

CORPORATION OF THE TOWNSHIP OF WOLLASTON

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

CORPORATION OF THE TOWNSHIP OF WOLLASTON

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

TABLE OF CONTENTS

	Page Number
MANAGEMENT REPORT	
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 14
Schedule of Tangible Capital Assets	15
Schedules of Segment Disclosure	16 - 17
LOCAL BOARD	
Wollaston Public Library Board	18 - 26



P.O. Box 99
Coe Hill, ON K0L 1P0
Tel: 613.337.5731
Fax: 613.337.5789
Email:wollaston@bellnet.ca

WOLLASTON TOWNSHIP

CORPORATION OF THE TOWNSHIP OF WOLLASTON

For The Year Ended December 31, 2019

MANAGEMENT REPORT

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

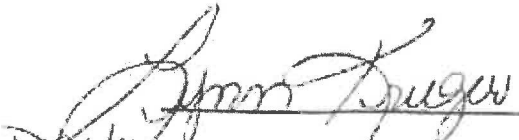
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen 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 Wollaston. 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.


Deputy Mayor


Clerk August 10, 2020

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Wollaston***Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Wollaston and its local board (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
August 12, 2020

**CORPORATION OF THE
TOWNSHIP OF WOLLASTON**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments	449,908	177,394
Investments (note 3)	1,675,459	1,394,013
Trade and other receivable (note 4)	76,233	149,248
Taxes receivable	214,243	206,098
TOTAL FINANCIAL ASSETS	2,415,843	1,926,753
LIABILITIES		
Accounts payable and accrued liabilities	223,539	287,935
Deferred revenue - obligatory reserve funds (note 6)	87,165	501
Deferred revenue - other	16,995	2,183
Long term debt (note 7)	417,616	510,299
Landfill closure and post-closure liability (note 5)	363,415	290,065
TOTAL LIABILITIES	1,108,730	1,090,983
NET FINANCIAL ASSETS	1,307,113	835,770
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	5,855,689	6,438,402
Prepaid expenses	5,332	5,332
TOTAL NON-FINANCIAL ASSETS	5,861,021	6,443,734
ACCUMULATED SURPLUS (note 9)	7,168,134	7,279,504

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
TOWNSHIP OF WOLLASTON**



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

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Property taxation	1,387,787	1,412,098	1,332,811
User charges	54,140	56,530	66,696
Province of Ontario	733,300	1,088,002	820,143
Penalties and interest on taxes	25,000	34,403	30,082
Investment income	18,024	22,627	22,187
Donations	3,000	5,254	4,085
Federal gas tax funding earned	-	-	85,993
Other revenue	35,618	32,413	36,259
TOTAL REVENUES	2,256,869	2,651,327	2,398,256
EXPENSES			
General government	615,562	628,596	326,358
Protection services	444,900	404,378	445,970
Transportation services	1,517,200	1,414,660	1,495,429
Environmental services	140,485	217,237	202,861
Health services	-	-	1,500
Recreation and cultural services	141,357	97,428	154,641
Planning and development	35,059	398	4,616
TOTAL EXPENSES	2,894,563	2,762,697	2,631,375
ANNUAL DEFICIT	<u>(637,694)</u>	(111,370)	(233,119)
ACCUMULATED SURPLUS - beginning of year		7,279,504	7,512,623
ACCUMULATED SURPLUS - end of year		7,168,134	7,279,504

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
TOWNSHIP OF WOLLASTON**



**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL DEFICIT	(637,694)	(111,370)	(233,119)
Amortization of tangible capital assets	736,531	726,801	736,531
Purchase of tangible capital assets	(27,500)	(144,088)	(475,100)
Loss on disposal of tangible capital assets	-	-	3,121
Proceeds on sale of tangible capital assets	-	-	18,000
Change in inventories of materials and supplies	-	-	50
INCREASE IN NET FINANCIAL ASSETS	71,337	471,343	49,483
NET FINANCIAL ASSETS - beginning of year	835,770	835,770	786,287
NET FINANCIAL ASSETS - end of year	907,107	1,307,113	835,770

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
TOWNSHIP OF WOLLASTON**



**CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(111,370)	(233,119)
Items not involving cash		
Amortization of tangible capital assets	726,801	736,531
Loss on disposal of tangible capital assets	-	3,121
Change in landfill liability	73,350	23,065
Change in non-cash assets and liabilities		
Trade and other receivable	73,015	(35,558)
Taxes receivable	(8,145)	1,812
Inventories of materials and supplies	-	50
Accounts payable and accrued liabilities	(64,396)	73,477
Deferred revenue - obligatory reserve funds	86,664	(42,434)
Deferred revenue - other	14,812	(4,063)
Net change in cash from operating activities	790,731	522,882
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(144,088)	(475,100)
Proceeds on disposal of tangible capital assets	-	18,000
Net change in cash from capital activities	(144,088)	(457,100)
INVESTING ACTIVITIES		
Purchase of investments	(1,611,564)	(1,373,301)
Disposal of investment	1,330,118	1,450,584
Net change in cash from investing activities	(281,446)	77,283
FINANCING ACTIVITIES		
Debt principal repayments	(92,683)	(90,069)
NET CHANGE IN CASH AND TEMPORARY INVESTMENTS	272,514	52,996
CASH AND TEMPORARY INVESTMENTS - beginning of year	177,394	124,398
CASH AND TEMPORARY INVESTMENTS - end of year	449,908	177,394

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 Wollaston 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:

- Wollaston Public Library Board

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

(b) 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:

Buildings	35 to 50 years
Machinery and equipment	5 to 20 years
Vehicles	10 years
Roads and bridges	5 to 50 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

(c) 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 and Other Grants

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.

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. Investment income is recognized when earned.

(d) 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 government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

(e) 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.

(f) 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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 landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs; and
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2019, requisitions were made by the County of Hastings 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>	287,213	479,139

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

3. INVESTMENTS

Investments are comprised of term deposits that mature between February 7, 2020 and January 14, 2021 and bear interest between 1.00% and 1.50% per annum.

4. ACCOUNTS RECEIVABLE

	2019 \$	2018 \$
HST receivable	58,895	123,926
Other	17,338	25,322
	<u>76,233</u>	<u>149,248</u>

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

5. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the one site the Township operates is \$363,415 (2018 - \$290,065). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Township has a waste site reserve of \$279,079 (2018 - \$264,079) and the remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill, using a discount factor of 3% and an inflation rate of 2%. The remaining capacity of the solid waste landfill site is estimated at 4,613 m³ (2018 - 5,245 m³) which is 23.5% (2018 - 26.8%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$475,488 (2018 - \$396,263) as at December 31, 2019. The landfill is expected to reach its capacity in 2026.

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 balance in the obligatory reserve funds of the Township is summarized below:

	2019	2018
	\$	\$
Federal gas tax	87,165	501

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

	2019	2018
	\$	\$
Balance - beginning of year	501	42,935
Add amounts received:		
Federal gas tax received	85,751	43,051
Interest earned	913	508
	86,664	43,559
Less transfer to operations:		
Federal gas tax earned	-	85,993
Balance - end of year	87,165	501

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

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:

	2019 \$	2018 \$
Long term loan from the Canada Mortgage and Housing Corporation payable in blended yearly payments of \$58,314, due in 2026 with a fixed interest rate of 3.92%, secured by specific assets.	351,036	393,909
Long term loan from the Ontario Infrastructure and Lands Corporation payable in blended semi-annual payments of \$17,985, due in 2020 with a fixed interest rate of 1.64%.	35,533	70,490
Long term loan from the Ontario Infrastructure and Lands Corporation payable in blended semi-annual payments of \$8,051, due in 2021 with a fixed interest rate of 2.96%.	31,047	45,900
	417,616	510,299

- (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 \$16,303 (2018 - \$18,971).

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

	Principal \$	Interest \$	Total \$
2020	95,382	15,005	110,387
2021	62,051	12,365	74,416
2022	48,115	10,199	58,314
2023	50,001	8,313	58,314
2024	51,961	6,353	58,314
2025 and subsequent years	110,106	6,516	116,622
	417,616	58,751	476,367

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

8. TANGIBLE CAPITAL ASSETS

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

	2019	2018
	\$	\$
General		
Land	647,272	517,172
Buildings	550,153	571,313
Machinery and equipment	496,302	554,893
Vehicles	171,273	203,053
Infrastructure		
Roads and bridges	3,990,689	4,591,971
	5,855,689	6,438,402

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
	\$	\$
General government	499,106	371,968
Protection services	96,742	99,414
Transportation services	4,609,483	5,299,171
Environmental services	120,624	121,595
Recreation and cultural services	529,734	546,254
	5,855,689	6,438,402

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

9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus/(Deficit)		
Township	283,157	51,507
Unfunded landfill closure and post-closure costs	(363,415)	(290,065)
Wollaston Public Library Board	33,134	30,948
	<u>(47,124)</u>	<u>(207,610)</u>
Invested In Capital Assets		
Tangible capital assets - net book value	5,855,689	6,438,402
Long term debt	(417,616)	(510,299)
Unfunded capital - see below	(270,805)	(325,810)
	<u>5,167,268</u>	<u>5,602,293</u>
Surplus	<u>5,120,144</u>	<u>5,394,683</u>
Reserves		
Working capital	810,815	820,220
Future capital assets	537,000	537,000
Community improvement plan	3,414	3,415
Waste site	279,079	264,079
Recreation	61,775	66,161
Fire	64,060	69,507
Modernization fund	165,645	-
Total Reserves	<u>1,921,788</u>	<u>1,760,382</u>
Reserve Funds		
Fire	<u>126,202</u>	<u>124,439</u>
	<u>7,168,134</u>	<u>7,279,504</u>

Unfunded capital consists of the following:

	2019	2018
	\$	\$
General Government	-	(1,100)
Transportation	(254,905)	(298,810)
Fire	(15,900)	(25,900)
	<u>(270,805)</u>	<u>(325,810)</u>

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

10. 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 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
Salaries and benefits	725,174	730,486	740,941
Interest charges	17,705	16,303	18,971
Materials	789,320	555,850	659,352
Contracted services	587,478	696,114	410,114
Rents and financial	650	229	239
External transfers	37,705	36,914	62,106
Amortization	736,531	726,801	736,531
Loss on disposal of tangible capital assets	-	-	3,121
	2,894,563	2,762,697	2,631,375

11. 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.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating and capital	2,250,322	2,250,322
Total Council approved budget	2,250,322	2,250,322
Less: 2018 surplus	(11,837)	-
Less: Tangible capital assets capitalized	-	(27,500)
Add: Amortization of tangible capital assets	-	736,531
Less: Principal repayment of long term debt	-	(92,683)
Less: Transfers to/from reserves	(82,059)	(75,050)
Add: Library budget	38,684	41,184
Budget items reclassified for financial statement purposes	61,759	61,759
Adjusted budget per Consolidated Statement of Operations	2,256,869	2,894,563

12. 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 \$50,000 via a line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate plus 1%. Council authorized the temporary borrowing limit by By-law 02-11. At December 31, 2019 there was no balance outstanding (2018 - \$Nil).

13. SEGMENTED INFORMATION

The Township of Wollaston 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 include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

Environmental Services

The environmental function is responsible for providing waste disposal and recycling services to ratepayers.

Health Services

The health services function consists of external transfers to the local medical centre.

Recreation and Cultural Services

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

13. SEGMENTED INFORMATION, continued

Planning and Development

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

14. 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 \$37,922 (2018 - \$37,187).

15. SUBSEQUENT EVENTS

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.

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

- Additional costs for enhanced facility cleaning and acquisition of personal protective equipment;
- Temporarily closed most facilities for walk-in access;
- Property tax due dates have been deferred; and
- Reduced revenues from user charges.

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

CORPORATION OF THE TOWNSHIP OF WOLLASTON



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

	General				Infrastructure	Totals
	Land	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	
	\$	\$	\$	\$	\$	\$
COST						
Balance, beginning of year	517,172	900,747	1,476,070	309,103	9,433,815	12,636,907
Add: additions during the year	130,100	-	13,988	-	-	144,088
Less: disposals during the year	-	-	1,892	-	-	1,892
Balance, end of year	647,272	900,747	1,488,166	309,103	9,433,815	12,779,103
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	329,434	921,177	106,050	4,841,844	6,198,505
Add: additions during the year	-	21,160	72,579	31,780	601,282	726,801
Less: disposals during the year	-	-	1,892	-	-	1,892
Balance, end of year	-	350,594	991,864	137,830	5,443,126	6,923,414
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	647,272	550,153	496,302	171,273	3,990,689	5,855,689

CORPORATION OF THE TOWNSHIP OF WOLLASTON



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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues							
Property taxation	26,811	516,787	590,143	164,514	89,843	24,000	1,412,098
User charges	10,169	250	3,910	17,578	2,931	21,692	56,530
Government transfers - operating	1,038,002	-	-	-	-	-	1,038,002
Government transfers - capital	-	-	50,000	-	-	-	50,000
Penalties and interest on taxes	34,403	-	-	-	-	-	34,403
Investment income	20,837	1,764	-	-	26	-	22,627
Donations	-	2,182	-	-	3,072	-	5,254
Other revenue	29,140	-	-	-	3,273	-	32,413
Total revenues	1,159,362	520,983	644,053	182,092	99,145	45,692	2,651,327
Expenses							
Salaries and benefits	235,358	48,589	329,633	66,027	50,879	-	730,486
Interest charges	-	-	15,054	-	1,249	-	16,303
Materials	83,057	42,167	382,085	22,400	25,743	398	555,850
Contracted services	305,990	262,285	-	127,839	-	-	696,114
Rents and financial	229	-	-	-	-	-	229
External transfers	1,000	35,914	-	-	-	-	36,914
Amortization	2,962	15,423	687,888	971	19,557	-	726,801
Total expenses	628,596	404,378	1,414,660	217,237	97,428	398	2,762,697
Net surplus/(deficit)	530,766	116,605	(770,607)	(35,145)	1,717	45,294	(111,370)

CORPORATION OF THE TOWNSHIP OF WOLLASTON



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE 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	10,283	494,131	423,959	179,300	2,000	178,500	44,638	1,332,811
User charges	10,115	26,859	3,370	19,605	-	5,997	750	66,696
Government transfers - operating	727,800	-	-	-	-	4,105	-	731,905
Government transfers - capital	-	-	88,238	-	-	-	-	88,238
Penalties and interest on taxes	30,082	-	-	-	-	-	-	30,082
Investment income	20,358	1,545	-	-	-	284	-	22,187
Donations	685	-	-	-	-	3,400	-	4,085
Federal gas tax funding earned	-	-	85,993	-	-	-	-	85,993
Other revenue	31,728	-	-	146	-	4,385	-	36,259
Total revenues	831,051	522,535	601,560	199,051	2,000	196,671	45,388	2,398,256
Expenses								
Salaries and benefits	176,981	48,307	334,552	97,881	-	83,220	-	740,941
Interest charges	-	-	17,291	-	-	1,680	-	18,971
Materials	62,994	80,060	441,320	21,547	-	48,815	4,616	659,352
Contracted services	63,857	263,795	-	82,462	-	-	-	410,114
Rents and financial	239	-	-	-	-	-	-	239
External transfers	19,325	41,281	-	-	1,500	-	-	62,106
Amortization	2,962	12,527	699,145	971	-	20,926	-	736,531
Loss on disposal of tangible capital assets	-	-	3,121	-	-	-	-	3,121
Total expenses	326,358	445,970	1,495,429	202,861	1,500	154,641	4,616	2,631,375
Net surplus/(deficit)	504,693	76,565	(893,869)	(3,810)	500	42,030	40,772	(233,119)

**CORPORATION OF THE TOWNSHIP OF
WOLLASTON**

WOLLASTON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2019

Baker Tilly KDN LLP

272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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

**T: (705) 742-3418
F: (705) 742-9775**

www.bakertilly.ca

We have reviewed the accompanying financial statements of the Wollaston Public Library Board of the Corporation of the Township of Wollaston (the Board), that comprise the statement of financial position as at December 31, 2019 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, the financial position of the Board as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 12, 2020

**CORPORATION OF THE
TOWNSHIP OF WOLLASTON**



**WOLLASTON PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments	12,239	11,142
Investments (note 2)	21,418	20,971
Accounts receivable	1,081	1,670
TOTAL FINANCIAL ASSETS	34,738	33,783
LIABILITIES		
Due to Township of Wollaston (note 6)	1,604	2,605
Accounts payable	-	230
TOTAL LIABILITIES	1,604	2,835
NET FINANCIAL ASSETS	33,134	30,948
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	6,720	5,604
ACCUMULATED SURPLUS (note 4)	39,854	36,552

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
TOWNSHIP OF WOLLASTON**



**WOLLASTON PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2019**

	Budget 2019 \$ (Note 5)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Province of Ontario	3,273	3,273	8,490
Municipal contributions (note 6)	32,800	32,800	31,000
Donations	3,000	3,073	4,085
Investment income	24	26	284
User fees	250	185	249
Other income	-	-	2,900
TOTAL REVENUES	39,347	39,357	47,008
EXPENSES			
Salaries and benefits	26,823	25,455	27,659
Office supplies	1,546	1,440	3,112
Amortization	1,975	1,921	1,975
Special projects	2,000	2,161	1,074
Telephone and internet	2,425	1,575	1,934
Other	1,340	-	378
Utilities	3,000	2,291	2,235
Memberships and subscriptions	1,050	1,010	2,120
Staff training	500	202	32
TOTAL EXPENSES	40,659	36,055	40,519
ANNUAL SURPLUS/(DEFICIT)	<u>(1,312)</u>	3,302	6,489
ACCUMULATED SURPLUS - beginning of year		36,552	30,063
ACCUMULATED SURPLUS - end of year		39,854	36,552

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
TOWNSHIP OF WOLLASTON**



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

	Budget 2019 \$ (Note 5)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS/(DEFICIT)	(1,312)	3,302	6,489
Amortization of tangible capital assets	1,975	1,921	1,975
Acquisition of tangible capital assets	(2,500)	(3,037)	(2,574)
Change in prepaid expenses	-	-	50
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(1,837)	2,186	5,940
NET FINANCIAL ASSETS - beginning of year	30,948	30,948	25,008
NET FINANCIAL ASSETS - end of year	29,111	33,134	30,948

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
TOWNSHIP OF WOLLASTON**



**WOLLASTON 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	3,302	6,489
Items not involving cash		
Amortization of tangible capital assets	1,921	1,975
Change in non-cash assets and liabilities		
Accounts receivable	589	(466)
Prepaid expenses	-	50
Due to Township of Wollaston	(1,001)	(68)
Accounts payable	(230)	(3,029)
Deferred revenue	-	(4,105)
Net change in cash from operating activities	4,581	846
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,037)	(2,574)
INVESTING ACTIVITIES		
Purchase of investments	(447)	(20,971)
Disposal of investments	-	20,712
Net change in cash from investing activities	(447)	(259)
NET CHANGE IN CASH	1,097	(1,987)
CASH - beginning of year	11,142	13,129
CASH - end of year	12,239	11,142

The accompanying notes are an integral part of these financial statements

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.

Donation 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	7 years
Equipment	5 years
Furniture	15 years

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

(d) 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.

(e) 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.

**CORPORATION OF THE TOWNSHIP OF
WOLLASTON**



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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Inter-Entity Transactions

The Wollaston Public Library Board is a Board of the Township of Wollaston 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. INVESTMENTS

Investments are comprised of term deposits maturing between May 22, 2020 and December 17, 2020 with interest rates of 1.00% to 1.30%

3. TANGIBLE CAPITAL ASSETS

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

	Books \$	Equipment \$	Furniture \$	2019 Totals \$	2018 Totals \$
COST					
Balance, beginning of year	9,977	10,033	931	20,941	21,782
Add: additions during the year	3,037	-	-	3,037	2,574
Less: disposals during the year	1,892	-	-	1,892	3,415
Balance, end of year	11,122	10,033	931	22,086	20,941
ACCUMULATED AMORTIZATION					
Balance, beginning of year	4,868	10,033	436	15,337	16,777
Add: additions during the year	1,859	-	62	1,921	1,975
Less: disposals during the year	1,892	-	-	1,892	3,415
Balance, end of year	4,835	10,033	498	15,366	15,337
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	6,287	-	433	6,720	5,604

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

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus		
Operations	33,134	30,948
Invested In Capital Assets		
Tangible capital assets - net book value	6,720	5,604
	39,854	36,552

5. BUDGET FIGURES

The operating 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 expenditure 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 review.

6. INTER-ENTITY TRANSACTIONS

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

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.

In addition, the following services are provided to the Board by the Township at no cost:

- Accounting and administrative services
- Payroll services

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

7. 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.