,787
	825,877	361,844	331,743	805,243	287,913	426,798	180,034	3,219,452
Annual Surplus (deficit)	\$ (152,909)	\$ (109,935)	\$ (40,925)	\$ 420,912	\$ (61,824)	\$ (50,093)	\$ 640,132	\$ 645,358

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

DECEMBER 31, 2020

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

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Restatement (Note 11) Total
Revenues								
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	337,183	103,579	79,706	231,849	1,032,269
User Charges	-	-	-	490,840	-	-	-	490,840
Other	108,950	29,633	20,186	129,909	18,984	103,102	13,430	424,194
Gain on sale of tangible capital assets	-	-	24,500	-	-	-	-	24,500
	623,656	216,714	248,343	1,290,641	229,030	342,508	351,745	3,302,637
Expenditures								
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
Annual Surplus (deficit)	\$ (328,454)	\$ (138,514)	\$ (74,765)	\$ 445,305	\$ (50,097)	\$ (70,902)	\$ 75,818	\$ (141,609)

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

DECEMBER 31, 2020

14. SUBSEQUENT EVENTS

Subsequent to December 31, 2020, 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, 2020.

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 • Joal C. Suraci • Riki L. Olszewski
Chartered Professional Accountants, Licensed Public Accountants

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We 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, 2020
- the statement of continuity of trust fund the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds as at December 31, 2020, statement of continuity of trust fund for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Township's trust funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled my other 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 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 fund 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 fund financial reporting process.

Auditors' Responsibility 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 auditors' 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 the financial statements.



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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's trust fund 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 fund ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Township's trust fund 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 we identify during our audit.

Other Matter

The consolidated financial statements of the **Corporation of The Township of White River Trust Funds** for the year ended December 31, 2019 were audited by another practitioner who expressed a modified conclusion on those consolidated financial statements on October 20, 2021.

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
November 24, 2021

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

AS AT DECEMBER 31, 2020, (with comparative figures for the prior year)

	2020 Actual	2019 Actual
Financial assets:		
Cash	\$ 4,334	\$ 4,334
Financial liabilities:		
Payable (receivable) to (from) revenue fund	3,062	2,812
Net financial assets being fund balance, end of year	\$ 7,396	\$ 7,146

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2020, (with comparative figures for the prior year)

	2020 Actual	2019 Actual
Balance, beginning of year	\$ 7,146	5,436
Revenue		
Plot sales	250	1,710
Expenditures		
Balance, end of year	\$ 7,396	\$ 7,146

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

DECEMBER 31, 2020

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, 2020, 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, 2020.

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.