

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

Draft October 19, 2023

**CORPORATION OF THE TOWNSHIP OF
CRAMAHE**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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Draft October 19, 2023

CORPORATION OF THE TOWNSHIP OF CRAMAHE

For The Year Ended December 31, 2022

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Cramahe are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Cramahe. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.

October 24, 2023

Mayor

CAO/Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Cramahe

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2022, and the results of its consolidated operations and its consolidated cash flows 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 consolidated 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 auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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

Peterborough, Ontario
October 24, 2023

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	7,422,793	7,225,892
Investments (note 2)	2,694,603	2,639,441
Accounts receivable	1,236,910	431,021
Taxes receivable	1,362,962	926,716
Land held for sale	695,669	695,669
TOTAL FINANCIAL ASSETS	13,412,937	11,918,739
LIABILITIES		
Accounts payable and accrued liabilities	1,929,925	1,308,950
Deferred revenue - obligatory reserve funds (note 5)	2,959,482	2,466,158
Deferred revenue - other (note 6)	159,116	55,210
Long term debt (note 7)	3,605,131	3,797,293
TOTAL LIABILITIES	8,653,654	7,627,611
NET FINANCIAL ASSETS	4,759,283	4,291,128
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	29,573,230	29,154,146
Inventories of materials and supplies	16,649	16,649
Prepaid expenses	8,997	225
TOTAL NON-FINANCIAL ASSETS	29,598,876	29,171,020
ACCUMULATED SURPLUS (note 9)	34,358,159	33,462,148

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	6,758,252	6,817,143	6,459,326
User charges	1,896,170	2,114,515	1,830,495
Government of Canada	2,850	4,011	84,871
Province of Ontario	1,343,536	1,098,380	1,103,139
Penalties and interest on taxes	135,000	158,929	143,329
Investment income	45,000	159,907	42,174
Donations	1,985	2,174	2,993
Sale of land held for resale	120,000	-	-
Contributed assets	-	44,653	-
Developer contributions earned	83,361	83,361	170,000
Canada Community-Building Fund earned	449,958	390,261	300,344
Other	-	-	110,394
TOTAL REVENUES	10,836,112	10,873,334	10,247,065
EXPENSES			
General government	1,512,049	1,576,337	1,450,096
Protection services	2,237,820	2,191,363	2,050,527
Transportation services	3,178,189	3,254,245	2,792,627
Environmental services	1,503,415	1,480,221	1,259,840
Health services	19,770	18,078	19,607
Recreation and cultural services	1,375,749	1,253,343	1,219,585
Planning and development	248,751	203,736	262,165
TOTAL EXPENSES	10,075,743	9,977,323	9,054,447
ANNUAL SURPLUS	<u>760,369</u>	896,011	1,192,618
ACCUMULATED SURPLUS - beginning of year		33,462,148	32,269,530
ACCUMULATED SURPLUS - end of year		34,358,159	33,462,148

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	760,369	896,011	1,192,618
Amortization of tangible capital assets	1,271,742	1,330,599	1,271,742
Purchase of tangible capital assets	(3,286,075)	(1,979,337)	(2,149,501)
Loss (gain) on disposal of tangible capital assets	-	142,812	55,799
Proceeds on sale of tangible capital assets	-	131,495	-
Contributed tangible capital assets	-	(44,653)	-
Change in prepaid expenses	-	(8,772)	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(1,253,964)	468,155	370,658
NET FINANCIAL ASSETS - beginning of year	4,291,128	4,291,128	3,920,470
NET FINANCIAL ASSETS - end of year	3,037,164	4,759,283	4,291,128

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	896,011	1,192,618
Items not involving cash		
Amortization of tangible capital assets	1,330,599	1,271,742
Loss on disposal of tangible capital assets	142,812	55,799
Contributed capital assets	(44,653)	-
Change in non-cash assets and liabilities		
Accounts receivable	(805,889)	110,986
Taxes receivable	(436,246)	7,241
Prepaid expenses	(8,772)	-
Accounts payable and accrued liabilities	620,975	432,329
Deferred revenue - obligatory reserve funds	493,324	660,443
Deferred revenue - other	103,906	18,360
Net change in cash from operating activities	2,292,067	3,749,518
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,979,337)	(2,149,501)
Proceeds on disposal of tangible capital assets	131,495	-
Net change in cash from capital activities	(1,847,842)	(2,149,501)
INVESTING ACTIVITIES		
Purchase of investments	(55,162)	(13,277)
FINANCING ACTIVITIES		
Debt principal repayments	(192,162)	(185,353)
NET CHANGE IN CASH	196,901	1,401,387
CASH - beginning of year	7,225,892	5,824,505
CASH - end of year	7,422,793	7,225,892

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

The Township of Cramahe is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These consolidated financial statements include:

- Cramahe Township Public Library Board

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	10 - 50 years
Buildings and facilities	10 - 50 years
Machinery and equipment	5 - 15 years
Vehicles	7 - 20 years
Roads	10 - 40 years
Water and sewer	15 - 90 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Sales of land held for resale are recognized as revenue in the year the title passes to the purchaser.

Canada Community-Building Fund and development charges are recognized in the period in which the related expenditures are recorded.

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred Revenue

Deferred revenue represents grants, 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 revenues in the fiscal year the services are performed.

(h) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

(i) Inventory Held for Resale

Inventory held for resale, which consists primarily of land, is stated at cost, with cost of land being the purchase price plus the cost to prepare the land for resale.

2. INVESTMENTS

Investments are recorded at cost and include a high interest savings account with a book value of \$2,694,603 (2021 - \$2,639,441) and market value of \$2,694,603 (2021 - \$2,639,441).

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2022, requisitions were made by the County of Northumberland and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Amounts requisitioned and remitted	1,801,196	4,366,719

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

4. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$1,000,000 a revolving line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2022-11. At December 31, 2022 there was no balance outstanding (2021 - \$Nil).

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2022	2021
	\$	\$
Parkland	142,074	115,346
Development charges	1,733,363	1,109,135
Canada Community-Building Fund	1,084,045	1,241,677
	2,959,482	2,466,158

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	2,466,158	1,805,715
Add amounts received:		
Development charges	674,240	705,141
Canada Community-Building Fund	201,550	395,305
Interest	66,956	13,841
Parkland fees	24,200	16,500
	966,946	1,130,787
Less transfer to operations:		
Development charges	83,361	170,000
Canada Community-Building Fund	390,261	300,344
	473,622	470,344
Balance - end of year	2,959,482	2,466,158

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

6. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2022	2021
	\$	\$
Safe Restart Funding	-	34,400
Covid Recovery Funding	-	18,124
Ontario Community Infrastructure Fund	133,844	-
Other	25,272	2,686
	159,116	55,210

The continuity of deferred revenue - other is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	55,210	36,850
Covid Recovery Funding	-	52,555
Ontario Community Infrastructure Fund	226,844	-
Other	47,175	1,836
	274,019	54,391
Less transfer to operations:		
Covid recovery	18,124	34,431
Safe Restart Funding	34,400	600
Ontario Community Infrastructure Fund	93,000	-
Other	24,589	1,000
	170,113	36,031
Balance - end of year	159,116	55,210

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

7. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2022	2021
	\$	\$
OILC debenture, due November 15, 2049, repayable in blended semi-annual installments of \$43,173, interest rate fixed at 2.91% per annum.	1,607,080	1,645,812
OILC debenture, due September 15, 2047, repayable in blended semi-annual installments of \$53,312, interest rate fixed at 3.51% per annum.	1,764,915	1,808,441
Long term loan from CMHC, due November 1, 2024, repayable in blended annual installments of \$123,590, interest rate fixed at 3.99% per annum.	233,136	343,040
	3,605,131	3,797,293

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

- (c) Interest paid during the year on long term debt amounted to \$124,398 (2021 - \$131,206).

- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2023	199,223	117,337	316,560
2024	206,548	110,012	316,560
2025	90,554	102,415	192,969
2026	93,503	99,466	192,969
2027	96,549	96,421	192,970
2028 and subsequent years	2,918,754	1,113,331	4,032,085
	3,605,131	1,638,982	5,244,113

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

8. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2022	2021
	\$	\$
General		
Land and land improvements	2,164,833	2,129,854
Buildings and facilities	4,346,727	4,436,882
Machinery and equipment	987,166	993,717
Vehicles	1,376,353	880,742
Infrastructure		
Roads	7,638,885	7,654,110
Water and sewer	12,640,400	12,234,081
	29,154,364	28,329,386
Assets under construction	418,866	824,760
	29,573,230	29,154,146

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$Nil).

The allocation of tangible capital assets by segment is as follows:

	2022	2021
	\$	\$
General government	519,730	593,733
Protection services	2,663,753	2,163,005
Transportation services	9,679,593	9,560,848
Environmental services	13,032,857	13,161,693
Health services	131,332	131,429
Recreation and cultural services	2,997,090	3,039,216
Planning and development	548,875	504,222
	29,573,230	29,154,146

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Community Police Services Board	10,547	10,547
Area rates	(9,048)	(7,404)
Land inventory held for resale	695,669	695,669
Colborne Creek - unfinanced	(169,881)	(169,881)
Sewer operations	(3,063)	(121,872)
	524,224	407,059
Invested In Capital Assets		
Tangible capital assets - net book value	29,573,230	29,154,146
Long term debt	(3,605,131)	(3,797,293)
Unfunded capital (note 9(b))	(168,109)	(200,296)
	25,799,990	25,156,557
Surplus	26,324,214	25,563,616
Reserves		
Working funds	928,233	494,043
Sewer operations	5,432	5,432
Future capital	722,532	637,933
Waterworks operations	2,260,933	2,114,173
Community projects	3,018	3,018
Transportation services	2,349,888	2,347,223
Building	34,136	-
Fire services	162,548	583,011
Workplace Safety and Insurance Board	200,565	200,565
Planning and development operations	314,225	314,225
General government operations	325,310	417,686
Library operations	79,528	66,298
Police	259,397	335,067
Animal control	11,157	11,157
Benefit stabilization	208,833	208,833
Recreation	125,257	116,915
Cemetery	36,770	36,770
Total Reserves	8,027,762	7,892,349

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

9. ACCUMULATED SURPLUS, continued

	2022	2021
	\$	\$
Reserve Funds		
Library services	6,183	6,183
	34,358,159	33,462,148

(b) Unfinanced capital consists of the following:

	2022	2021
	\$	\$
County Road 2 watermain	(23,818)	(23,818)
Well rehabilitation	(20,982)	(45,966)
Durham Street	-	(82,879)
Gravity sewer extension	(21,398)	(21,398)
Colborne Library	(26,235)	(26,235)
Aluminum tank replacement	(60,319)	-
VFD blowers	(15,357)	-
	(168,109)	(200,296)

10. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2022 were \$159,069 (2021 - \$165,772).

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

11. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	3,366,431	3,216,511	3,022,508
Interest charges	130,224	124,398	131,206
Materials	3,107,357	3,204,768	2,723,527
Contracted services	2,034,045	1,782,396	1,678,799
Rents and financial	15,500	29,360	16,539
External transfers	157,444	146,479	154,326
Amortization	1,271,742	1,330,599	1,271,742
Loss on disposal of tangible capital assets	(7,000)	142,812	55,800
	10,075,743	9,977,323	9,054,447

12. TRUST FUNDS

Trust funds administered by the Township amounting to \$63,975 (2021 - \$62,635) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

13. BUDGET FIGURES

The budget, approved by the Township, for 2022 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

14. SEGMENTED INFORMATION

The Township of Cramahe is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

14. SEGMENTED INFORMATION, continued

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function includes maintenance of the Township's roads and bridges, winter control and street lighting.

Environmental Services

The environmental function is responsible for water and sewer operations and waste management services not covered by the County of Northumberland.

Health Services

The health services function includes the operation of the East Colborne cemetery.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities, recreation programs and library services.

Planning and Development

The planning and development services function includes commercial, industrial and residential development within the Township.

15. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2022

	General				Infrastructure		Assets Under Construction	Totals
	Land and land improvements	Buildings and facilities	Machinery and equipment	Vehicles	Roads	Water and sewer		
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	2,634,939	7,957,339	1,595,183	3,833,340	17,503,075	15,765,505	824,760	50,114,141
Add: additions during the year	44,653	22,590	201,913	742,640	489,794	122,678	399,722	2,023,990
Less: disposals during the year	-	-	85,557	63,268	13,003	262,539	-	424,367
Internal transfers	-	49,791	-	-	-	755,825	(805,616)	-
Balance, end of year	2,679,592	8,029,720	1,711,539	4,512,712	17,979,866	16,381,469	418,866	51,713,764
ACCUMULATED AMORTIZATION								
Balance, beginning of year	505,085	3,520,457	601,466	2,952,598	9,848,965	3,531,424	-	20,959,995
Add: additions during the year	9,674	162,536	160,108	199,578	505,019	293,684	-	1,330,599
Less: disposals during the year	-	-	37,201	15,817	13,003	84,039	-	150,060
Balance, end of year	514,759	3,682,993	724,373	3,136,359	10,340,981	3,741,069	-	22,140,534
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,164,833	4,346,727	987,166	1,376,353	7,638,885	12,640,400	418,866	29,573,230

Draft October 16, 2023

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	855,665	1,958,563	2,652,530	-	-	1,160,984	189,401	6,817,143
User charges	96,870	228,590	10,587	1,540,254	1,402	145,042	91,770	2,114,515
Government transfers - operating	690,824	23,364	251,269	-	-	43,934	-	1,009,391
Government transfers - capital	-	-	93,000	-	-	-	-	93,000
Penalties and interest on taxes	158,929	-	-	-	-	-	-	158,929
Investment income	159,907	-	-	-	-	-	-	159,907
Donations	-	-	-	-	-	2,174	-	2,174
Contributed assets	-	44,653	-	-	-	-	-	44,653
Developer contributions earned	-	-	75,000	-	-	8,361	-	83,361
Canada Community-Building Fund earned	-	-	286,497	103,764	-	-	-	390,261
Total revenues	1,962,195	2,255,170	3,368,883	1,644,018	1,402	1,360,495	281,171	10,873,334
Expenses								
Salaries and benefits	858,695	509,360	901,534	169,186	-	620,884	156,852	3,216,511
Interest charges	-	63,098	47,613	13,687	-	-	-	124,398
Materials	577,348	347,850	1,263,424	520,688	12,478	446,324	36,656	3,204,768
Contracted services	81,898	1,054,584	315,789	298,036	-	20,677	11,412	1,782,396
Rents and financial	7,184	-	22,176	-	-	-	-	29,360
External transfers	-	91,639	15,966	-	5,600	26,910	6,364	146,479
Amortization	51,212	124,832	712,326	303,681	-	138,548	-	1,330,599
Loss (gain) on disposal of tangible capital assets	-	-	(24,583)	174,943	-	-	(7,548)	142,812
Total expenses	1,576,337	2,191,363	3,254,245	1,480,221	18,078	1,253,343	203,736	9,977,323
Net surplus/(deficit)	385,858	63,807	114,638	163,797	(16,676)	107,152	77,435	896,011

Draft October 17, 2023

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	683,338	1,806,367	2,671,811	-	-	1,080,691	217,119	6,459,326
User charges	106,702	233,833	10,650	1,346,031	1,734	61,350	70,195	1,830,495
Government transfers - operating	715,231	42,105	217,476	-	-	20,427	-	995,239
Government transfers - capital	-	-	192,771	-	-	-	-	192,771
Penalties and interest on taxes	143,329	-	-	-	-	-	-	143,329
Investment income	42,174	-	-	-	-	-	-	42,174
Donations	-	-	-	-	-	2,993	-	2,993
Developer contributions earned	-	45,000	125,000	-	-	-	-	170,000
Canada Community-Building Fund earned	-	-	213,299	87,045	-	-	-	300,344
Other	-	-	-	-	110,394	-	-	110,394
Total revenues	1,690,774	2,127,305	3,431,007	1,433,076	112,128	1,165,461	287,314	10,247,065
Expenses								
Salaries and benefits	767,967	508,377	777,625	189,838	-	616,234	162,467	3,022,508
Interest charges	-	64,586	48,716	17,904	-	-	-	131,206
Materials	484,915	300,710	991,522	452,128	12,387	409,945	71,920	2,723,527
Contracted services	98,040	981,872	281,901	292,163	-	12,464	12,359	1,678,799
Rents and financial	3,819	-	-	12,720	-	-	-	16,539
External transfers	-	91,171	13,766	-	7,220	26,750	15,419	154,326
Amortization	49,155	103,811	679,097	285,487	-	154,192	-	1,271,742
Loss (gain) on disposal of tangible capital assets	55,800	-	-	-	-	-	-	55,800
Internal transfers	(9,600)	-	-	9,600	-	-	-	-
Total expenses	1,450,096	2,050,527	2,792,627	1,259,840	19,607	1,219,585	262,165	9,054,447
Net surplus/(deficit)	240,678	76,778	638,380	173,236	92,521	(54,124)	25,149	1,192,618

Draft October 18, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Cramahe

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Cramahe (the Trust Funds), which comprise the statement of financial position as at December 31, 2022, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2022, and the continuity of the Trust Funds 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Trust Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Trust Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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

Peterborough, Ontario
October 24, 2023

CORPORATION OF THE TOWNSHIP OF CRAMAHE

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2022

	Cemetery Care and Maintenance \$	Forestry Program \$	2022 Total \$	2021 Total \$
FINANCIAL ASSETS				
Investments (note 2)	50,270	10,971	61,241	60,017
Accounts receivable	2,682	52	2,734	2,618
	52,952	11,023	63,975	62,635
FUND BALANCES	52,952	11,023	63,975	62,635

Draft October 19, 2022

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

**TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2022**

	Cemetery Care and Maintenance \$	Forestry Program \$	2022 Total \$	2021 Total \$
BALANCES - beginning of year	51,634	11,001	62,635	60,126
RECEIPTS				
Investment income	1,540	22	1,562	1,584
Care and maintenance receipts	1,310	-	1,310	1,920
	2,850	22	2,872	3,504
EXPENSES				
Administration fee	622	-	622	311
Transfer to operations	910	-	910	684
	1,532	-	1,532	995
BALANCES - end of year	52,952	11,023	63,975	62,635

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses 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.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENTS

Included in investments are the following investments recorded at cost:

	2022	2021
	\$	\$
Scotiastrust Bond Common Trust Fund	14,970	14,636
Scotiastrust Corporate Bond Common Trust Fund	35,301	34,433
1-year GIC maturing January 17, 2023, interest at 0.5%	10,970	-
1-year GIC maturing January 17, 2022, interest at 0.5%	-	10,948
	61,241	60,017
Market Value	57,018	61,945

3. CARE AND MAINTENANCE FUND

The Care and Maintenance Fund administered by the Board is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Board's cemeteries. The operations and investments of the Fund are undertaken by the Board in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

**CORPORATION OF THE TOWNSHIP OF
CRAMAHE**

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2022

Draft October 19, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of the Cramahe Township Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Cramahe

Qualified Opinion

We have audited the financial statements of the Cramahe Township Public Library Board of the Corporation of the Township of Cramahe (the Board), which comprise the statement of financial position as at December 31, 2022, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from donations, fees and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fees and fundraising revenue, annual surplus/(deficit), assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Board'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 Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Board 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 represent the underlying transactions and events in a manner that achieves fair presentation.

We 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

Peterborough, Ontario
October 24, 2023

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	144,949	75,772
Accounts receivable	3,749	4,649
TOTAL FINANCIAL ASSETS	148,698	80,421
LIABILITIES		
Due to Township (note 5)	48,869	6,059
Deferred revenue (note 6)	22,894	1,886
TOTAL LIABILITIES	71,763	7,945
NET FINANCIAL ASSETS	76,935	72,476
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	149,142	148,588
Prepaid expenses	8,772	-
TOTAL NON-FINANCIAL ASSETS	157,914	148,588
ACCUMULATED SURPLUS (note 3)	234,849	221,064

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2022

	Budget 2022 \$ (unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Township contributions (note 5)	285,064	296,557	281,265
Provincial grants	15,556	19,552	15,556
L.E.A.F. Grant	-	20,371	-
Donations, fees and fundraising	3,235	3,172	6,479
Other	3,200	4,865	5,317
TOTAL REVENUES	307,055	344,517	308,617
EXPENSES			
Salaries and benefits	210,627	202,915	185,441
Supplies	5,900	27,481	8,088
Maintenance and utilities (note 5)	28,494	36,973	26,827
Professional fees	9,433	7,389	7,272
Office and administration	18,761	15,141	14,985
Equipment and furnishings	2,100	3,484	1,700
Amortization	35,833	37,349	35,833
TOTAL EXPENSES	311,148	330,732	280,146
ANNUAL SURPLUS/(DEFICIT)	<u>(4,093)</u>	13,785	28,471
ACCUMULATED SURPLUS - beginning of year		221,064	192,593
ACCUMULATED SURPLUS - end of year		234,849	221,064

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2022

	Budget 2022 \$ (unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS/(DEFICIT)	(4,093)	13,785	28,471
Amortization of tangible capital assets	35,769	37,349	35,833
Acquisition of tangible capital assets	(39,325)	(37,903)	(44,132)
Change in prepaid expenses	-	(8,772)	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(7,649)	4,459	20,172
NET FINANCIAL ASSETS - beginning of year	72,476	72,476	52,304
NET FINANCIAL ASSETS - end of year	64,827	76,935	72,476

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	13,785	28,471
Items not involving cash		
Amortization of tangible capital assets	37,349	35,833
Change in non-cash assets and liabilities		
Accounts receivable	900	(1,799)
Prepaid expenses	(8,772)	-
Due to Township	42,810	(74,392)
Deferred revenue	21,008	836
Net change in cash from operating activities	107,080	(11,051)
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(37,903)	(44,132)
NET CHANGE IN CASH	69,177	(55,183)
CASH - beginning of year	75,772	130,955
CASH - end of year	144,949	75,772

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Government funding and other grants are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Fees are recognized as revenue in the year the goods and services are provided.

Donations and fundraising revenue is recognized when the amounts are received.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books and periodicals	7 years
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Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(d) Deferred Revenue

Deferred revenue represents a grant which has been received, but for which the related services have yet to be performed. This amount will be recognized as revenue in the fiscal year the service is performed.

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(f) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Inter-Entity Transactions

The Cramahe Township Public Library Board is a Board of the Township of Cramahe and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	2022 Books and Periodicals \$	2021 Books and Periodicals \$
COST		
Balance, beginning of year	262,112	252,432
Add: additions during the year	37,903	44,132
Less: disposals during the year	32,805	34,452
Balance, end of year	267,210	262,112
ACCUMULATED AMORTIZATION		
Balance, beginning of year	113,524	112,143
Add: additions during the year	37,349	35,833
Less: disposals during the year	32,805	34,452
Balance, end of year	118,068	113,524
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	149,142	148,588

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	149,142	148,588
Surplus	149,142	148,588
Reserves		
Operations	68,976	55,745
Capital	10,548	10,548
Total Reserves	79,524	66,293
Reserve Fund		
Literacy enhancements	6,183	6,183
	234,849	221,064

4. BUDGET FIGURES

The budget, approved by the Board, for 2022 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Cramahe.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2022	2021
	\$	\$
Allocated costs:		
Maintenance	11,493	2,708

In addition, the Township provides accounting and administrative services to the Board at no cost.

All balances with the Township of Cramahe have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

6. DEFERRED REVENUE

	2022	2021
	\$	\$
L.E.A.F. grant	14,628	-
Seniors grant	4,154	-
Lion's club	50	50
Recreation & cultural donations	4,062	1,836
	22,894	1,886