

**THE CORPORATION OF THE
TOWNSHIP OF WHITE RIVER
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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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, 2021
- the consolidated statement of operations and accumulated surplus for the year then December 31, 2021
- 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, 2021, 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 requires the discounting of no interest note receivable. The Township has not 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.

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
October 25, 2022

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

AS AT DECEMBER 31,	2021	2020
Financial assets:		
Cash	\$ 1,814,825	\$ 3,422,556
Investments	1,500,000	-
Taxes receivable (allowance \$676,615)	633,799	626,862
Accounts receivable	1,317,852	563,064
User charges receivable (allowance \$95,000)	92,328	187,706
Inventory for resale	31,446	34,964
Long - term note receivable (note 2)	1,038,605	1,309,763
Financial assets	6,428,855	6,144,915
Financial Liabilities		
Accounts payable and accrued liabilities	631,010	1,158,169
Payable from trust fund	3,512	3,062
Deferred revenue - (note 3)	243,800	243,800
Long-term obligations (note 4)	1,555,120	1,677,738
Landfill site closure and post closure liabilities (note 5)	843,873	814,207
Financial liabilities	3,277,315	3,896,976
Net Financial Assets/(Liabilities)	3,151,540	2,247,939
Non- financial Assets:		
Prepaid expenses	95,436	70,918
Tangible capital assets (note 12)	6,696,062	6,349,375
Non- financial Assets	6,791,498	6,420,293
Total Net Assets	9,943,038	8,668,232
Accumulated Surplus (note 6)	\$ 9,943,038	\$ 8,668,232

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 2021	Actual 2021	Actual 2020
Revenues			
Taxation, net	\$ 1,466,126	\$ 1,464,075	\$ 1,423,199
Government grants	702,708	1,669,530	1,541,217
User charges	552,385	556,863	496,118
Investment Income	-	1,417	-
Other	289,200	435,923	404,276
Total Revenues	3,010,419	4,127,808	3,864,810
Expenditures			
General government	821,683	594,183	825,877
Protection to persons and property	383,515	360,132	361,844
Transportation services	374,725	354,860	331,743
Environmental services	745,255	802,411	805,243
Health services	157,616	128,164	135,181
Social and family services	155,160	153,894	152,732
Recreation and cultural services	264,719	359,956	426,798
Planning and development	129,311	99,402	180,034
Total Expenditures	3,031,984	2,853,002	3,219,452
Annual Surplus (Deficit)	(21,565)	1,274,806	645,358
Accumulated Surplus, beginning of year	8,668,232	8,668,232	8,022,874
Accumulated Surplus, end of year	\$ 8,646,667	\$ 9,943,038	\$ 8,668,232

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

YEAR ENDED DECEMBER 31,	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	\$ 1,274,806	\$ 645,358
Amortization	473,648	486,787
Uses:		
Increase in taxes receivable	(6,937)	-
Increase in accounts receivable	(754,788)	(36,550)
Increase in user charges	-	(33,779)
Increase in prepaid expenses	(24,518)	(4,789)
Decrease in accounts payable and accrued liabilities	(527,159)	-
	<u>(1,313,402)</u>	<u>(75,118)</u>
Sources:		
Decrease in user charges	95,378	-
Decrease in taxes receivable	-	129,002
Decrease in inventories	3,518	3,962
Increase in accounts payable and accrued liabilities	-	179,781
Increase in trust payable	450	250
Increase in landfill closure and post closure liabilities	29,666	24,642
	<u>129,012</u>	<u>337,637</u>
Net increase in cash from operations	564,064	1,394,664
CASH FLOWS FROM FINANCING		
Repayment of long-term debt	(122,618)	(121,898)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(820,335)	(332,109)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in long-term loan receivable	271,158	-
Increase in investments	(1,500,000)	-
	<u>(1,228,842)</u>	<u>-</u>
Net increase (decrease) in cash position	(1,607,731)	940,657
Cash position, beginning of year	3,422,556	2,481,899
CASH POSITION, END OF YEAR	\$ 1,814,825	\$ 3,422,556

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

YEAR ENDED DECEMBER 31,

	Budget 2021	Actual 2021	Actual 2020
Annual Surplus	\$ (21,565)	\$ 1,274,806	\$ 645,358
Acquisition of tangible capital assets	-	(820,335)	(332,109)
Amortization of tangible capital assets	-	473,648	486,787
	-	(346,687)	154,678
Acquisition/Utilization of prepaid expenses	-	(24,518)	(4,789)
Change in Net Financial Assets (Net Debt)	(21,565)	903,601	795,247
Net Financial Assets (Net Debt), Beginning of Year	2,247,939	2,247,939	1,452,692
Net Financial Assets (Net Debt), End of Year	\$ 2,247,939	\$ 3,151,540	\$ 2,247,939

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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 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, 2021

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.

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.

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

DECEMBER 31, 2021

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, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 \$ 676,615 (2020 - \$ 1,425,000).

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, 2021

2. LONG-TERM LOAN RECEIVABLE:

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

	2021	2020
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.	\$ 1,038,605	\$ 1,309,763

3. DEFERRED REVENUE CONTINUITY:

	2021	2020
Deferred Revenue, beginning of the year:	\$ 243,800	\$ 243,800
Contributions	NIL	NIL
Deferred Revenue, end of year	\$ 243,800	\$ 243,800

DEFERRED REVENUE COMPONENT:

	2021	2020
Ontario Service Modernization Funding	\$ 243,800	\$ 243,800

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

DECEMBER 31, 2021

4. LONG-TERM OBLIGATIONS

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

	2021	2020
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	\$ 580,000	\$ 620,000
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	702,000	754,000
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	273,120	303,738
	\$ 1,555,120	\$ 1,677,738

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

2022	-	\$123,358
2023	-	\$124,115
2024	-	\$124,891
2025	-	\$125,685
2026	-	\$126,498
Thereafter-		\$930,573

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, 2021

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, 2021 to be \$ 843,873 . 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, 2021 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:

	2021	2020
Surplus		
For general reduction of taxation or user charges	\$ (139,294)	(788,567)
To be applied to operations of local boards	23,900	19,032
Funds for acquisition of capital assets	1,010,010	2,962,617
Invested in tangible capital assets	6,696,062	6,349,375
Amounts to be Recovered		
Net Long Term Liabilities	(1,555,120)	(1,677,738)
Landfill Liability	(843,873)	(814,207)
	5,191,685	6,050,512
Reserve funds set aside for specific purposes by Council		
Working capital purposes	123,851	114,507
Infrastructure	2,034,876	116,735
Arena maintenance	-	1,111
Cemetery	33,590	32,298
Industrial park	19,062	18,329
Machinery and equipment	21,250	20,433
Ambulance	-	11,288
Health Service	11,740	-
Curling club maintenance	-	37,630
Recreation and Parks	40,291	-
Water supply	1,129,452	1,086,012
Fire department	431,705	410,782
MNR feasibility	-	9,004
Landfill	9,364	-
Community well being	829,110	797,221
Covid-19 Recovery	67,062	-
	4,751,353	2,617,720
Accumulated Surplus	\$ 9,943,038	\$ 8,668,232

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

DECEMBER 31, 2021

7. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS:

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

	2021	2020
Algoma Health Unit	\$ 23,467	\$ 22,047
Algoma District Services Administration Board	153,894	152,732
	<u>\$ 177,361</u>	<u>\$ 174,779</u>

8. TAXATION AND OPERATIONS OF SCHOOL BOARDS:

During 2021, the Township collected (recovered) and transferred (received credit of) property taxes in the amount of \$125,009 (2020 - \$136,341).

9. TRUST FUNDS

Trust funds administrated by the Township amounting to \$7,846 (2020 - \$7,396) 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 2021	Expenditures 2021
Council approved budget		
Operating fund	\$ 3,010,419	\$ 3,031,984
Reserves, Reserve funds and financing	-	-
	<u>3,010,419</u>	<u>3,031,984</u>
Capital Budget	-	-
Total Approved by Council	3,010,419	3,031,984
Reserves, reserve funds and financing	21,565	-
Plus: Budgeted amortization expense	NIL	NIL
Budget per Consolidated Statement of Operations	<u>\$ 3,031,984</u>	<u>\$ 3,031,984</u>

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

11 TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS

	Cost					Accumulated Amortization			2021	2020
	2021 Opening Balance	Additions and Betterments	Disposals/ Transfers	2021 Closing Balance	2021 Opening Balance	2021 Amortization Expense	Accumulated Amortization on Disposals	2021 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	4,579,091	25,541	-	4,604,632	3,680,507	60,186	-	3,740,693	863,939	898,584
Equipment and machinery	113,454	-	-	113,454	110,063	848	-	110,911	2,543	3,391
Technology equipment	49,278	-	-	49,278	28,929	6,589	-	35,518	13,760	20,349
Vehicle and machinery	329,164	-	-	329,164	325,206	2,969	-	328,175	989	3,958
Furniture and fixtures	127,578	-	-	127,578	127,578	-	-	127,578	-	-
Book Collection	205,884	-	-	205,884	205,884	-	-	205,884	-	-
	5,956,641	25,541	-	5,982,182	4,931,335	70,592	-	5,001,927	980,255	1,025,306
Infrastructure Assets										
Land	\$ 69,600	\$ -	\$ -	\$ 69,600	\$ -	\$ -	\$ -	\$ -	\$ 69,600	\$ 69,600
Land improvements	301,383	-	-	301,383	258,438	21,526	-	279,964	21,419	42,945
Buildings	3,007,443	-	-	3,007,443	1,874,934	38,637	-	1,913,571	1,093,872	1,132,509
Equipment and machinery	3,982,418	-	-	3,982,418	2,943,421	159,112	-	3,102,533	879,885	1,038,997
Vehicles	108,590	-	-	108,590	104,108	2,987	-	107,095	1,495	4,482
Linear - Hydrants	256,232	-	-	256,232	256,232	-	-	256,232	-	-
Linear - Roads	5,540,418	658,036	-	6,198,454	4,651,278	75,755	-	4,727,033	1,471,421	889,140
Linear - Street Lights	151,738	6,362	-	158,100	74,468	4,178	-	78,646	79,454	77,270
Linear - Environmental	11,065,567	99,205	-	11,164,772	9,321,004	100,861	-	9,421,865	1,742,907	1,744,563
Assets Work-in-process	324,563	31,191	-	355,754	-	-	-	-	355,754	324,563
	24,807,952	794,794	-	25,602,746	19,483,883	403,056	-	19,886,939	5,715,807	5,324,069
	\$ 30,764,593	\$ 820,335	\$ -	\$ 31,584,928	\$ 24,415,218	\$ 473,648	\$ -	\$ 24,888,866	\$ 6,696,062	\$ 6,349,375

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

	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, 2021

12. 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, 2021

12. 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, 2021

12. SEGMENTED INFORMATION - SERVICE BUNDLE - 2021 (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)	\$ 307,456	\$ 190,330	\$ 175,689	\$ 409,941	\$ 146,408	\$ 190,330	\$ 43,921	\$ 1,464,075
Government transfers and grants	147,823	68,369	736,060	414,491	200,107	79,401	23,279	1,669,530
User Charges	-	-	-	556,863	-	-	-	556,863
Investment Income	-	-	-	1,417	-	-	-	1,417
Other	96,262	63,343	25,294	128,758	17,777	92,379	12,110	435,923
	551,541	322,042	937,043	1,511,470	364,292	362,110	79,310	4,127,808
Expenditures								
Salaries, wages and benefits	381,163	29,634	164,812	99,166	-	115,610	12,646	803,031
Materials and Contracts	208,406	328,278	87,873	403,627	268,131	193,252	86,756	1,576,323
Amortization	4,614	2,220	102,175	299,618	13,927	51,094	-	473,648
	594,183	360,132	354,860	802,411	282,058	359,956	99,402	2,853,002
Annual Surplus (deficit)	\$ (42,642)	\$ (38,090)	\$ 582,183	\$ 709,059	\$ 82,234	\$ 2,154	\$ (20,092)	\$ 1,274,806

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

DECEMBER 31, 2021

12. 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
	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, 2021

13. COVID-19 UNCERTAINTY

The impact of the COVID-19 pandemic in Canada and on the global economy has continued to develop in 2021. The full impact of the COVID-19 outbreak continues to evolve, as such the ultimate duration and magnitude of the effects that the pandemic will have on the organization remains uncertain. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the its revenue, expenditures, and financial position in the future. Management is actively monitoring the global situation with the financial condition and operations of the organization. However, given the ongoing development of outbreaks and government responses, management is not able to estimate the effects of COVID-19 on future operations, financial condition, or liquidity 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, 2021
- 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, 2021, 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 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 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.

Rossi Surai LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
October 25, 2022

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

AS AT DECEMBER 31, 2021, (with comparative figures for the prior year)

	2021 Actual	2020 Actual
Financial assets:		
Cash	\$ 4,334	\$ 4,334
Financial liabilities:		
Payable (receivable) to (from) revenue fund	3,512	3,062
Net financial assets being fund balance, end of year	\$ 7,846	\$ 7,396

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2021, (with comparative figures for the prior year)

	2021 Actual	2020 Actual
Balance, beginning of year	\$ 7,396	7,146
Revenue		
Plot sales	450	250
Expenditures		
Balance, end of year	\$ 7,846	\$ 7,396

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

DECEMBER 31, 2021

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. COVID-19 UNCERTAINTY

The impact of the COVID-19 pandemic in Canada and on the global economy has continued to develop in 2021. The full impact of the COVID-19 outbreak continues to evolve, as such the ultimate duration and magnitude of the effects that the pandemic will have on the organization remains uncertain. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the its revenue, expenditures, and financial position in the future. Management is actively monitoring the global situation with the financial condition and operations of the organization. However, given the ongoing development of outbreaks and government responses, management is not able to estimate the effects of COVID-19 on future operations, financial condition, or liquidity at this time.