

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

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**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

**For The Year Ended December 31, 2021**

**MANAGEMENT REPORT**

The accompanying consolidated financial statements of the Corporation of the Township of Springwater 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 Springwater. 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.



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Mayor



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Director of Finance

May 18, 2022

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater**

#### *Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Springwater 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.



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 9, 2022

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	21,447,838	14,150,808
Investments (note 4)	12,368,068	12,307,919
Trade and other receivable (note 5)	1,937,313	2,578,747
Taxes receivable	2,345,049	3,030,131
<b>TOTAL FINANCIAL ASSETS</b>	<b>38,098,268</b>	<b>32,067,605</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	10,100,424	8,762,984
Deferred revenue - obligatory reserve funds (note 9)	7,654,087	6,728,151
Deferred revenue - other (note 8)	126,266	99,765
Long term debt (note 10)	2,952,272	3,445,425
<b>TOTAL LIABILITIES</b>	<b>20,833,049</b>	<b>19,036,325</b>
<b>NET FINANCIAL ASSETS</b>	<b>17,265,219</b>	<b>13,031,280</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 11)	158,302,979	157,330,488
Prepaid expenses	284,803	198,869
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>158,587,782</b>	<b>157,529,357</b>
<b>ACCUMULATED SURPLUS (note 12)</b>	<b>175,853,001</b>	<b>170,560,637</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## 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	16,041,191	16,145,450	15,808,896
User charges	6,378,730	6,915,383	6,233,099
Government of Canada	18,000	193,023	21,364
Province of Ontario	1,154,901	1,169,568	1,205,317
Other municipalities	164,980	76,248	139,887
Penalties and interest on taxes	385,000	418,114	394,470
Investment income	150,000	143,083	263,657
Donations	103,000	8,243	25,256
Other	221,929	1,143,714	893,565
Developer contributions earned	7,170,437	1,932,309	3,773,176
Parkland fees earned	350,000	-	350,000
Federal gas tax earned	1,087,820	840,470	733,395
Ontario Community Infrastructure Fund	-	1,404,636	265,590
Gain/(loss) on disposal of tangible capital assets	-	88,154	10,449
<b>TOTAL REVENUES</b>	<b>33,225,988</b>	<b>30,478,395</b>	<b>30,118,121</b>
<b>EXPENSES</b>			
General government	4,034,853	3,854,726	3,514,424
Protection services	6,037,630	5,943,603	5,717,571
Transportation services	8,414,946	7,714,738	7,394,808
Environmental services	4,356,044	4,011,827	4,002,106
Health services	39,340	45,766	32,890
Recreation and cultural services	3,882,983	2,843,247	2,868,136
Planning and development	1,256,187	772,124	885,854
<b>TOTAL EXPENSES</b>	<b>28,021,983</b>	<b>25,186,031</b>	<b>24,415,789</b>
<b>ANNUAL SURPLUS</b>	<b><u>5,204,005</u></b>	<b>5,292,364</b>	<b>5,702,332</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>170,560,637</b>	<b>164,858,305</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>175,853,001</b>	<b>170,560,637</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## 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</b>	5,204,005	5,292,364	5,702,332
Amortization of tangible capital assets	5,449,784	5,581,232	5,449,784
Purchase of tangible capital assets	(15,200,000)	(6,551,901)	(11,207,695)
Gain on disposal of tangible capital assets	-	(88,154)	(10,449)
Proceeds on disposal of tangible capital assets	-	86,332	-
Change in prepaid expenses	-	(85,934)	(27,320)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(4,546,211)	4,233,939	(93,348)
<b>NET FINANCIAL ASSETS - beginning of year</b>	13,031,280	13,031,280	13,124,628
<b>NET FINANCIAL ASSETS - end of year</b>	8,485,069	17,265,219	13,031,280

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## 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	5,292,364	5,702,332
Items not involving cash		
Amortization of tangible capital assets	5,581,232	5,449,784
Gain on disposal of tangible capital assets	(88,154)	(10,449)
Change in non-cash assets and liabilities		
Trade and other receivable	641,434	(277,086)
Taxes receivable	685,082	(320,074)
Prepaid expenses	(85,934)	(27,320)
Accounts payable and accrued liabilities	1,337,440	2,294,067
Deferred revenue - obligatory reserve funds	925,936	(723,520)
Deferred revenue - other	26,501	35,068
<b>Net change in cash from operating activities</b>	<b>14,315,901</b>	<b>12,122,802</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(6,551,901)	(11,207,695)
Proceeds on disposal of tangible capital assets	86,332	-
<b>Net change in cash from capital activities</b>	<b>(6,465,569)</b>	<b>(11,207,695)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(12,368,068)	(12,307,919)
Redemption of investments	12,307,919	12,156,102
<b>Net change in cash from investing activities</b>	<b>(60,149)</b>	<b>(151,817)</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(493,153)	(478,971)
<b>NET CHANGE IN CASH</b>	<b>7,297,030</b>	<b>284,319</b>
<b>CASH - beginning of year</b>	<b>14,150,808</b>	<b>13,866,489</b>
<b>CASH - end of year</b>	<b>21,447,838</b>	<b>14,150,808</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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The Township of Springwater 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:

- Springwater Township Public Library Board
- Elmvale Business Improvement Area
- Anten Mills Community Recreation Association
- Midhurst Community Recreation Association
- Phelpston Community Recreation Association
- Grenfel Community Recreation Association
- Minesing Community Recreation Association
- Hillsdale Community Recreation Association
- Elmvale Community Recreation Association
- Springwater Sports Heritage Committee
- Springwater Community Policing Committee
- Midhurst Union Cemetery

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 SPRINGWATER

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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	15 years
Buildings	50 years
Vehicles, machinery and equipment	5 to 20 years
Furniture and fixtures	10 years
Roads	30 to 50 years
Water and waste water systems	25 to 100 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.

(f) Reserves and Reserve Funds

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

(g) Use of Estimates

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

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (h) 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

Development charges, gas tax, parkland fees and Ontario Community Infrastructure Funds are recognized in the period in which the related expenditures are recorded.

Interest income is recorded and recognized when earned.

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

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 2. CASH

Cash consists of the following:

	2021	2020
	\$	\$
Unrestricted	11,639,709	4,405,963
Restricted	9,808,129	9,744,845
	21,447,838	14,150,808

Restricted funds are comprised of development charges, parkland fees, gas tax funding and reserve funds.

### 3. 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 \$2,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.75% per annum. Council authorized the temporary borrowing limit by By-law 2021-003. At December 31, 2021 there was no balance outstanding (2020 - \$Nil).

### 4. INVESTMENTS

Investments consist of the following:

	2021 Annual Interest	2021 \$	2020 \$
GIC maturing July 15, 2022	0.51%	12,472	12,387
ONE fund investment		12,355,596	12,295,532
		12,368,068	12,307,919

### 5. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2021 \$	2020 \$
Government of Canada	157,186	374,733
Government of Ontario	194,399	469,974
User fees - water and sewer	234,151	263,569
Other	1,351,577	1,470,471
	1,937,313	2,578,747

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 6. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2021, requisitions were made by the County of Simcoe 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 taxation	7,368,207	10,903,159
Taxation from other governments	22,508	113,550
<b>Amounts requisitioned and remitted</b>	<b>7,390,715</b>	<b>11,016,709</b>

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

### 7. 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.

### 8. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2021 \$	2020 \$
Water and sewer	82,506	68,637
Other	43,760	31,128
	<b>126,266</b>	<b>99,765</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 9. 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	4,515,166	3,635,822
COVID relief	621,970	365,515
Parkland fees	703,020	612,439
Federal gas tax	1,700,591	1,344,693
Ontario Community Infrastructure Fund	113,340	769,682
	<b>7,654,087</b>	<b>6,728,151</b>

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

	2021	2020
	\$	\$
Balance - beginning of year	6,728,151	7,451,671
Add amounts received:		
Development charges	2,786,000	2,436,448
Federal gas tax	1,185,543	578,178
Ontario Community Infrastructure Fund	741,961	741,961
Interest	50,534	105,739
COVID relief funding	411,417	489,900
Parkland fees	85,000	170,800
	<b>5,260,455</b>	<b>4,523,026</b>
Less transfer to operations:		
Development charges earned	1,932,309	3,773,176
Federal gas tax earned	840,470	733,395
Parkland fees earned	-	350,000
Ontario Community Infrastructure Funds earned	1,404,636	265,590
COVID relief funding earned	157,104	124,385
	<b>4,334,519</b>	<b>5,246,546</b>
Balance - end of year	<b>7,654,087</b>	<b>6,728,151</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 10. 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 Projects Corporation debenture repayable in blended semi-annual installments of \$79,147 including principal and interest with interest of 4.26%, due October 2030	1,173,128	1,278,081
Green Municipal Fund debenture repayable in blended semi-annual installments of \$60,914 including principal and interest with interest of 2.00%, due July 2030	998,838	1,099,202
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual installments of \$65,707 including principal and interest with interest of 2.82%, due July 2023	253,818	375,495
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$92,003 including principal and interest with interest of 2.74%, due September 2024	526,488	692,647
	<b>2,952,272</b>	<b>3,445,425</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) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2021 is \$123,318 (2020 - \$109,272).
- (d) Interest paid during the year on long term debt amounted to \$97,265 (2020 - \$111,681).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2022	507,703	87,840	595,543
2023	522,737	72,805	595,542
2024	405,890	58,239	464,129
2025	232,898	47,224	280,122
2026	240,415	39,708	280,123
2027 and subsequent years	1,042,629	77,869	1,120,498
	<b>2,952,272</b>	<b>383,685</b>	<b>3,335,957</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 11. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land and land improvements	33,460,378	33,818,824
Buildings	12,088,551	12,399,396
Vehicles machinery and equipment	8,279,362	7,914,466
Furniture and fixtures	10,670	10,670
Books	215,524	208,459
Infrastructure		
Roads	67,787,621	68,173,865
Water	22,088,711	22,495,154
Sewer	10,228,626	10,444,738
	154,159,443	155,465,572
Assets under construction	4,143,536	1,864,916
	158,302,979	157,330,488

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	14,438,824	14,692,327
Protection services	5,141,418	5,032,695
Transportation services	91,846,148	92,073,868
Environmental services	38,149,894	36,594,625
Health services	8,049	8,049
Recreation and cultural services	8,718,646	8,928,924
	158,302,979	157,330,488

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 12. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
<b>Surplus/(Deficit)</b>		
Municipal drains	(236,650)	(130,883)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	158,302,979	157,330,488
Long term debt	(2,952,272)	(3,445,425)
Unfunded roads capital projects	(2,944,193)	(4,954,590)
	152,406,514	148,930,473
<b>Surplus</b>	152,169,864	148,799,590
<b>Reserves</b>		
Working funds	1,185,493	1,043,198
Capital asset acquisitions	8,316,097	7,249,948
General operations	3,486,006	3,003,536
<b>Total Reserves</b>	12,987,596	11,296,682
<b>Reserve Funds</b>		
Capital assets acquisitions	10,517,632	10,323,286
Recreation programs and facilities	177,909	141,079
<b>Total Reserve Funds</b>	10,695,541	10,464,365
	175,853,001	170,560,637

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 13. 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	9,626,891	8,863,771	8,379,627
Interest charges	249,264	97,265	111,681
Materials	6,445,389	4,469,786	4,426,036
Contracted services	5,892,647	5,287,753	5,255,963
Rents and financial	717,087	589,508	518,673
External transfers	289,458	296,716	274,025
Amortization	5,449,784	5,581,232	5,449,784
	28,670,520	25,186,031	24,415,789

### 14. TRUST FUNDS

Trust funds administered by the Township amounting to \$216,276 (2020 - \$208,691) 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.

### 15. 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 \$567,788 (2020 - \$565,299).

### 16. 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.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 17. SEGMENTED INFORMATION

The Township of Springwater 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 and sewer services to ratepayers.

#### **Health Services**

The health services function consists of the 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.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 18. UNCERTAINTY CAUSED BY COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic and the Township of Springwater declared a State of Emergency on March 23, 2020. The extent of the impact of this outbreak and related containment measures (such as closure of non-essential municipal operations, imposition of quarantines and social distancing) on the Township's operations has been significant.

The Provincial government has announced additional funding that will be applied toward funding the lost revenues and additional expenses that have resulted during fiscal 2021. Management expects the Township will have adequate cash flow to fund its operations throughout the crisis.

The Township can not estimate the length and gravity of the COVID-19 outbreak. If the pandemic continues, it may have a material adverse effect on the Township's results in fiscal 2022. The Township is continually monitoring and assessing new information and recommendations from health and other levels of government as it becomes available, and will continue to respond accordingly.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2021

	General					Infrastructure			Assets Under Construction	Totals
	Land and Land Improvements	Buildings	Vehicles Machinery and Equipment	Furniture and Fixtures	Books	Roads	Water	Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>										
Balance, beginning of year	37,444,054	18,994,667	15,433,703	147,439	373,527	130,460,830	32,244,049	15,220,482	1,864,916	252,183,667
Add: additions during the year	-	95,646	1,311,247	-	48,565	2,815,223	-	2,600	2,278,620	6,551,901
Less: disposals during the year	-	-	388,783	-	-	-	-	-	-	388,783
Balance, end of year	37,444,054	19,090,313	16,356,167	147,439	422,092	133,276,053	32,244,049	15,223,082	4,143,536	258,346,785
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	3,625,230	6,595,271	7,519,237	136,769	165,068	62,286,965	9,748,895	4,775,744	-	94,853,179
Add: additions during the year	358,446	406,491	948,173	-	41,500	3,201,467	406,443	218,712	-	5,581,232
Less: disposals during the year	-	-	390,605	-	-	-	-	-	-	390,605
Balance, end of year	3,983,676	7,001,762	8,076,805	136,769	206,568	65,488,432	10,155,338	4,994,456	-	100,043,806
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>33,460,378</b>	<b>12,088,551</b>	<b>8,279,362</b>	<b>10,670</b>	<b>215,524</b>	<b>67,787,621</b>	<b>22,088,711</b>	<b>10,228,626</b>	<b>4,143,536</b>	<b>158,302,979</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	4,392,868	2,567,273	6,093,280	-	-	2,426,144	665,885	16,145,450
User charges	39,555	1,278,221	197,682	4,975,218	44,214	215,409	165,084	6,915,383
Government transfers - operating	595,449	269,174	397,435	-	-	97,540	-	1,359,598
Government transfers - capital	-	-	2,993	-	-	-	-	2,993
Other municipalities	-	57,146	-	-	-	17,102	2,000	76,248
Penalties and interest on taxes	418,114	-	-	-	-	-	-	418,114
Investment income	143,066	-	-	-	-	17	-	143,083
Donations	-	-	-	-	-	8,243	-	8,243
Other	243,714	-	-	-	-	-	900,000	1,143,714
Developer contributions earned	35,137	304,232	776,172	467,255	-	349,513	-	1,932,309
Federal gas tax earned	-	-	840,470	-	-	-	-	840,470
Ontario Community Infrastructure Fund	-	-	1,404,636	-	-	-	-	1,404,636
Gain/(loss) on disposal of tangible capital assets	-	-	86,697	-	-	1,457	-	88,154
<b>Total revenues</b>	<b>5,867,903</b>	<b>4,476,046</b>	<b>9,799,365</b>	<b>5,442,473</b>	<b>44,214</b>	<b>3,115,425</b>	<b>1,732,969</b>	<b>30,478,395</b>
<b>Expenses</b>								
Salaries and benefits	2,585,863	1,906,477	2,196,600	114,969	-	1,510,575	549,287	8,863,771
Interest charges	72,861	-	24,404	-	-	-	-	97,265
Materials	912,961	540,264	551,868	1,485,599	40,393	775,315	163,386	4,469,786
Contracted services	321,779	2,687,501	721,188	1,478,317	5,373	14,379	59,216	5,287,753
Rents and financial	9,728	27,095	542,572	39	-	10,074	-	589,508
External transfers	-	296,716	-	-	-	-	-	296,716
Amortization	316,610	356,668	3,696,015	688,082	-	523,857	-	5,581,232
Internal transfers	(365,076)	128,882	(17,909)	244,821	-	9,047	235	-
<b>Total expenses</b>	<b>3,854,726</b>	<b>5,943,603</b>	<b>7,714,738</b>	<b>4,011,827</b>	<b>45,766</b>	<b>2,843,247</b>	<b>772,124</b>	<b>25,186,031</b>
<b>Net surplus/(deficit)</b>	<b>2,013,177</b>	<b>(1,467,557)</b>	<b>2,084,627</b>	<b>1,430,646</b>	<b>(1,552)</b>	<b>272,178</b>	<b>960,845</b>	<b>5,292,364</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	4,301,298	2,513,758	5,966,265	-	-	2,375,571	652,004	15,808,896
User charges	32,866	1,005,067	199,438	4,603,581	34,089	251,668	106,390	6,233,099
Government transfers - operating	424,992	263,140	366,616	-	-	164,603	2,505	1,221,856
Government transfers - capital	-	-	4,825	-	-	-	-	4,825
Other municipalities	-	74,680	-	-	-	15,207	50,000	139,887
Penalties and interest on taxes	394,470	-	-	-	-	-	-	394,470
Investment income	263,582	-	-	-	-	75	-	263,657
Donations	8,000	-	-	-	-	17,256	-	25,256
Other	893,565	-	-	-	-	-	-	893,565
Developer contributions earned	62,654	282,849	1,077,768	72,148	-	2,277,757	-	3,773,176
Parkland fees earned	-	-	-	-	-	350,000	-	350,000
Federal gas tax earned	-	-	733,395	-	-	-	-	733,395
Ontario Community Infrastructure Fund	-	-	265,590	-	-	-	-	265,590
Gain/(loss) on disposal of tangible capital assets	-	-	10,449	-	-	-	-	10,449
<b>Total revenues</b>	<b>6,381,427</b>	<b>4,139,494</b>	<b>8,624,346</b>	<b>4,675,729</b>	<b>34,089</b>	<b>5,452,137</b>	<b>810,899</b>	<b>30,118,121</b>
<b>Expenses</b>								
Salaries and benefits	2,355,247	1,722,245	1,964,926	124,558	-	1,601,801	610,850	8,379,627
Interest charges	79,327	-	32,354	-	-	-	-	111,681
Materials	973,263	549,915	551,856	1,406,109	27,517	703,578	213,798	4,426,036
Contracted services	152,905	2,748,060	710,553	1,553,258	5,373	24,646	61,168	5,255,963
Rents and financial	7,411	27,092	473,233	17	-	10,920	-	518,673
External transfers	-	274,025	-	-	-	-	-	274,025
Amortization	299,883	271,960	3,681,044	677,422	-	519,475	-	5,449,784
Internal transfers	(353,612)	124,274	(19,158)	240,742	-	7,716	38	-
<b>Total expenses</b>	<b>3,514,424</b>	<b>5,717,571</b>	<b>7,394,808</b>	<b>4,002,106</b>	<b>32,890</b>	<b>2,868,136</b>	<b>885,854</b>	<b>24,415,789</b>
<b>Net surplus/(deficit)</b>	<b>2,867,003</b>	<b>(1,578,077)</b>	<b>1,229,538</b>	<b>673,623</b>	<b>1,199</b>	<b>2,584,001</b>	<b>(74,955)</b>	<b>5,702,332</b>

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater**

#### *Opinion*

We have audited the financial statements of the Trust Fund of the Corporation of the Township of Springwater (the Trust Fund), 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 accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2021, and the continuity of the Trust Fund 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 Fund 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 Fund 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 Fund 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 9, 2022

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

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

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2021 Total \$	2020 Total \$
<b>FINANCIAL ASSETS</b>					
Cash	21,068	-	-	21,068	20,931
Investments (note 2)	-	13,203	182,005	195,208	187,760
	21,068	13,203	182,005	216,276	208,691
<b>FUND BALANCES</b>	21,068	13,203	182,005	216,276	208,691

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

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2021 Total \$	2020 Total \$
<b>BALANCES - beginning of year</b>	20,931	13,114	174,646	208,691	182,848
<b>RECEIPTS</b>					
Investment income	137	137	3,308	3,582	12,797
Perpetual care receipts	-	-	7,170	7,170	3,470
Transfer from Township	-	-	-	-	12,976
	137	137	10,478	10,752	29,243
<b>EXPENSES</b>					
Transfer to Township	-	48	-	48	-
Investment fees	-	-	3,119	3,119	3,400
	-	48	3,119	3,167	3,400
<b>BALANCES - end of year</b>	21,068	13,203	182,005	216,276	208,691

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## 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.

### 2. INVESTMENTS

Investments are comprised of Guaranteed Investment Certificates and funds held by Scotiabank, TD Canada Trust and RBC Dominion Securities and are recorded at cost plus the accrued interest earned at December 31, 2021. Interest rates range on the GIC's from 0.76% to 2.1% and maturity dates from 2022 to 2023.

### 3. CARE AND MAINTENANCE FUNDS

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

### 4. UNCERTAINTY CAUSED BY COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Trust Fund'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 Trust Fund's operations. The extent of the impact of this outbreak and related containment measures on the Trust Fund's operations cannot be reliably estimated at this time.

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**

**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

## INDEPENDENT AUDITOR'S REPORT

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

### *Qualified Opinion*

We have audited the financial statements of the Springwater Township Public Library Board of the Corporation of the Township of Springwater (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, fines, and user fees, 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, fines, and user fees revenue, annual surplus/(deficit), assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 9, 2022

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Township (note 5)	78,881	78,881
<b>NET FINANCIAL ASSETS</b>	78,881	78,881
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	215,524	208,461
<b>ACCUMULATED SURPLUS (note 3)</b>	294,405	287,342

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP 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>			
Contributions from Township (note 5)	752,000	752,601	443,453
Contributions from Township - development charges (note 5)	-	-	281,607
Fines and user fees	7,500	4,817	8,136
Other municipalities	13,500	16,452	7,707
Other grants	31,500	65,734	28,504
Interest	-	17	954
Donations	6,000	7,430	9,981
<b>TOTAL REVENUES</b>	<b>810,500</b>	<b>847,051</b>	<b>780,342</b>
<b>EXPENSES</b>			
Salaries and benefits	668,797	659,780	617,299
Materials and supplies	62,500	69,788	49,228
Utilities, services and rent (note 5)	80,023	68,920	66,045
Amortization	40,930	41,500	40,930
<b>TOTAL EXPENSES</b>	<b>852,250</b>	<b>839,988</b>	<b>773,502</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(41,750)</u></b>	<b>7,063</b>	<b>6,840</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>287,342</b>	<b>280,502</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>294,405</b>	<b>287,342</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP 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/(DEFICIT)</b>	(41,750)	7,063	6,840
Amortization of tangible capital assets	40,930	41,500	40,930
Acquisition of tangible capital assets	(52,500)	(48,563)	(45,313)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(53,320)	-	2,457
<b>NET FINANCIAL ASSETS - beginning of year</b>	78,881	78,881	76,424
<b>NET FINANCIAL ASSETS - end of year</b>	25,561	78,881	78,881

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP 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	7,063	6,840
Items not involving cash		
Amortization of tangible capital assets	41,500	40,930
Change in non-cash assets and liabilities		
Change in due from Township	-	(2,457)
<b>Net change in cash from operating activities</b>	<b>48,563</b>	<b>45,313</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(48,563)	(45,313)
<b>NET CHANGE IN CASH</b>	<b>-</b>	<b>-</b>
<b>CASH - beginning of year</b>	<b>-</b>	<b>-</b>
<b>CASH - end of year</b>	<b>-</b>	<b>-</b>

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP 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.

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

Fines and donations are recognized when the amounts are received.

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Books	7 years
Equipment	5 to 20 years

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

(d) Non-Financial Assets

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

(e) Government Funding

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

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Reserve Funds

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

(g) Inter-Entity Transactions

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

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

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

### 2. TANGIBLE CAPITAL ASSETS

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

	Equipment \$	Books \$	2021 Totals \$	2020 Totals \$
<b>COST</b>				
Balance, beginning of year	30,629	373,530	404,159	358,846
Add: additions during the year	-	48,563	48,563	45,313
Balance, end of year	30,629	422,093	452,722	404,159
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	30,629	165,069	195,698	154,768
Add: additions during the year	-	41,500	41,500	40,930
Balance, end of year	30,629	206,569	237,198	195,698
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	-	215,524	215,524	208,461

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	215,524	208,461
<b>Surplus</b>	215,524	208,461
<b>Reserve Fund</b>		
Capital asset acquisitions	78,881	78,881
	294,405	287,342

### 4. 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 SPRINGWATER

## SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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#### 5. INTER-ENTITY TRANSACTIONS

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

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus. In addition, the Township collects and remits development charges to the Board for library capital expenditures. These revenues are reported on the Statement of Operations and Accumulated Surplus.

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

	2021	2020
	\$	\$
Allocated costs:		
Insurance	14,122	12,463
Audit fees	1,550	1,550
Facility rent	7,500	7,500
	<u>23,172</u>	<u>21,513</u>

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

- Accounting and administrative services
- Professional services

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

#### 6. 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.

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**

**ELMVALE BUSINESS IMPROVEMENT AREA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**INDEPENDENT AUDITOR'S REPORT****To the Members of the Elmvale Business Improvement Area, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater***Opinion*

We have audited the financial statements of the Elmvale Business Improvement Area of the Corporation of the Township of Springwater (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, 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 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 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 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 9, 2022

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

**ELMVALE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2021**

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Township (note 4)	31,907	40,510
<b>NET FINANCIAL ASSETS</b>	31,907	40,510
<b>ACCUMULATED SURPLUS (note 2)</b>	31,907	40,510

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*The accompanying notes are an integral part of these financial statements*



# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## ELMVALE BUSINESS IMPROVEMENT AREA STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
Members' tax levy (note 4)	21,060	21,060	21,060
Donations	-	1,190	-
<b>TOTAL REVENUES</b>	<b>21,060</b>	<b>22,250</b>	<b>21,060</b>
<b>EXPENSES</b>			
Networking and communication	15,000	18,507	18,205
Promotion	-	2,876	1,959
Administration (note 4)	1,050	1,050	1,025
Tourism and events	7,500	8,420	1,627
<b>TOTAL EXPENSES</b>	<b>23,550</b>	<b>30,853</b>	<b>22,816</b>
<b>ANNUAL DEFICIT</b>	<b><u>(2,490)</u></b>	<b>(8,603)</b>	<b>(1,756)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>40,510</b>	<b>42,266</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>31,907</b>	<b>40,510</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## ELMVALE BUSINESS IMPROVEMENT AREA STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL DEFICIT</b>	(2,490)	(8,603)	(1,756)
<b>NET FINANCIAL ASSETS - beginning of year</b>	40,510	40,510	42,266
<b>NET FINANCIAL ASSETS - end of year</b>	38,020	31,907	40,510

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## ELMVALE BUSINESS IMPROVEMENT AREA 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 deficit	(8,603)	(1,756)
Change in non-cash assets and liabilities		
Due from Township	8,603	1,756
<b>NET CHANGE IN CASH</b>	-	-
<b>CASH - beginning of year</b>	-	-
<b>CASH - end of year</b>	-	-

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## ELMVALE BUSINESS IMPROVEMENT AREA 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.

(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 Board's best information and judgment. Actual results could differ from these estimates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Board has no significant tangible capital assets.

(d) Reserves

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

(e) Inter-Entity Transactions

The Elmvale Business Improvement Area is a Board of the Township of Springwater 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.

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

**ELMVALE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

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**2. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
<b>Reserve</b>		
General operations	31,907	40,510
	<b>31,907</b>	<b>40,510</b>

**3. 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.

**4. INTER-ENTITY TRANSACTIONS**

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

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus. The contribution is based on an additional tax levy on the businesses within the geographical boundaries of the Elmvale Business Improvement Area. The Township bills the tax levy and contributes this tax levy adjusted for any applicable supplementary tax billing or tax write-off annually to the Board.

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

	2021	2020
	\$	\$
Allocated costs:		
Audit fees	1,050	1,025
	<b>1,050</b>	<b>1,025</b>

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

- Accounting and administrative services
- Professional services

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



# CORPORATION OF THE TOWNSHIP OF SPRINGWATER

## ELMVALE BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 5. UNCERTAINTY CAUSED BY COVID-19

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