

CORPORATION OF THE TOWNSHIP OF CRAMAHE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

**CORPORATION OF THE TOWNSHIP OF
CRAMAHE**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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CORPORATION OF THE TOWNSHIP OF CRAMAHE

For The Year Ended December 31, 2019

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.

Mayor

Brandy Dewart

Date

Oct 23/20

CAO/Treasurer

J. M. L.

Date

October 21, 2020

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, 2019, 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, 2019, 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
November 2, 2020

CORPORATION OF THE TOWNSHIP OF CRAMAHE



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	2019 \$	2018 \$ (restated - Note 2)
FINANCIAL ASSETS		
Cash	5,287,836	3,332,143
Short term investments (note 3)	2,590,758	2,529,017
Accounts receivable	572,828	471,764
Taxes receivable	779,784	732,198
Land held for sale	695,669	695,669
TOTAL FINANCIAL ASSETS	9,926,875	7,760,791
LIABILITIES		
Accounts payable and accrued liabilities	1,151,375	1,302,831
Deferred revenue - obligatory reserve funds (note 6)	1,566,302	1,476,993
Deferred revenue - other (note 7)	48,808	182,711
Long term debt (note 8)	4,161,436	2,637,846
TOTAL LIABILITIES	6,927,921	5,600,381
NET FINANCIAL ASSETS	2,998,954	2,160,410
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	27,393,926	26,863,550
Inventories of materials and supplies	16,649	16,649
Prepaid expenses	225	225
TOTAL NON-FINANCIAL ASSETS	27,410,800	26,880,424
ACCUMULATED SURPLUS (note 10)	30,409,754	29,040,834

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2019

	Budget 2019 \$ (unaudited)	Actual 2019 \$	Actual 2018 \$ (restated - Note 2)
REVENUES			
Property taxation	5,913,260	5,854,370	5,627,382
User charges	1,669,010	1,738,321	1,654,876
Government of Canada	1,270	1,917	2,520
Province of Ontario	1,529,567	1,783,073	952,082
Penalties and interest on taxes	175,000	133,694	130,030
Investment income	130,000	125,587	89,171
Donations	14,100	29,388	9,792
Federal gas tax earned	192,787	192,787	31,500
Development charges earned	346,000	326,750	115,500
TOTAL REVENUES	9,970,994	10,185,887	8,612,853
EXPENSES			
General government	1,385,074	1,363,851	1,313,347
Protection services	2,037,565	1,958,620	2,006,160
Transportation services	2,927,638	2,673,039	2,479,934
Environmental services	1,521,025	1,298,895	1,377,849
Health services	24,750	17,912	20,506
Recreation and cultural services	1,253,672	1,226,130	1,202,823
Planning and development	216,430	278,520	232,161
TOTAL EXPENSES	9,366,154	8,816,967	8,632,780
ANNUAL SURPLUS/(DEFICIT)	<u>604,840</u>	1,368,920	(19,927)
ACCUMULATED SURPLUS - beginning of year		29,040,834	29,060,761
ACCUMULATED SURPLUS - end of year		30,409,754	29,040,834

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, 2019

	Budget 2019 \$ (unaudited)	Actual 2019 \$	Actual 2018 \$ (restated - Note 2)
ANNUAL SURPLUS/(DEFICIT)	604,840	1,368,920	(19,927)
Amortization of tangible capital assets	1,077,228	1,138,013	1,103,248
Purchase of tangible capital assets	(1,492,013)	(1,712,278)	(2,261,001)
Loss (gain) on disposal of tangible capital assets	-	43,889	31,159
Proceeds on sale of tangible capital assets	-	-	32,585
Change in inventories of materials and supplies	-	-	56,136
Change in prepaid expenses	-	-	57,792
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	190,055	838,544	(1,000,008)
NET FINANCIAL ASSETS - beginning of year	2,160,410	2,160,410	3,160,418
NET FINANCIAL ASSETS - end of year	2,350,465	2,998,954	2,160,410

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, 2019

	2019 \$	2018 \$ (restated - Note 2)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	1,368,920	(19,927)
Items not involving cash		
Amortization of tangible capital assets	1,138,013	1,103,248
Loss on disposal of tangible capital assets	43,889	31,159
Change in non-cash assets and liabilities		
Accounts receivable	(101,064)	(82,975)
Taxes receivable	(47,586)	136,395
Inventories of materials and supplies	-	56,136
Prepaid expenses	-	57,792
Accounts payable and accrued liabilities	(151,456)	165,835
Deferred revenue - obligatory reserve funds	89,309	296,264
Deferred revenue - other	(133,903)	168,185
Net change in cash from operating activities	2,206,122	1,912,112
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,712,278)	(2,261,001)
Proceeds on disposal of tangible capital assets	-	32,585
Net change in cash from capital activities	(1,712,278)	(2,228,416)
INVESTING ACTIVITIES		
Purchase of investments	(61,741)	(2,543,642)
Disposal of investments	-	2,520,781
Net change in cash from investing activities	(61,741)	(22,861)
FINANCING ACTIVITIES		
Long term debt issued	1,720,000	-
Debt principal repayments	(196,410)	(188,987)
Net change in cash from financing activities	1,523,590	(188,987)
NET CHANGE IN CASH	1,955,693	(528,152)
CASH - beginning of year	3,332,143	3,860,295
CASH - end of year	5,287,836	3,332,143

The accompanying notes are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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. 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.

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.

Federal gas tax 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(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. PRIOR PERIOD ADJUSTMENT

The Township has restated its 2018 consolidated financial statements to recognize tangible capital assets that were previously omitted in error. Adjustments necessary to the 2018 financial information as a result of the prior period adjustment are as follows:

Adjustment to Closing 2018 Tangible Capital Assets

Net book value of assets previously recorded to December 31, 2018	\$ 26,837,306
Assets not previously recorded to December 31, 2018	219,778
Accumulated amortization to January 1, 2018, not previously recorded	(167,514)
Accumulated amortization not previously recorded for 2018	<u>(26,020)</u>
Closing 2018 net book value of tangible capital assets as restated	<u>\$ 26,863,550</u>

Adjustment to Opening 2018 Accumulated Surplus

Accumulated surplus as previously stated	
Tangible capital assets	\$ 22,198,966
Surplus (deficit)	555,283
Reserves and reserve funds	<u>6,254,248</u>
	29,008,497
Assets not previously capitalized	219,778
Amortization expense not previously recorded	<u>(167,514)</u>
Opening 2018 accumulated surplus as restated	<u>\$ 29,060,761</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. PRIOR PERIOD ADJUSTMENT, CONTINUED

Adjustment to 2018 Annual Surplus

2018 annual surplus as previously stated	\$ 6,093
Less: Amortization expense not previously recorded	<u>(26,020)</u>
2018 annual surplus (deficit) as restated	<u>\$ (19,927)</u>

3. INVESTMENTS

Investments are recorded at cost and include a high interest savings account with a book value of \$2,590,758 (2018 - \$2,529,017) and market value of \$2,590,758 (2018 - \$2,529,017).

4. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2019, 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 \$
<u>Amounts requisitioned and remitted</u>	<u>1,824,957</u>	<u>3,738,522</u>

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

5. 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 2019-01. At December 31, 2019 there was no balance outstanding (2018 - \$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

6. 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:

	2019	2018
	\$	\$
Parkland	95,099	88,824
Development charges	396,053	530,647
Federal gas tax	1,075,150	857,522
	1,566,302	1,476,993

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

	2019	2018
	\$	\$
Balance - beginning of year	1,476,993	1,180,729
Add amounts received:		
Development charges	177,543	212,940
Federal gas tax	389,820	193,430
Interest	37,083	21,494
Parkland fees	4,400	15,400
	608,846	443,264
Less transfer to operations:		
Development charges	326,750	115,500
Federal gas tax	192,787	31,500
	519,537	147,000
Balance - end of year	1,566,302	1,476,993

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2019	2018
	\$	\$
AMO - Main Street Revitalization	43,268	43,268
Other	5,540	4,438
Ontario Trillium Foundation	-	135,005
	<u>48,808</u>	<u>182,711</u>

The continuity of deferred revenue - other is as follows:

	2019	2018
	\$	\$
Balance - beginning of year	182,711	14,526
Add amounts received:		
Ontario Trillium Foundation	-	135,005
AMO - Main Street Revitalization	-	43,268
Other	1,102	4,438
	<u>1,102</u>	<u>182,711</u>
Less transfer to operations:		
Ontario Trillium Foundation	135,005	-
Other	-	14,526
	<u>135,005</u>	<u>14,526</u>
Balance - end of year	<u>48,808</u>	<u>182,711</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

8. LONG TERM DEBT

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

	2019	2018
	\$	\$
OILC debenture, due November 15, 2049, repayable in blended semi-annual installments of \$43,173, interest rate fixed at 2.91% per annum.	1,720,000	-
OILC debenture, due September 15, 2047, repayable in blended semi-annual installments of \$53,312, interest rate fixed at 3.51% per annum.	1,891,079	1,930,290
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.	550,357	648,088
Long term bank loan, due August 4, 2019, repayable in blended semi-annual installments of \$30,637, interest rate fixed at 4.04% per annum.	-	59,468
	4,161,436	2,637,846

- (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 \$95,079 (2018 - \$102,501).

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

	Principal	Interest	Total
	\$	\$	\$
2020	178,789	137,771	316,560
2021	185,353	131,207	316,560
2022	192,162	124,398	316,560
2023	199,223	117,337	316,560
2024	206,548	110,012	316,560
2025 and subsequent years	3,199,361	1,411,633	4,610,994
	4,161,436	2,032,358	6,193,794

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

9. TANGIBLE CAPITAL ASSETS

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

	2019	2018 (restated - Note 2)
	\$	\$
General		
Land and land improvements	2,078,073	2,092,011
Buildings and facilities	3,899,466	3,846,503
Machinery and equipment	627,854	444,192
Vehicles	904,093	1,018,278
Infrastructure		
Roads	6,797,349	6,526,473
Water and sewer	11,617,070	11,862,983
	25,923,905	25,790,440
Assets under construction	1,470,021	1,073,110
	27,393,926	26,863,550

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

During the year there were no write-downs of assets (2018 - \$Nil) and no interest capitalized (2018 - \$Nil).

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

	2019	2018 (restated - Note 2)
	\$	\$
General government	455,410	269,679
Protection services	2,245,832	2,350,338
Transportation services	8,189,566	7,805,960
Environmental services	12,731,816	12,949,447
Health services	128,579	128,579
Recreation and cultural services	3,148,230	2,865,054
Planning and development	494,493	494,493
	27,393,926	26,863,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

10. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2019	2018 (restated - Note 2)
	\$	\$
Surplus/(Deficit)		
Community Police Services Board	11,047	11,297
Area rates	(5,408)	(6,851)
Land inventory held for resale	695,669	695,669
Colborne Creek - unfinanced	(169,881)	(169,881)
Sewer operations	(231,635)	(258,632)
	299,792	271,602
Invested In Capital Assets		
Tangible capital assets - net book value	27,393,926	26,863,550
Long term debt	(4,161,436)	(2,637,846)
Unfunded capital (note 10(b))	(429,033)	(2,024,250)
	22,803,457	22,201,454
Surplus	23,103,249	22,473,056
Reserves		
Working funds	440,768	548,219
Sewer operations	142,029	232,929
Future capital	553,868	418,861
Waterworks operations	2,027,267	1,853,924
Community projects	1,018	1,018
Transportation services	1,774,290	1,677,352
Fire services	495,599	495,599
Workplace Safety and Insurance Board	200,565	200,565
Planning and development operations	314,225	314,225
General government operations	660,677	140,809
Library operations	32,408	27,486
Police	330,067	330,067
Animal control	11,157	11,157
Benefit stabilization	208,833	208,833
Recreation	70,781	63,781
Cemetery	36,770	36,770
Total Reserves	7,300,322	6,561,595
Reserve Funds		
Library services	6,183	6,183
	30,409,754	29,040,834

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

10. ACCUMULATED SURPLUS, continued

(b) Unfinanced capital consists of the following:

	2019	2018
	\$	\$
Burnham, Park and Cedar project	-	(1,838,228)
Well rehabilitation	(194,163)	(186,022)
Durham Street	(179,012)	-
Gravity sewer extension	(24,623)	-
Colborne Library	(31,235)	-
	(429,033)	(2,024,250)

11. 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 2019 Annual Report disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 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 2019 were \$158,940 (2018 - \$162,082).

12. EXPENSES BY OBJECT

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
	(Unaudited)		(restated - Note 2)
Salaries and benefits	2,678,325	2,817,424	2,836,387
Interest charges	161,565	95,079	102,501
Materials	2,959,389	2,797,341	2,459,246
Contracted services	2,309,450	1,754,787	1,938,832
Rents and financial	16,700	15,117	16,415
External transfers	163,497	155,317	144,992
Amortization	1,077,228	1,138,013	1,103,248
Loss on disposal of tangible capital assets	-	43,889	31,159
	9,366,154	8,816,967	8,632,780

13. TRUST FUNDS

Trust funds administered by the Township amounting to \$58,516 (2018 - \$58,452) 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.

14. BUDGET FIGURES

The budget, approved by the Township, for 2019 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.

15. 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.

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.

15. SEGMENTED INFORMATION, continued

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.

16. COMPARATIVE FIGURES

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

17. SUBSEQUENT EVENT

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social impact.

At the time of approval of these financial statements, the Township has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Temporarily closed most facilities for walk-in access;
- Penalty and interest charges on outstanding property tax balances have been waived;
- Working from home requirements were set up temporarily for those able to do so;
- Reduced revenues from user charges;
- Expected decline in investment income;
- Additional costs for enhanced facility cleaning and acquisition of personal protective equipment; and
- Additional costs for retrofitting offices and facilities in preparation for reopening to the public.

The Township plans to mitigate any additional operating costs with committed Provincial government funding, cost savings in other budget areas and tight controls over operating expenses.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities in subsequent years and may have a significant impact on future operations.

CORPORATION OF THE TOWNSHIP OF CRAMAHE



CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2019

	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 (restated - Note 2)	2,567,804	7,099,655	856,263	3,447,403	15,109,627	14,513,021	1,073,110	44,666,883
Add: additions during the year	508	34,865	274,077	75,313	638,100	29,597	659,818	1,712,278
Less: disposals during the year	-	31,170	68,877	18,315	166,619	19,236	-	304,217
Internal transfers	-	174,711	-	-	88,196	-	(262,907)	-
Balance, end of year	2,568,312	7,278,061	1,061,463	3,504,401	15,669,304	14,523,382	1,470,021	46,074,944
ACCUMULATED AMORTIZATION								
Balance, beginning of year (restated - note 2)	475,793	3,253,152	412,071	2,429,125	8,583,154	2,650,038	-	17,803,333
Add: additions during the year	14,446	156,093	86,076	189,498	430,398	261,502	-	1,138,013
Less: disposals during the year	-	30,650	64,538	18,315	141,597	5,228	-	260,328
Balance, end of year	490,239	3,378,595	433,609	2,600,308	8,871,955	2,906,312	-	18,681,018
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,078,073	3,899,466	627,854	904,093	6,797,349	11,617,070	1,470,021	27,393,926

CORPORATION OF THE TOWNSHIP OF CRAMAHE



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	201,993	2,010,997	2,207,660	94,656	20,828	1,059,511	258,725	5,854,370
User charges	50,836	170,091	18,599	1,303,223	1,476	155,126	38,970	1,738,321
Government transfers - operating	1,234,714	26,403	244,105	11,041	-	164,591	-	1,680,854
Government transfers - capital	-	-	92,244	11,892	-	-	-	104,136
Penalties and interest on taxes	133,694	-	-	-	-	-	-	133,694
Investment income	125,587	-	-	-	-	-	-	125,587
Donations	-	-	-	-	-	29,388	-	29,388
Federal gas tax earned	-	-	192,787	-	-	-	-	192,787
Development charges earned	30,000	-	250,000	-	-	46,750	-	326,750
Total revenues	1,776,824	2,207,491	3,005,395	1,420,812	22,304	1,455,366	297,695	10,185,887
Expenses								
Salaries and benefits	893,536	459,126	712,536	130,636	-	567,170	54,420	2,817,424
Interest charges	-	67,412	-	25,859	-	-	1,808	95,079
Materials	370,423	286,270	1,101,285	517,202	10,728	466,288	45,145	2,797,341
Contracted services	72,862	964,293	226,274	325,297	-	22,642	143,419	1,754,787
Rents and financial	4,808	-	-	10,309	-	-	-	15,117
External transfers	-	82,098	10,307	-	7,184	22,000	33,728	155,317
Amortization	31,301	95,083	597,615	265,984	-	148,030	-	1,138,013
Loss (gain) on disposal of tangible capital assets	521	4,338	25,022	14,008	-	-	-	43,889
Internal transfers	(9,600)	-	-	9,600	-	-	-	-
Total expenses	1,363,851	1,958,620	2,673,039	1,298,895	17,912	1,226,130	278,520	8,816,967
Net surplus	412,973	248,871	332,356	121,917	4,392	229,236	19,175	1,368,920

CORPORATION OF THE TOWNSHIP OF CRAMAHE



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE - restated (Note 2) For the Year Ended December 31, 2018

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	194,268	1,932,982	2,122,016	91,000	20,020	1,018,408	248,688	5,627,382
User charges	54,737	119,971	25,908	1,230,258	1,657	183,150	39,195	1,654,876
Government transfers - operating	681,455	45,430	114,756	-	-	22,258	-	863,899
Government transfers - capital	-	-	-	90,703	-	-	-	90,703
Penalties and interest on taxes	130,030	-	-	-	-	-	-	130,030
Investment income	89,171	-	-	-	-	-	-	89,171
Donations	-	-	-	-	-	9,792	-	9,792
Federal gas tax earned	-	-	-	-	-	31,500	-	31,500
Development charges earned	-	-	72,000	-	-	43,500	-	115,500
Total revenues	1,149,661	2,098,383	2,334,680	1,411,961	21,677	1,308,608	287,883	8,612,853
Expenses								
Salaries and benefits	803,198	509,197	752,039	114,837	-	593,487	63,629	2,836,387
Interest charges	-	68,753	-	29,609	-	-	4,139	102,501
Materials	409,257	278,843	850,030	397,952	13,286	426,071	83,807	2,459,246
Contracted services	69,194	977,409	269,474	553,094	-	21,534	48,127	1,938,832
Rents and financial	4,174	-	-	12,241	-	-	-	16,415
External transfers	-	77,080	10,327	-	7,220	15,750	34,615	144,992
Amortization	27,524	94,878	574,789	260,076	-	145,981	-	1,103,248
Loss (gain) on disposal of tangible capital assets	-	-	-	23,275	10,040	-	(2,156)	31,159
Total expenses	1,313,347	2,006,160	2,456,659	1,391,084	30,546	1,202,823	232,161	8,632,780
Net surplus/(deficit)	(163,686)	92,223	(121,979)	20,877	(8,869)	105,785	55,722	(19,927)

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, 2019, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2019, 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
November 2, 2020

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	Cemetery Perpetual Care \$	Forestry Program \$	2019 Total \$	2018 Total \$
FINANCIAL ASSETS				
Investments (note 2)	47,228	10,808	58,036	57,972
Accounts receivable	480	-	480	480
	47,708	10,808	58,516	58,452
FUND BALANCES				
Capital	40,148	10,808	50,956	50,892
Income	7,560	-	7,560	7,560
	47,708	10,808	58,516	58,452

The accompanying notes are an integral part of these financial statements

TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2019

	Cemetery Perpetual Care \$	Forestry Program \$	2019 Total \$	2018 Total \$
BALANCES - beginning of year	47,708	10,744	58,452	57,689
RECEIPTS				
Investment income	1,042	64	1,106	1,255
Care and maintenance receipts	-	-	-	480
	1,042	64	1,106	1,735
EXPENSES				
Administration fee	311	-	311	311
Transfer to operations	731	-	731	661
	1,042	-	1,042	972
BALANCES - end of year	47,708	10,808	58,516	58,452

The accompanying notes are an integral part of these financial statements

TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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:

	2019	2018
	\$	\$
Scotiastrust Bond Common Trust Fund	14,118	14,118
Scotiastrust Corporate Bond Common Trust Fund	33,110	33,110
1-year GIC maturing January 15, 2019, interest at 0.45%	-	10,744
1-year GIC maturing January 15, 2020, interest at 0.6%	10,808	-
	<u>58,036</u>	<u>57,972</u>
Market Value	57,852	56,812

3. CEMETERY PERPETUAL CARE

The Perpetual Care 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 Cemeteries Act.

**CORPORATION OF THE TOWNSHIP OF
CRAMAHE**

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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****T: (705) 742-3418
F: (705) 742-9775****www.bakertilly.ca***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, 2019, 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, 2019, 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, 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
November 2, 2020

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	112,845	61,743
Accounts receivable	-	1,840
TOTAL FINANCIAL ASSETS	112,845	63,583
LIABILITIES		
Due to Township (note 6)	74,204	29,864
Deferred revenue	50	50
TOTAL LIABILITIES	74,254	29,914
NET FINANCIAL ASSETS	38,591	33,669
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	142,574	141,072
ACCUMULATED SURPLUS (note 3)	181,165	174,741

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, 2019**

	Budget 2019 \$ (unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Township contributions (note 6)	247,580	258,491	247,513
Provincial grants	12,669	12,669	19,738
Federal grants	-	-	1,680
Donations, fees and fundraising	16,900	35,656	11,596
Other	2,620	1,968	2,083
TOTAL REVENUES	279,769	308,784	282,610
EXPENSES			
Salaries and benefits	173,115	170,786	170,955
Supplies	6,050	6,608	6,042
Maintenance and utilities (note 6)	29,723	41,473	32,008
Professional fees	10,940	8,552	9,757
Office and administration	14,048	14,080	11,356
Equipment and furnishings	8,763	29,401	6,486
Amortization	33,770	31,460	33,770
TOTAL EXPENSES	276,409	302,360	270,374
ANNUAL SURPLUS	<u>3,360</u>	6,424	12,236
ACCUMULATED SURPLUS - beginning of year		174,741	162,505
ACCUMULATED SURPLUS - end of year		181,165	174,741

The accompanying notes are an integral part of these financial statements

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD
 STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 For the Year Ended December 31, 2019

	Budget 2019 \$ (unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	3,360	6,424	12,236
Amortization of tangible capital assets	33,770	31,460	33,770
Acquisition of tangible capital assets	(39,425)	(32,962)	(39,451)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(2,295)	4,922	6,555
NET FINANCIAL ASSETS - beginning of year	33,669	33,669	27,114
NET FINANCIAL ASSETS - end of year	31,374	38,591	33,669

The accompanying notes are an integral part of these financial statements

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	6,424	12,236
Items not involving cash		
Amortization of tangible capital assets	31,460	33,770
Change in non-cash assets and liabilities		
Accounts receivable	1,840	(1,840)
Due to Township	44,340	(30,812)
Deferred revenue	-	(5,719)
Net change in cash from operating activities	84,064	7,635
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(32,962)	(39,451)
NET CHANGE IN CASH	51,102	(31,816)
CASH - beginning of year	61,743	93,559
CASH - end of year	112,845	61,743

The accompanying notes are an integral part of these financial statements

**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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 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.

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(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. 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.

(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.

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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:

	2019 Books and Periodicals \$	2018 Books and Periodicals \$
COST		
Balance, beginning of year	251,856	249,549
Add: additions during the year	32,962	39,451
Less: disposals during the year	32,653	37,144
Balance, end of year	252,165	251,856
ACCUMULATED AMORTIZATION		
Balance, beginning of year	110,784	114,158
Add: additions during the year	31,460	33,770
Less: disposals during the year	32,653	37,144
Balance, end of year	109,591	110,784
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	142,574	141,072

CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2019

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	142,574	141,072
Surplus	142,574	141,072
Reserves		
Operations	18,360	15,544
Capital	14,048	11,942
Total Reserves	32,408	27,486
Reserve Fund		
Literacy enhancements	6,183	6,183
	181,165	174,741



**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

4. BUDGET FIGURES

The budget, approved by the Board, for 2019 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.

5. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

6. 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:

	2019	2018
	\$	\$
Allocated costs:		
Maintenance	10,911	3,129

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.