



**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

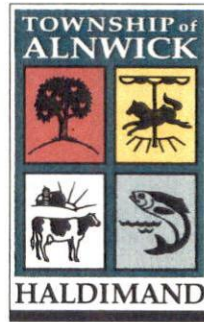
**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

For The Year Ended December 31, 2020

MANAGEMENT REPORT

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

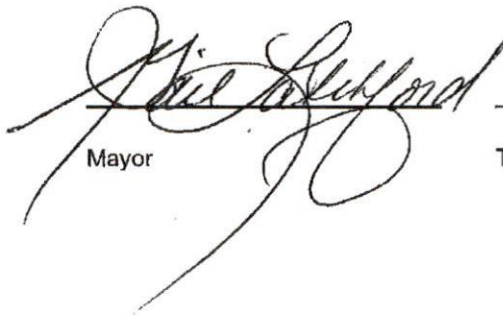
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen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

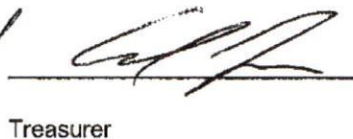
The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted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

Treasurer

November 18, 2021

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

We have audited the consolidated financial statements of the Corporation of the Township of Alnwick/Haldimand and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2020, 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, 2020, 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 18, 2021

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	5,696,739	3,363,272
Investments	8,363	8,363
Accounts receivable	267,312	366,493
Taxes receivable	1,397,436	1,260,458
TOTAL FINANCIAL ASSETS	7,369,850	4,998,586
LIABILITIES		
Accounts payable and accrued liabilities	983,023	3,256,777
Deferred revenue - obligatory reserve fund (note 4)	1,579,158	955,896
Deferred revenue - other (note 5)	101,771	49,435
Long term debt (note 6)	2,258,021	165,984
TOTAL LIABILITIES	4,921,973	4,428,092
NET FINANCIAL ASSETS	2,447,877	570,494
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	21,552,685	23,256,336
Prepaid expenses	46,250	13,309
Inventory of supplies	76,920	93,014
TOTAL NON-FINANCIAL ASSETS	21,675,855	23,362,659
ACCUMULATED SURPLUS (note 8)	24,123,732	23,933,153

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Property taxation	6,680,063	6,682,747	6,124,969
User charges	805,215	953,261	897,361
Government of Canada	17,480	7,578	34,730
Province of Ontario	880,107	1,070,607	1,527,337
Other municipalities	112,000	140,850	46,000
Penalties and interest on taxes	100,000	112,720	184,572
Investment income	83,500	45,742	99,078
Donated tangible capital assets	-	-	249,000
Sale of publications, equipment, etc.	106,800	83,426	253,285
Developer contributions earned	-	-	526,000
Federal gas tax earned	208,000	208,000	208,380
Gain/(loss) on disposal of tangible capital assets	52,000	420,432	(148,191)
Other	3,250	1,976	57,406
TOTAL REVENUES	9,048,415	9,727,339	10,059,927
EXPENSES			
General government	1,314,959	1,414,434	1,438,397
Protection services	2,382,203	2,251,206	2,324,908
Transportation services	4,703,804	4,402,527	4,808,344
Environmental services	367,365	403,578	406,283
Health services	23,400	27,504	21,675
Recreation and cultural services	985,918	839,476	974,250
Planning and development	226,020	198,035	179,341
TOTAL EXPENSES	10,003,669	9,536,760	10,153,198
ANNUAL SURPLUS/(DEFICIT)	<u>(955,254)</u>	190,579	(93,271)
ACCUMULATED SURPLUS - beginning of year		23,933,153	24,026,424
ACCUMULATED SURPLUS - end of year		24,123,732	23,933,153

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS/(DEFICIT)	(955,254)	190,579	(93,271)
Amortization of tangible capital assets	2,867,581	2,636,847	2,867,581
Purchase of tangible capital assets	(2,086,860)	(1,028,748)	(2,547,788)
Loss/(gain) on disposal of tangible capital assets	-	(420,432)	148,191
Proceeds on sale of tangible capital assets	-	515,984	39,355
Change in prepaid expenses	-	(32,941)	(7,870)
Change in inventory of supplies	-	16,094	12,286
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(174,533)	1,877,383	418,484
NET FINANCIAL ASSETS - beginning of year	570,494	570,494	152,010
NET FINANCIAL ASSETS - end of year	395,961	2,447,877	570,494

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	190,579	(93,271)
Items not involving cash		
Amortization of tangible capital assets	2,636,847	2,867,581
Loss/(gain) on disposal of tangible capital assets	(420,432)	148,191
Change in non-cash assets and liabilities		
Accounts receivable	99,181	261,488
Taxes receivable	(136,978)	(212,787)
Prepaid expenses	(32,941)	(7,870)
Inventory of supplies	16,094	12,286
Accounts payable and accrued liabilities	(2,273,754)	(27,404)
Deferred revenue - obligatory reserve fund	623,262	(5,601)
Deferred revenue - other	52,336	4,047
Net change in cash from operating activities	754,194	2,946,660
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,028,748)	(2,547,788)
Proceeds on disposal of tangible capital assets	515,984	39,355
Net change in cash from capital activities	(512,764)	(2,508,433)
INVESTING ACTIVITIES		
Disposal of investments	-	104,000
FINANCING ACTIVITIES		
Long term debt issued	2,200,000	-
Debt principal repayments	(107,963)	(63,229)
Net change in cash from financing activities	2,092,037	(63,229)
NET CHANGE IN CASH	2,333,467	478,998
CASH - beginning of year	3,363,272	2,884,274
CASH - end of year	5,696,739	3,363,272

The accompanying notes are an integral part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

The Township of Alnwick/Haldimand 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:

- Alnwick/Haldimand Public Library Board
- Alnwick Civic Centre
- Haldimand Memorial Arena & Park Board
- Centreton Community Hall
- Grafton Community Hall
- Fenella Community Hall
- Vernonville Community Hall
- Grafton Communal Water System

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) 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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, including capital contributions, 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 recorded when earned.

Federal gas tax and development charges are recognized in the period in which the related expenditures are recorded.

(f) Use of Estimates

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Tangible Capital Assets

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

Land improvements	10 - 30 years
Buildings	40 years
Roadways	10 - 20 years
Water system	20 - 100 years
Vehicles	10 - 25 years
Machinery and equipment	4 - 10 years
Bridges and culverts	40 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.

(h) 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.

2. 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 \$640,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 34-2020. At December 31, 2020 there was no balance outstanding (2019 - \$Nil).

3. 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 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 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 2020 were \$166,380 (2019 - \$148,791).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

4. 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:

	2020	2019
	\$	\$
Development charges	1,326,534	718,339
Parkland	13,500	-
Federal gas tax	239,124	237,557
	1,579,158	955,896

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

	2020	2019
	\$	\$
Balance - beginning of year	955,896	961,497
Add amounts received:		
Development charges	602,020	285,139
Parkland fees received	13,500	-
Federal gas tax	208,379	423,063
Interest	7,363	20,577
	831,262	728,779
Less transfer to operations:		
Development charges earned	-	526,000
Federal gas tax revenue earned	208,000	208,380
	208,000	734,380
Balance - end of year	1,579,158	955,896

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

5. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2020	2019
	\$	\$
Province of Ontario - COVID-19 funding	101,771	-
Downtown revitalization	-	43,883
Water deposits	-	1,805
Other	-	3,747
	101,771	49,435

The continuity of deferred revenue - other is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	49,435	45,388
Add amounts received:		
Water deposits	-	300
Province of Ontario	249,600	-
Other	-	3,747
	249,600	4,047
Less transfer to operations:		
Water deposit refunds	1,805	-
Province of Ontario	147,829	-
Downtown revitalization	43,883	-
Other	3,747	-
	197,264	-
Balance - end of year	101,771	49,435

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

6. LONG TERM DEBT

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

	2020 \$	2019 \$
Ontario Infrastructure and Lands Corporation loan repayable in blended semi-annual installments of \$34,604 with 2.8% interest, due March 2022	100,972	165,984
Ontario Infrastructure and Lands Corporation loan repayable in blended semi-annual installments of \$69,901 with 2.45% interest, due February 2040	2,157,049	-
	2,258,021	165,984

(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 \$31,146 (2019 - \$5,978).

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

	Principal \$	Interest \$	Total \$
2021	154,331	54,677	209,008
2022	123,769	50,636	174,405
2023	91,852	47,949	139,801
2024	94,116	45,685	139,801
2025	96,436	43,365	139,801
2026 and subsequent years	1,697,517	329,602	2,027,119
	2,258,021	571,914	2,829,935

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

7. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
General		
Land	2,200,564	2,200,564
Land improvements	197,101	144,659
Buildings	4,048,350	4,151,686
Machinery and equipment	1,422,152	1,408,274
Vehicles	2,076,066	2,369,846
Infrastructure		
Roads and bridges	9,087,994	10,418,338
Water	2,511,869	2,562,969
	21,544,096	23,256,336
Assets under construction	8,589	-
	21,552,685	23,256,336

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

During the year there were no write-downs of assets (2019 - \$Nil) and no interest capitalized (2019 - \$Nil).

	2020	2019
	\$	\$
General government	2,610,246	2,658,398
Protection services	3,610,403	3,840,023
Transportation services	10,917,688	12,250,959
Environmental services	3,235,075	3,343,310
Recreation and cultural services	1,179,273	1,163,646
	21,552,685	23,256,336

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

8. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus/(Deficit)		
Township	-	(91,344)
Library board	(6,201)	(14,894)
	(6,201)	(106,238)
Invested In Capital Assets		
Tangible capital assets - net book value	21,552,685	23,256,336
Long term debt	(2,258,021)	(165,984)
Unfunded capital - firehall	-	(2,000,000)
Unfunded capital - roads	-	(296,003)
	19,294,664	20,794,349
Surplus	19,288,463	20,688,111
Reserves		
General Government	2,019,404	1,453,246
Fire	1,057,076	552,736
Roads	459,514	179,531
Water	596,722	595,923
Parks and Recreation	365,713	239,713
Building and Bylaw	110,705	46,705
Other	149,162	136,800
Library	53,434	16,849
Total Reserves	4,811,730	3,221,503
Reserve Funds		
Water	10,859	10,859
Grafton history book	6,388	6,388
Planning	6,292	6,292
Total Reserve Funds	23,539	23,539
	24,123,732	23,933,153

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

9. EXPENSES BY OBJECT

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	3,124,326	3,018,674	2,904,921
Interest charges	70,422	31,146	5,978
Materials	2,280,134	2,245,286	2,451,414
Contracted services	1,451,959	1,435,524	1,616,428
Rents and financial	43,500	9,780	122,044
External transfers	165,747	159,503	184,832
Amortization	2,867,581	2,636,847	2,867,581
	10,003,669	9,536,760	10,153,198

10. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2020, 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 \$
Property taxes	2,267,950	5,699,428
Taxation from other governments	11,326	32,134
Amounts requisitioned and remitted	2,279,276	5,731,562

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

11. BUDGET FIGURES

The budget, approved by the Township, for 2020 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	11,251,910	9,790,406
Capital	625,356	2,086,860
Total Council approved budget	11,877,266	11,877,266
Less: Tangible capital assets capitalized	-	(2,086,860)
Add: Amortization of tangible capital assets	-	2,867,581
Less: Long term debt proceeds/change in unfunded capital	(2,305,340)	(2,305,340)
Less: Principal repayment of long term debt	-	(150,779)
Less: Transfers to/from reserves and reserve funds	(820,819)	(341,950)
Budget items reclassified for financial statement purposes	143,751	143,751
Less: Prior year surplus	153,557	-
Adjusted budget per Consolidated Statement of Operations	9,048,415	10,003,669

12. TRUST FUNDS

Trust funds administered by the Township amounting to \$153,583 (2019 - \$151,560) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

13. SEGMENTED INFORMATION

The Township of Alnwick/Haldimand 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 water services to certain areas in the Township and other costs related to garbage disposal and recycling.

Health Services

The health services function consists of contributions to support hospitals, physician recruitment and cemetery operations.

Recreation and Cultural Services

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

Planning and Development

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

14. CONTINGENT LIABILITIES

The Township, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

15. COMMITMENT

The Township budgeted for and ordered a fire truck in the amount of \$460,000 prior to December 31, 2019. The truck was received in early 2021.

16. COMPARATIVE FIGURES

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

17. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Township'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 Township's operations. The extent of the impact of this outbreak and related containment measures on the Township's operations cannot be reliably estimated at this time.

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND



CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2020

	General					Infrastructure		Assets Under Construction	Totals
	Land	Land	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Water		
	\$	\$	\$	\$	\$	\$	\$	\$	
COST									
Balance, beginning of year	2,200,564	476,186	8,053,134	3,323,754	4,820,121	69,672,142	3,490,119	-	92,036,020
Add: additions during the year	-	63,256	85,348	223,587	56,718	591,250	-	8,589	1,028,748
Less: disposals during the year	-	-	-	168,143	189,779	-	-	-	357,922
Balance, end of year	2,200,564	539,442	8,138,482	3,379,198	4,687,060	70,263,392	3,490,119	8,589	92,706,846
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	331,527	3,901,448	1,915,480	2,450,275	59,253,804	927,150	-	68,779,684
Add: additions during the year	-	10,814	188,684	205,010	259,645	1,921,594	51,100	-	2,636,847
Less: disposals during the year	-	-	-	163,444	98,926	-	-	-	262,370
Balance, end of year	-	342,341	4,090,132	1,957,046	2,610,994	61,175,398	978,250	-	71,154,161
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,200,564	197,101	4,048,350	1,422,152	2,076,066	9,087,994	2,511,869	8,589	21,552,685

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND



**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2020**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	767,270	2,125,956	2,858,724	22,131	9,000	786,777	112,889	6,682,747
User charges	42,484	339,500	89,511	317,481	-	121,535	42,750	953,261
Government transfers - operating	520,500	152,607	-	-	-	69,722	-	742,829
Government transfers - capital	-	-	335,356	-	-	-	-	335,356
Other municipalities	-	81,054	50,000	9,796	-	-	-	140,850
Penalties and interest on taxes	112,720	-	-	-	-	-	-	112,720
Investment income	43,799	-	-	-	1,943	-	-	45,742
Sale of publications, equipment, etc.	79,993	-	-	-	2,719	714	-	83,426
Federal gas tax earned	-	-	208,000	-	-	-	-	208,000
Gain/(loss) on disposal of tangible capital assets	-	395,960	26,871	-	-	(2,399)	-	420,432
Other	-	1,500	-	-	150	326	-	1,976
Total revenues	1,566,766	3,096,577	3,568,462	349,408	13,812	976,675	155,639	9,727,339
Expenses								
Salaries and benefits	908,636	549,380	996,285	-	-	398,465	165,908	3,018,674
Interest charges	-	26,950	2,874	-	-	1,322	-	31,146
Materials	286,140	225,739	1,158,329	228,061	11,604	305,344	30,069	2,245,286
Contracted services	169,916	1,114,405	114,433	25,450	900	8,362	2,058	1,435,524
Rents and financial	3,146	6,634	-	-	-	-	-	9,780
External transfers	42,636	116,867	-	-	-	-	-	159,503
Amortization	48,152	192,364	2,170,556	108,234	-	117,541	-	2,636,847
Internal transfers	(44,192)	18,867	(39,950)	41,833	15,000	8,442	-	-
Total expenses	1,414,434	2,251,206	4,402,527	403,578	27,504	839,476	198,035	9,536,760
Net surplus/(deficit)	152,332	845,371	(834,065)	(54,170)	(13,692)	137,199	(42,396)	190,579

CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND



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	680,056	2,065,375	2,508,700	-	13,850	754,538	102,450	6,124,969
User charges	51,365	242,419	65,182	299,300	2,900	157,255	78,940	897,361
Government transfers - operating	1,099,342	39,815	1,960	-	-	32,021	-	1,173,138
Government transfers - capital	-	-	363,929	-	-	-	25,000	388,929
Other municipalities	-	32,000	-	14,000	-	-	-	46,000
Penalties and interest on taxes	184,572	-	-	-	-	-	-	184,572
Investment income	93,086	-	-	3,719	2,273	-	-	99,078
Donated tangible capital assets	-	-	249,000	-	-	-	-	249,000
Sale of publications, equipment, etc.	200,000	7,520	16,965	-	-	-	28,800	253,285
Developer contributions earned	30,500	218,325	226,000	-	-	34,075	17,100	526,000
Federal gas tax earned	-	-	208,380	-	-	-	-	208,380
Gain/(loss) on disposal of tangible capital assets	(345)	-	(128,216)	-	-	(19,630)	-	(148,191)
Other	-	30,213	-	-	1,176	19,492	6,525	57,406
Total revenues	2,338,576	2,635,667	3,511,900	317,019	20,199	977,751	258,815	10,059,927
Expenses								
Salaries and benefits	707,379	568,369	1,065,694	-	-	434,266	129,213	2,904,921
Interest charges	-	-	4,095	-	-	1,883	-	5,978
Materials	306,704	288,349	1,235,419	235,453	9,866	358,964	16,659	2,451,414
Contracted services	313,087	1,114,042	41,519	57,596	11,809	48,382	29,993	1,616,428
Rents and financial	6,254	50,403	54,993	-	-	10,394	-	122,044
External transfers	59,636	114,898	-	-	-	6,822	3,476	184,832
Amortization	50,337	188,847	2,406,624	108,234	-	113,539	-	2,867,581
Internal transfers	(5,000)	-	-	5,000	-	-	-	-
Total expenses	1,438,397	2,324,908	4,808,344	406,283	21,675	974,250	179,341	10,153,198
Net surplus/(deficit)	900,179	310,759	(1,296,444)	(89,264)	(1,476)	3,501	79,474	(93,271)

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Alnwick/Haldimand

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Alnwick/Haldimand (the Trust Funds), which comprise the statement of financial position as at December 31, 2020, 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, 2020, 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 18, 2021

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	Cemeteries \$	Road Deposits \$	2020 Total \$	2019 Total \$
FINANCIAL ASSETS				
Cash	149,542	-	149,542	147,292
Investments (note 2)	-	1,999	1,999	1,968
Due from Township	2,042	-	2,042	2,300
	151,584	1,999	153,583	151,560
FUND BALANCES	151,584	1,999	153,583	151,560

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2020**

	Cemeteries \$	Road Deposits \$	2020 Total \$	2019 Total \$
BALANCES - beginning of year	149,592	1,968	151,560	149,699
RECEIPTS				
Interest earned	3,145	31	3,176	3,421
Care and maintenance receipts	1,992	-	1,992	1,850
	5,137	31	5,168	5,271
EXPENSES				
Administration fee	1,202	-	1,202	1,114
Transfer to Township	1,943	-	1,943	2,296
	3,145	-	3,145	3,410
BALANCES - end of year	151,584	1,999	153,583	151,560

The accompanying notes are an integral part of these financial statements

**TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

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.

(c) Nature of Trusts

The cemeteries trust fund represent a portion of the sale of cemetery plots and monument foundations at both the heritage and assumed cemeteries within the Township. The capital amounts are to be kept intact in perpetuity, with investment income earned on the funds used to maintain the cemeteries.

The road deposits trust fund represents deposits received for Henderson Road. The capital amounts are to be kept intact in perpetuity, with investment income earned on the funds used to maintain Henderson Road.

2. INVESTMENTS

The following investments are recorded at cost:

	2020	2019
	\$	\$
CIBC - GIC interest at 1.15% maturing April 28, 2021	1,999	1,968

3. CARE AND MAINTENANCE FUNDS

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

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**

ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT**To the Members of the Alnwick/Haldimand Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Alnwick/Haldimand****T: (705) 742-3418**
F: (705) 742-9775**www.bakertilly.ca***Qualified Opinion*

We have audited the financial statements of the Alnwick/Haldimand Public Library Board of the Corporation of the Township of Alnwick/Haldimand (the Board), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, change in net financial assets/(net debt) 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, 2020, 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 18, 2021

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	-	66,153
Due from Township (note 5)	47,357	-
TOTAL FINANCIAL ASSETS	47,357	66,153
LIABILITIES		
Bank indebtedness	124	-
Due to Township (note 5)	-	64,198
Long term debt (note 2)	31,806	52,285
TOTAL LIABILITIES	31,930	116,483
NET FINANCIAL ASSETS/(NET DEBT)	15,427	(50,330)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	585,116	601,350
ACCUMULATED SURPLUS (note 4)	600,543	551,020

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Contribution from Township (note 5)	257,607	257,607	224,288
Contribution from Township - development charges (note 5)	-	-	5,000
Government of Canada	1,680	-	1,890
Province of Ontario	16,751	18,093	16,751
Donations, fees and fundraising	7,950	4,246	6,218
Other grants	-	-	1,200
TOTAL REVENUES	283,988	279,946	255,347
EXPENSES			
Salaries and benefits	163,000	143,432	151,536
Office	23,950	18,326	11,366
Videos and subscriptions	8,560	9,557	17,762
Computer and internet	10,400	7,388	7,185
Telephone	2,700	2,823	2,956
Public relations	950	1,196	183
Staff training	1,600	1,189	975
Literacy projects	-	-	607
Property maintenance	18,745	10,114	12,954
Interest on long term debt	1,322	1,322	1,883
Amortization	35,665	35,076	35,665
TOTAL EXPENSES	266,892	230,423	243,072
ANNUAL SURPLUS	<u>17,096</u>	49,523	12,275
ACCUMULATED SURPLUS - beginning of year		551,020	538,745
ACCUMULATED SURPLUS - end of year		600,543	551,020

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS	17,096	49,523	12,275
Amortization of tangible capital assets	35,665	35,076	35,665
Acquisition of tangible capital assets	(27,140)	(18,842)	(22,368)
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	25,621	65,757	25,572
NET DEBT - beginning of year	(50,330)	(50,330)	(75,902)
NET FINANCIAL ASSETS/(NET DEBT) - end of year	(24,709)	15,427	(50,330)

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	49,523	12,275
Items not involving cash		
Amortization of tangible capital assets	35,076	35,665
Change in non-cash assets and liabilities		
Due from Township	(47,357)	-
Due to Township	(64,198)	12,185
Net change in cash from operating activities	(26,956)	60,125
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(18,842)	(22,368)
FINANCING ACTIVITIES		
Debt principal repayments	(20,479)	(19,917)
NET CHANGE IN CASH	(66,277)	17,840
CASH - beginning of year	66,153	48,313
CASH - end of year	(124)	66,153
Comprised of:		
Cash	-	66,153
Bank indebtedness	(124)	-
	(124)	66,153

The accompanying notes are an integral part of these financial statements

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

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

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

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

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Buildings	40 years
Books and Equipment	10 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 are not amortized until they are put into service.

(d) 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.

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

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

(f) Reserves and Reserve Funds

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

(g) Inter-Entity Transactions

The Alnwick/Haldimand Public Library Board is a Board of the Township of Alnwick/Haldimand 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. LONG TERM DEBT

(a) Long term debt consists of the following:

	2020	2019
	\$	\$
31.5% of Township's Ontario Infrastructure and Lands Corporation loan repayable in blended semi-annual installments of \$10,900 with 2.8% interest, due March 2022	31,806	52,285

(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 \$1,322 (2019 - \$1,883).

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

	Principal	Interest	Total
	\$	\$	\$
2021	21,056	744	21,800
2022	10,750	151	10,901
	31,806	895	32,701

**CORPORATION OF THE TOWNSHIP OF
ALNWICK/HALDIMAND**



**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

3. TANGIBLE CAPITAL ASSETS

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

	Buildings \$	Books and Equipment \$	2020 Totals \$	2019 Totals \$
COST				
Balance, beginning of year	640,150	236,551	876,701	854,333
Add: additions during the year	-	18,842	18,842	22,368
Less: disposals during the year	-	21,298	21,298	-
Balance, end of year	640,150	234,095	874,245	876,701
ACCUMULATED AMORTIZATION				
Balance, beginning of year	140,033	135,318	275,351	239,686
Add: additions during the year	16,004	19,072	35,076	35,665
Less: disposals during the year	-	21,298	21,298	-
Balance, end of year	156,037	133,092	289,129	275,351
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	484,113	101,003	585,116	601,350

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020 \$	2019 \$
Deficit		
Operations	(6,201)	(14,894)
Invested In Capital Assets		
Tangible capital assets - net book value	585,116	601,350
Long term debt	(31,806)	(52,285)
	553,310	549,065
Surplus	547,109	534,171
Reserve		
Future development	53,434	16,849
	600,543	551,020

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Alnwick/Haldimand.

As part of the budgeting process, the Township approves a contribution to the Board for operations and for the use of development charges that are identified on the Statement of Operations and Accumulated Surplus.

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

	2020	2019
	\$	\$
Allocated costs:		
Insurance	5,235	4,699
Administrative services	8,300	-
Building and grounds maintenance	5,183	5,379
	18,718	10,078

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

6. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets/(Net Debt). 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 audit.

7. UNCERTAINTY CAUSED BY COVID-19

In March 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.

8. COMPARATIVE FIGURES

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