

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

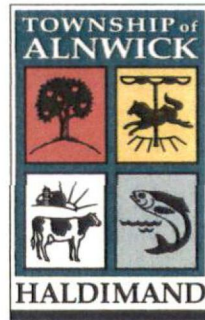
**CORPORATION OF THE TOWNSHIP OF  
ALNWICK/HALDIMAND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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## CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

For The Year Ended December 31, 2021

### 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.

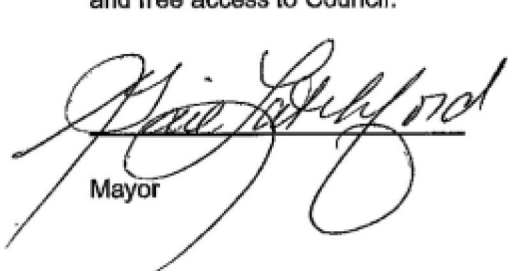
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen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

August 18, 2022

## **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, 2021, 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, 2021, 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 22, 2022



# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	7,545,750	5,696,739
Investments	8,752	8,363
Accounts receivable	359,840	267,312
Taxes receivable	1,037,323	1,397,436
<b>TOTAL FINANCIAL ASSETS</b>	<b>8,951,665</b>	<b>7,369,850</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,219,607	983,023
Deferred revenue - obligatory reserve fund (note 4)	2,241,373	1,579,158
Deferred revenue - other (note 5)	91,510	101,771
Long term debt (note 6)	2,103,689	2,258,021
<b>TOTAL LIABILITIES</b>	<b>5,656,179</b>	<b>4,921,973</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,295,486</b>	<b>2,447,877</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 7)	20,552,263	21,552,685
Prepaid expenses	39,694	46,250
Inventory of supplies	118,952	76,920
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>20,710,909</b>	<b>21,675,855</b>
<b>ACCUMULATED SURPLUS (note 8)</b>	<b>24,006,395</b>	<b>24,123,732</b>

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
Property taxation	6,766,603	6,813,265	6,682,747
User charges	788,900	981,504	953,261
Government of Canada	7,610	14,861	7,578
Province of Ontario	882,507	960,036	1,070,607
Other municipalities	98,000	88,993	140,850
Penalties and interest on taxes	100,000	206,137	112,720
Investment income	53,500	53,273	45,742
Sale of publications, equipment, etc.	126,050	26,112	83,426
Federal gas tax earned	300,000	413,076	208,000
Gain/(loss) on disposal of tangible capital assets	45,000	16,301	420,432
Other	1,750	3,152	1,976
<b>TOTAL REVENUES</b>	<b>9,169,920</b>	<b>9,576,710</b>	<b>9,727,339</b>
<b>EXPENSES</b>			
General government	1,324,992	1,301,123	1,414,434
Protection services	2,432,375	2,486,076	2,251,206
Transportation services	4,711,953	4,361,424	4,402,527
Environmental services	373,290	401,969	403,578
Health services	27,400	21,139	27,504
Recreation and cultural services	973,336	934,918	839,476
Planning and development	224,020	187,398	198,035
<b>TOTAL EXPENSES</b>	<b>10,067,366</b>	<b>9,694,047</b>	<b>9,536,760</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(897,446)</u></b>	<b>(117,337)</b>	<b>190,579</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>24,123,732</b>	<b>23,933,153</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>24,006,395</b>	<b>24,123,732</b>

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(897,446)	(117,337)	190,579
Amortization of tangible capital assets	2,636,847	2,444,147	2,636,847
Purchase of tangible capital assets	(1,464,025)	(1,443,725)	(1,028,748)
Gain on disposal of tangible capital assets	-	(16,301)	(420,432)
Proceeds on sale of tangible capital assets	-	16,301	515,984
Change in prepaid expenses	-	6,556	(32,941)
Change in inventory of supplies	-	(42,032)	16,094
<b>INCREASE IN NET FINANCIAL ASSETS</b>	275,376	847,609	1,877,383
<b>NET FINANCIAL ASSETS - beginning of year</b>	2,447,877	2,447,877	570,494
<b>NET FINANCIAL ASSETS - end of year</b>	2,723,253	3,295,486	2,447,877

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, 2021

	2021	2020
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	(117,337)	190,579
Items not involving cash		
Amortization of tangible capital assets	2,444,147	2,636,847
Gain on disposal of tangible capital assets	(16,301)	(420,432)
Change in non-cash assets and liabilities		
Accounts receivable	(92,528)	99,181
Taxes receivable	360,113	(136,978)
Prepaid expenses	6,556	(32,941)
Inventory of supplies	(42,032)	16,094
Accounts payable and accrued liabilities	236,584	(2,273,754)
Deferred revenue - obligatory reserve fund	662,215	623,262
Deferred revenue - other	(10,261)	52,336
<b>Net change in cash from operating activities</b>	<b>3,431,156</b>	<b>754,194</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,443,725)	(1,028,748)
Proceeds on disposal of tangible capital assets	16,301	515,984
<b>Net change in cash from capital activities</b>	<b>(1,427,424)</b>	<b>(512,764)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(389)	-
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	-	2,200,000
Debt principal repayments	(154,332)	(107,963)
<b>Net change in cash from financing activities</b>	<b>(154,332)</b>	<b>2,092,037</b>
<b>NET CHANGE IN CASH</b>	<b>1,849,011</b>	<b>2,333,467</b>
<b>CASH - beginning of year</b>	<b>5,696,739</b>	<b>3,363,272</b>
<b>CASH - end of year</b>	<b>7,545,750</b>	<b>5,696,739</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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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.

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 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.

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 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 02-2021. At December 31, 2021 there was no balance outstanding (2020 - \$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 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 were \$186,507 (2020 - \$166,380).

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 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:

	2021	2020
	\$	\$
Development charges	1,946,161	1,326,534
Parkland	39,495	13,500
Federal gas tax	255,717	239,124
	<u>2,241,373</u>	<u>1,579,158</u>

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

	2021	2020
	\$	\$
Balance - beginning of year	1,579,158	955,896
Add amounts received:		
Development charges	618,107	602,020
Parkland fees received	25,500	13,500
Federal gas tax	427,278	208,379
Interest	4,406	7,363
	<u>1,075,291</u>	<u>831,262</u>
Less transfer to operations:		
Federal gas tax revenue earned	413,076	208,000
Balance - end of year	<u>2,241,373</u>	<u>1,579,158</u>

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 5. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2021	2020
	\$	\$
Province of Ontario - COVID-19 funding	91,510	101,771

The continuity of deferred revenue - other is as follows:

	2021	2020
	\$	\$
Balance - beginning of year	101,771	49,435
Add: Province of Ontario	62,495	249,600
Less transfer to operations:		
Water deposit refunds	-	1,805
Province of Ontario	72,756	147,829
Downtown revitalization	-	43,883
Other	-	3,747
	72,756	197,264
Balance - end of year	91,510	101,771

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 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:

	2021	2020
	\$	\$
Ontario Infrastructure and Lands Corporation loan repayable in blended semi-annual installments of \$34,604 with 2.8% interest, due March 2022	34,126	100,972
Ontario Infrastructure and Lands Corporation loan repayable in blended semi-annual installments of \$69,901 with 2.45% interest, due February 2040	2,069,563	2,157,049
	<b>2,103,689</b>	<b>2,258,021</b>

- (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 \$54,677 (2020 - \$31,146).

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

	Principal	Interest	Total
	\$	\$	\$
2022	123,769	50,636	174,405
2023	91,852	47,949	139,801
2024	94,117	45,685	139,802
2025	96,436	43,365	139,801
2026	98,814	40,988	139,802
2027 and subsequent years	1,598,701	288,617	1,887,318
	<b>2,103,689</b>	<b>517,240</b>	<b>2,620,929</b>

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

### 7. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land	2,200,564	2,200,564
Land improvements	247,843	197,101
Buildings	3,906,815	4,048,350
Machinery and equipment	1,320,194	1,422,152
Vehicles	2,262,076	2,076,066
Infrastructure		
Roads and bridges	8,145,413	9,087,994
Water	2,460,769	2,511,869
	20,543,674	21,544,096
Assets under construction	8,589	8,589
	20,552,263	21,552,685

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

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

	2021	2020
	\$	\$
General government	2,574,000	2,610,246
Protection services	3,895,179	3,610,403
Transportation services	9,802,934	10,917,688
Environmental services	3,126,841	3,235,075
Recreation and cultural services	1,153,309	1,179,273
	20,552,263	21,552,685



# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 8. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
<b>Surplus/(Deficit)</b>		
Library board	(2,059)	(6,201)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	20,552,263	21,552,685
Long term debt	(2,103,689)	(2,258,021)
	18,448,574	19,294,664
<b>Surplus</b>	18,446,515	19,288,463
<b>Reserves</b>		
General Government	2,521,818	2,019,404
Fire	671,861	1,057,076
Roads	984,817	459,514
Water	596,722	596,722
Parks and Recreation	378,013	365,713
Building and Bylaw	138,705	110,705
Other	195,409	149,162
Library	48,897	53,434
<b>Total Reserves</b>	5,536,242	4,811,730
<b>Reserve Funds</b>		
Water	10,859	10,859
Grafton history book	6,388	6,388
Planning	6,391	6,292
<b>Total Reserve Funds</b>	23,638	23,539
	24,006,395	24,123,732

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 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 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Salaries and benefits	3,051,664	3,177,489	3,018,674
Interest charges	54,679	54,677	31,146
Materials	2,592,049	2,238,252	2,245,286
Contracted services	1,575,722	1,626,128	1,435,524
Rents and financial	3,500	1,530	9,780
External transfers	152,905	151,824	159,503
Amortization	2,636,847	2,444,147	2,636,847
	10,067,366	9,694,047	9,536,760

### 10. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2021, 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	2,189,744	5,915,935
Taxation from other governments	11,326	33,185
<b>Amounts requisitioned and remitted</b>	<b>2,201,070</b>	<b>5,949,120</b>

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

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 11. BUDGET FIGURES

The budget, approved by the Township, for 2021 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	9,644,446	9,644,446
Water	294,056	294,056
Total Council approved budget	9,938,502	9,938,502
Less: Tangible capital assets capitalized	-	(1,464,025)
Add: Amortization of tangible capital assets	-	2,636,847
Less: Principal repayment of long term debt	-	(154,333)
Less: Transfers to/from reserves and reserve funds	(686,957)	(808,000)
Budget items reclassified for financial statement purposes	(81,625)	(81,625)
Adjusted budget per Consolidated Statement of Operations	9,169,920	10,067,366

### 12. TRUST FUNDS

Trust funds administered by the Township amounting to \$155,164 (2020 - \$153,583) 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.

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 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 the activities of the cemetery board.

#### **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.

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 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

During 2021, the Township entered into an agreement for the construction of an addition to the Centreton Public Works Facility in the amount of \$3,655,500 plus HST. No amounts have been incurred to December 31, 2021.

### 16. 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, 2021

	General					Infrastructure		Assets Under Construction	Totals
	Land	Land	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Water		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>									
Balance, beginning 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
Add: additions during the year	-	64,796	44,179	110,733	451,216	772,801	-	-	1,443,725
Less: disposals during the year	-	-	-	175,322	32,122	-	-	-	207,444
Balance, end of year	2,200,564	604,238	8,182,661	3,314,609	5,106,154	71,036,193	3,490,119	8,589	93,943,127
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	-	342,341	4,090,132	1,957,046	2,610,994	61,175,398	978,250	-	71,154,161
Add: additions during the year	-	14,054	185,714	212,691	265,206	1,715,382	51,100	-	2,444,147
Less: disposals during the year	-	-	-	175,322	32,122	-	-	-	207,444
Balance, end of year	-	356,395	4,275,846	1,994,415	2,844,078	62,890,780	1,029,350	-	73,390,864
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	2,200,564	247,843	3,906,815	1,320,194	2,262,076	8,145,413	2,460,769	8,589	20,552,263

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	879,601	2,015,998	3,007,930	-	9,000	742,716	158,020	6,813,265
User charges	42,818	361,595	85,136	344,948	-	81,007	66,000	981,504
Government transfers - operating	522,900	71,973	5,987	-	-	38,681	-	639,541
Government transfers - capital	-	-	335,356	-	-	-	-	335,356
Other municipalities	-	63,993	25,000	-	-	-	-	88,993
Penalties and interest on taxes	206,137	-	-	-	-	-	-	206,137
Investment income	51,023	-	-	532	1,619	-	99	53,273
Sale of publications, equipment, etc.	23,814	-	-	-	2,058	240	-	26,112
Federal gas tax earned	-	-	413,076	-	-	-	-	413,076
Gain/(loss) on disposal of tangible capital assets	-	-	16,301	-	-	-	-	16,301
Other	-	750	-	-	-	2,402	-	3,152
<b>Total revenues</b>	<b>1,726,293</b>	<b>2,514,309</b>	<b>3,888,786</b>	<b>345,480</b>	<b>12,677</b>	<b>865,046</b>	<b>224,119</b>	<b>9,576,710</b>
<b>Expenses</b>								
Salaries and benefits	791,806	627,920	1,119,638	-	-	489,432	148,693	3,177,489
Interest charges	-	52,315	1,618	-	-	744	-	54,677
Materials	258,258	336,886	1,104,270	205,036	6,257	302,005	25,540	2,238,252
Contracted services	214,552	1,119,441	211,025	46,849	615	20,481	13,165	1,626,128
Rents and financial	1,530	-	-	-	-	-	-	1,530
External transfers	28,300	123,524	-	-	-	-	-	151,824
Amortization	50,577	206,349	1,961,548	108,234	-	117,439	-	2,444,147
Internal transfers	(43,900)	19,641	(36,675)	41,850	14,267	4,817	-	-
<b>Total expenses</b>	<b>1,301,123</b>	<b>2,486,076</b>	<b>4,361,424</b>	<b>401,969</b>	<b>21,139</b>	<b>934,918</b>	<b>187,398</b>	<b>9,694,047</b>
<b>Net surplus/(deficit)</b>	<b>425,170</b>	<b>28,233</b>	<b>(472,638)</b>	<b>(56,489)</b>	<b>(8,462)</b>	<b>(69,872)</b>	<b>36,721</b>	<b>(117,337)</b>

# 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 \$
<b>Revenues</b>								
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
<b>Total revenues</b>	<b>1,566,766</b>	<b>3,096,577</b>	<b>3,568,462</b>	<b>349,408</b>	<b>13,812</b>	<b>976,675</b>	<b>155,639</b>	<b>9,727,339</b>
<b>Expenses</b>								
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	-	-
<b>Total expenses</b>	<b>1,414,434</b>	<b>2,251,206</b>	<b>4,402,527</b>	<b>403,578</b>	<b>27,504</b>	<b>839,476</b>	<b>198,035</b>	<b>9,536,760</b>
<b>Net surplus/(deficit)</b>	<b>152,332</b>	<b>845,371</b>	<b>(834,065)</b>	<b>(54,170)</b>	<b>(13,692)</b>	<b>137,199</b>	<b>(42,396)</b>	<b>190,579</b>



## INDEPENDENT AUDITOR'S REPORT

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

**Baker Tilly KDN LLP**  
272 Charlotte St.  
Peterborough, ON  
Canada K9J 2V4

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

**[www.bakertilly.ca](http://www.bakertilly.ca)**

### *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, 2021, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2021, 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  
August 22, 2022

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2021

	Cemeteries \$	Road Deposits \$	2021 Total \$	2020 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	151,592	-	151,592	149,542
Investments (note 2)	-	2,022	2,022	1,999
Due from Township	1,550	-	1,550	2,042
	153,142	2,022	155,164	153,583
<b>FUND BALANCES</b>	153,142	2,022	155,164	153,583

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2021

	Cemeteries \$	Road Deposits \$	2021 Total \$	2020 Total \$
<b>BALANCES - beginning of year</b>	151,584	1,999	153,583	151,560
<b>RECEIPTS</b>				
Interest earned	2,825	23	2,848	3,176
Care and maintenance receipts	1,550	-	1,550	1,992
	4,375	23	4,398	5,168
<b>EXPENSES</b>				
Administration fee	1,198	-	1,198	1,202
Transfer to Township	1,619	-	1,619	1,943
	2,817	-	2,817	3,145
<b>BALANCES - end of year</b>	153,142	2,022	155,164	153,583

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

**TRUST FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

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**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:

	2021	2020
	\$	\$
CIBC - GIC interest at 0.3% maturing April 28, 2022	2,022	1,999

**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.

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

**ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**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](http://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, 2021, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2021, 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  
August 22, 2022

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	156	-
Due from Township (note 6)	46,682	47,357
<b>TOTAL FINANCIAL ASSETS</b>	<b>46,838</b>	<b>47,357</b>
<b>LIABILITIES</b>		
Bank indebtedness	-	124
Long term debt (note 2)	10,750	31,806
<b>TOTAL LIABILITIES</b>	<b>10,750</b>	<b>31,930</b>
<b>NET FINANCIAL ASSETS</b>	<b>36,088</b>	<b>15,427</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	570,658	585,116
<b>ACCUMULATED SURPLUS (note 4)</b>	<b>606,746</b>	<b>600,543</b>

*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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
Contribution from Township (note 6)	254,666	254,666	257,607
Government of Canada	1,710	2,887	-
Province of Ontario	16,751	29,807	18,093
Donations, fees and fundraising	5,650	6,598	4,246
<b>TOTAL REVENUES</b>	<b>278,777</b>	<b>293,958</b>	<b>279,946</b>
<b>EXPENSES</b>			
Salaries and benefits	163,300	177,083	143,432
Office	23,950	31,871	18,326
Videos and subscriptions	9,560	9,766	9,557
Computer and internet	10,400	9,339	7,388
Telephone	2,700	3,101	2,823
Public relations	1,245	398	1,196
Staff training	1,200	923	1,189
Occupancy costs	18,395	18,395	10,114
Interest on long term debt	745	744	1,322
Amortization	35,076	36,135	35,076
<b>TOTAL EXPENSES</b>	<b>266,571</b>	<b>287,755</b>	<b>230,423</b>
<b>ANNUAL SURPLUS</b>	<b><u>12,206</u></b>	<b>6,203</b>	<b>49,523</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>600,543</b>	<b>551,020</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>606,746</b>	<b>600,543</b>

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 For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL SURPLUS</b>	12,206	6,203	49,523
Amortization of tangible capital assets	35,076	36,135	35,076
Acquisition of tangible capital assets	(26,225)	(21,677)	(18,842)
<b>CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)</b>	21,057	20,661	65,757
<b>NET FINANCIAL ASSETS/(NET DEBT) - beginning of     year</b>	15,427	15,427	(50,330)
<b>NET FINANCIAL ASSETS - end of year</b>	36,484	36,088	15,427

*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, 2021

	2021	2020
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	6,203	49,523
Items not involving cash		
Amortization of tangible capital assets	36,135	35,076
Change in non-cash assets and liabilities		
Due from Township	675	(47,357)
Due to Township	-	(64,198)
<b>Net change in cash from operating activities</b>	<b>43,013</b>	<b>(26,956)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(21,677)	(18,842)
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(21,056)	(20,479)
<b>NET CHANGE IN CASH</b>	<b>280</b>	<b>(66,277)</b>
<b>CASH - beginning of year</b>	<b>(124)</b>	<b>66,153</b>
<b>CASH - end of year</b>	<b>156</b>	<b>(124)</b>
<b>Comprised of:</b>		
Cash	156	-
Bank indebtedness	-	(124)
	<b>156</b>	<b>(124)</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 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.

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 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:

	2021	2020
	\$	\$
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	10,750	31,806

(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 \$744 (2020 - \$1,322).

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

	Principal	Interest	Total
	\$	\$	\$
2022	10,750	150	10,900

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

### 3. TANGIBLE CAPITAL ASSETS

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

	Buildings \$	Books and Equipment \$	2021 Totals \$	2020 Totals \$
<b>COST</b>				
Balance, beginning of year	640,150	234,095	874,245	876,701
Add: additions during the year	-	21,677	21,677	18,842
Less: disposals during the year	-	25,084	25,084	21,298
Balance, end of year	640,150	230,688	870,838	874,245
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	156,037	133,092	289,129	275,351
Add: additions during the year	16,004	20,131	36,135	35,076
Less: disposals during the year	-	25,084	25,084	21,298
Balance, end of year	172,041	128,139	300,180	289,129
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>468,109</b>	<b>102,549</b>	<b>570,658</b>	<b>585,116</b>

### 4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021 \$	2020 \$
<b>Deficit</b>		
Operations	(2,059)	(6,201)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	570,658	585,116
Long term debt	(10,750)	(31,806)
	559,908	553,310
<b>Surplus</b>	<b>557,849</b>	<b>547,109</b>
<b>Reserve</b>		
Future development	48,897	53,434
	606,746	600,543

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 5. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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 Board does not recognize any share of the OMERS pension surplus or deficit.

The Board's required contributions to OMERS in 2021 were \$7,820 (2020 - \$7,330).

### 6. 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:

	2021	2020
	\$	\$
Allocated costs:		
Insurance	5,299	5,235
Administrative services	8,300	8,300
Building and grounds maintenance	-	5,183
Occupancy costs	18,395	-
	<hr/>	<hr/>
	31,994	18,718

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.

### 7. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 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 audit.

# CORPORATION OF THE TOWNSHIP OF ALNWICK/HALDIMAND

## ALNWICK/HALDIMAND PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 8. 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.