

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

Draft June 13, 2023

**CORPORATION OF THE TOWNSHIP OF
DOURO-DUMMER**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

For The Year Ended December 31, 2020

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Douro-Dummer 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 Douro-Dummer. 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.

June 20, 2023

Mayor

Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Douro-Dummer and its local board (the Township), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 20, 2023

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	3,720,339	3,377,861
Investments (note 3)	3,918,109	3,831,800
Accounts receivable	376,104	447,569
Taxes receivable	767,080	814,832
Land held for resale	83,487	83,487
TOTAL FINANCIAL ASSETS	8,865,119	8,555,549
LIABILITIES		
Accounts payable	1,021,369	997,922
Deferred revenue - obligatory reserve funds (note 6)	625,177	822,830
Deferred revenue - other (note 5)	199,925	86,167
Landfill closure and post-closure liability (note 4)	277,000	271,000
Employee future benefits (note 7)	138,681	140,745
TOTAL LIABILITIES	2,262,152	2,318,664
NET FINANCIAL ASSETS	6,602,967	6,236,885
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	26,696,918	26,285,611
Prepaid expenses	18,143	19,277
Inventories of materials and supplies	272,771	558,426
TOTAL NON-FINANCIAL ASSETS	26,987,832	26,863,314
ACCUMULATED SURPLUS (note 9)	33,590,799	33,100,199

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Property taxation	5,521,567	5,514,714	5,050,145
User charges	934,553	580,290	943,304
Government of Canada	-	33,611	30,631
Province of Ontario	1,146,207	946,594	1,364,642
Other municipalities	10,400	12,350	11,100
Penalty and interest on taxes	120,129	97,879	125,571
Investment income	135,000	133,154	160,436
Donations	20,481	183	33,587
Developer contributions earned	174,000	39,484	125,000
Parkland fees earned	7,000	-	4,058
Federal gas tax earned	231,354	427,765	121,454
Gain/(loss) on disposal of tangible capital assets	-	(97,931)	178,042
Other	-	-	44,574
TOTAL REVENUES	8,300,691	7,688,093	8,192,544
EXPENSES			
General government	1,389,427	1,180,069	1,207,462
Protection services	2,252,563	2,299,227	2,091,183
Transportation services	2,238,418	2,520,548	2,249,802
Environmental services	316,258	318,192	265,992
Health services	4,136	3,026	2,935
Recreation and cultural services	976,326	808,630	901,121
Planning and development	150,286	67,801	74,455
TOTAL EXPENSES	7,327,414	7,197,493	6,792,950
ANNUAL SURPLUS	<u>973,277</u>	490,600	1,399,594
ACCUMULATED SURPLUS - beginning of year		33,100,199	31,700,605
ACCUMULATED SURPLUS - end of year		33,590,799	33,100,199

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS	973,277	490,600	1,399,594
Amortization of tangible capital assets	1,250,596	1,516,685	1,250,596
Purchase of tangible capital assets	(3,298,553)	(2,042,573)	(1,008,964)
Loss/(gain) on disposal of tangible capital assets	-	97,931	(178,042)
Proceeds on sale of tangible capital assets	-	16,650	187,864
Change in prepaid expenses	-	1,134	(3,702)
Change in inventories of materials and supplies	-	285,655	(224,709)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(1,074,680)	366,082	1,422,637
NET FINANCIAL ASSETS - beginning of year	6,236,885	6,236,885	4,814,248
NET FINANCIAL ASSETS - end of year	5,162,205	6,602,967	6,236,885

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

	2020 \$	2019 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	490,600	1,399,594
Items not affecting cash		
Amortization of tangible capital assets	1,516,685	1,250,596
Loss/(gain) on disposal of tangible capital assets	97,931	(178,042)
Change in landfill closure and post-closure liability	6,000	(28,000)
Change in employee future benefits	(2,064)	(5,589)
Change in non-cash assets and liabilities		
Accounts receivable	71,465	(100,859)
Taxes receivable	47,752	(49,149)
Land held for resale	-	25,132
Prepaid expenses	1,134	(3,702)
Inventories of materials and supplies	285,655	(224,709)
Accounts payable	23,447	415,160
Deferred revenue - obligatory reserve funds	(197,653)	251,707
Deferred revenue - other	113,758	38,128
Net change in cash from operating activities	2,454,710	2,790,267
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,042,573)	(1,008,964)
Proceeds on disposal of tangible capital assets	16,650	187,864
Net change in cash from capital activities	(2,025,923)	(821,100)
INVESTING ACTIVITIES		
Purchase of investments	(830,106)	(985,331)
Disposal of investments	743,797	760,783
Net change in cash from investing activities	(86,309)	(224,548)
NET CHANGE IN CASH	342,478	1,744,619
CASH - beginning of year	3,377,861	1,633,242
CASH - end of year	3,720,339	3,377,861

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

The Township of Douro-Dummer 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:

- Douro-Dummer Public Library

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

(b) Trust funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. 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	20 to 25 years
Buildings and building improvement	10 to 50 years
Machinery and equipment	5 to 40 years
Vehicles	5 to 30 years
Computers and computer software	5 years
Roads and bridges	10 to 50 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

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

Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government funding

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

Other revenue

User fees 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 revenue, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

(e) Non-financial assets

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

(f) Reserves and reserve funds

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

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(h) Use of estimates

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

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs;
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- The values of employee future benefit obligations and assets and the amount of employee future benefit costs charged to earnings depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

(i) Inventory

Inventory held for resale, which includes land, is stated at the lower of cost and net realizable value, with cost being the purchase price plus the cost to prepare the land for resale.

Inventory of materials and supplies is stated at weighted average cost.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2020, requisitions were made by the County of Peterborough 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 \$
Amounts requisitioned and remitted	2,564,100	5,407,327

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

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

3. INVESTMENTS

The investments held at the end of the year, stated at cost, are comprised of the following:

	Market Value 2020 \$	Cost 2020 \$	Cost 2019 \$
Short-term investments			
Cash held in investment accounts	764,577	764,577	7,968
One Fund - bond fund	517,160	532,860	517,452
GICs - interest ranging from 1.28% to 2.98%, maturing 2021	1,409,316	1,412,585	1,305,526
BNS - 2.09% Bond, maturing September, 2020	-	-	100,457
BMO - 2.10% Bond, maturing October, 2020	-	-	100,476
	2,691,053	2,710,022	2,031,879
Long-term investments			
GICs - interest ranging from 0.8% to 3.45%, maturing 2022 to 2025	1,433,841	1,208,087	1,799,921
	4,124,894	3,918,109	3,831,800

4. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the three closed sites owned by the Township is \$277,000 (2019 - \$271,000). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Township has a landfill reserve of \$70,949 (2018 - \$70,949) and the remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining monitoring periods of the landfills. The total undiscounted future cash flows for closure and post-closure costs are estimated at \$312,000 as at December 31, 2019 (2018 - \$349,000) using a discount factor of 2.3% (2018 - 3.27%) and an inflation rate of 3.0% (2018 - 2.1%).

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

5. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2020	2019
	\$	\$
Employment and Social Development Canada - Library	-	33,611
AMO funding Main Street revitalization	10,234	43,581
Ice and floor rentals	9,189	7,865
Safe Restart	179,502	-
Other	1,000	1,110
	199,925	86,167

The continuity of deferred revenue - other is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	86,167	48,039
Add amounts received:		
Employment and Social Development Canada - Library	-	64,242
Ice and floor rentals	9,189	7,865
Safe restart	221,600	-
Other	-	110
	230,789	72,217
Less transfer to operations:		
AMO funding Main Street revitalization	33,457	-
Ice and floor rentals	7,865	2,570
Safe restart	42,098	-
Employment and Social Development Canada - Library	33,611	30,631
Other	-	888
	117,031	34,089
Balance - end of year	199,925	86,167

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2020	2019
	\$	\$
Parkland	44,623	32,123
Development charges	23,410	16,120
Federal gas tax	557,144	774,587
	625,177	822,830

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

	2020	2019
	\$	\$
Balance - beginning of year	822,830	571,123
Add amounts received:		
Development charges	46,774	66,033
Parkland fees	12,500	3,250
Federal gas tax	203,526	424,308
Interest	6,796	8,628
	269,596	502,219
Less transfer to operations:		
Development charges earned	39,484	125,000
Parkland fees earned	-	4,058
Federal gas tax earned	427,765	121,454
	467,249	250,512
Balance - end of year	625,177	822,830

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

7. EMPLOYEE FUTURE BENEFITS

The Township provides eligible employees a benefit plan to pay costs of extended health and vision benefits after they retire. All benefits are provided upon retirement and continue for a period of 10 years, but not beyond the age 65, at which time the benefits cease. The actuarial valuation as at December 31, 2019 and the update to December 31, 2020 were based on assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected discount rate	3.1%
Future health care premiums - first year (2019)	10.0%
- reducing over 10 years to	3.5%

The post-employment benefit is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus and is comprised as follows:

	2020 \$	2019 \$
Accrued benefit obligation at January 1	106,975	73,978
Unamortized actuarial gains	33,770	72,356
Liability at January 1	140,745	146,334
Current year benefit cost	4,276	3,021
Interest on accrued benefit obligation	3,294	2,622
Less: benefit payments	(5,695)	(7,293)
Amortization of actuarial gains	(3,939)	(3,939)
Liability at December 31	138,681	140,745

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

8. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
General		
Land and land improvements	1,908,114	1,937,923
Buildings and building improvements	1,765,842	1,626,903
Machinery and equipment	1,373,995	1,351,616
Vehicles	1,528,038	1,359,718
Computers and computer software	67,072	85,652
Infrastructure		
Roads and bridges	19,032,251	18,069,695
	25,675,312	24,431,507
Assets under construction	1,021,606	1,854,104
	26,696,918	26,285,611

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

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

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

	2020	2019
	\$	\$
General government	1,151,657	1,184,772
Protection services	1,231,266	1,242,064
Transportation services	20,799,326	20,616,203
Environmental services	37,585	47,472
Health services	22,746	23,266
Recreation and cultural services	2,367,592	2,126,986
Planning and development	1,086,746	1,044,848
	26,696,918	26,285,611

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus/(Deficit)		
Land held for resale	83,487	83,487
Unfunded employee future benefits	(138,681)	(140,745)
Unfunded landfill closure and post-closure costs	(277,000)	(271,000)
Douro-Dummer Public Library	-	(6,871)
	(332,194)	(335,129)
Invested In Capital Assets		
Tangible capital assets - net book value	26,696,918	26,285,611
Unfinanced capital	(92,871)	-
	26,604,047	26,285,611
Surplus	26,271,853	25,950,482
Reserves		
Working funds	1,836,691	1,836,691
Self insurance	43,221	43,221
Post employment benefits	69,156	61,656
Future capital projects	4,976,501	4,684,291
Future operations	384,594	515,075
Total Reserves	7,310,163	7,140,934
Reserve Funds		
Future capital projects	8,783	8,783
	33,590,799	33,100,199

10. BUDGET FIGURES

The budget, approved by the Township, for 2020 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

11. 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.

12. COMMITMENT

The Township has entered into an agreement to purchase 1494 County Road 4, Douro-Dummer. The total purchase price of the property is \$1,410,000, which will be financed by a no interest mortgage held by the seller payable in monthly installments over a 20-year period starting upon completion of the agreement. The agreement is contingent upon specific conditions being met. The agreement will be completed and the transfer of ownership of the property will occur no later than December 30, 2023.

The Township has agreed to purchase a minimum of 20,000 tonnes of material annually from the seller between the date of this agreement (September 30, 2016) and the transfer of ownership at a cost of \$2.50 per tonne adjusted by the annual rate of inflation.

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 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	2,481,174	2,308,519	2,202,120
Materials	1,807,212	1,490,244	1,656,154
Contracted services	1,674,976	1,771,919	1,578,032
Rents and financial	6,595	6,545	4,395
External transfers	106,861	103,581	101,653
Amortization	1,250,596	1,516,685	1,250,596
	7,327,414	7,197,493	6,792,950

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

14. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. OMERS provides pension services to over 525,000 active, inactive and retired members from 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date.

The Actuarial Opinion contained in the 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2020 were \$132,773 (2019 - \$108,540).

15. TRUST FUNDS

Trust funds administered by the Township amounting to \$41,635 (2019 - \$41,609) 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.

16. COMPARATIVE FIGURES

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

17. SEGMENTED INFORMATION

The Township of Douro-Dummer 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 segment 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.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

17. SEGMENTED INFORMATION, continued

Transportation Services

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

Environmental Services

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

Health Services

The health services function consists of the activities of the cemetery.

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.

18. 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 DOURO-DUMMER

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

	General					Infrastructure		Totals
	Land and land improvements	Buildings and building improvements	Machinery and Equipment	Vehicles	Computers and computer software	Roads and Bridges	Assets Under Construction	
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	2,246,448	5,231,658	3,354,350	4,018,932	265,662	31,446,105	1,854,104	48,417,259
Add: additions during the year	-	236,501	250,828	386,659	10,442	636,292	521,851	2,042,573
Less: disposals during the year	-	320,103	84,098	177,024	-	761,738	-	1,342,963
Internal transfers	-	4,944	-	-	-	1,349,405	(1,354,349)	-
Balance, end of year	2,246,448	5,153,000	3,521,080	4,228,567	276,104	32,670,064	1,021,606	49,116,869
ACCUMULATED AMORTIZATION								
Balance, beginning of year	308,525	3,604,755	2,002,734	2,659,214	180,010	13,376,410	-	22,131,648
Add: additions during the year	29,809	102,506	208,867	218,339	29,022	928,142	-	1,516,685
Less: disposals during the year	-	320,103	64,516	177,024	-	666,739	-	1,228,382
Balance, end of year	338,334	3,387,158	2,147,085	2,700,529	209,032	13,637,813	-	22,419,951
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	1,908,114	1,765,842	1,373,995	1,528,038	67,072	19,032,251	1,021,606	26,696,918

Draft June 13, 2023

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	5,514,714	-	-	-	-	-	-	5,514,714
User charges	10,123	234,957	30,741	142,857	-	127,126	34,486	580,290
Government transfers - operating	655,514	45,878	52,493	-	-	56,255	-	810,140
Government transfers - capital	-	-	93,165	-	-	76,900	-	170,065
Other municipalities	-	12,350	-	-	-	-	-	12,350
Penalty and interest on taxes	97,879	-	-	-	-	-	-	97,879
Investment income	133,154	-	-	-	-	-	-	133,154
Donations	-	-	-	-	-	183	-	183
Developer contributions earned	-	-	35,255	-	-	4,229	-	39,484
Canada Community-Building Fund	-	-	427,765	-	-	-	-	427,765
Gain/(loss) on disposal of tangible capital assets	-	-	(78,230)	-	-	(19,701)	-	(97,931)
Total revenues	6,411,384	293,185	561,189	142,857	-	244,992	34,486	7,688,093
Expenses								
Salaries and benefits	723,190	565,307	594,640	43,417	-	326,889	55,076	2,308,519
Materials	162,181	417,071	539,180	41,012	2,506	323,197	5,097	1,490,244
Contracted services	194,600	1,058,865	279,490	223,875	-	7,748	7,341	1,771,919
Rents and financial	6,545	-	-	-	-	-	-	6,545
External transfers	50	103,531	-	-	-	-	-	103,581
Amortization	93,503	154,453	1,107,238	9,888	520	150,796	287	1,516,685
Total expenses	1,180,069	2,299,227	2,520,548	318,192	3,026	808,630	67,801	7,197,493
Net surplus/(deficit)	5,231,315	(2,006,042)	(1,959,359)	(175,335)	(3,026)	(563,638)	(33,315)	490,600

Draft June 13, 2023

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	1,000,737	1,685,091	1,547,436	201,957	3,639	478,196	133,089	5,050,145
User charges	9,486	385,654	29,057	144,806	-	342,750	31,551	943,304
Government transfers - operating	1,168,572	15,603	55,576	-	-	45,772	17,260	1,302,783
Government transfers - capital	-	-	92,490	-	-	-	-	92,490
Other municipalities	-	11,100	-	-	-	-	-	11,100
Penalty and interest on taxes	125,571	-	-	-	-	-	-	125,571
Investment income	160,287	-	-	-	-	149	-	160,436
Donations	-	33,472	-	-	-	115	-	33,587
Developer contributions earned	-	-	105,000	-	-	20,000	-	125,000
Parkland fees earned	-	-	-	-	-	4,058	-	4,058
Canada Community-Building Fund earned	-	-	121,454	-	-	-	-	121,454
Gain/(loss) on disposal of tangible capital assets	-	-	-	-	-	178,042	-	178,042
Other	44,574	-	-	-	-	-	-	44,574
Total revenues	2,509,227	2,130,920	1,951,013	346,763	3,639	1,069,082	181,900	8,192,544
Expenses								
Salaries and benefits	743,307	448,923	633,250	44,220	-	282,011	50,409	2,202,120
Materials	256,758	329,103	553,179	46,095	2,499	463,267	5,253	1,656,154
Contracted services	123,565	1,087,982	149,303	167,356	-	31,275	18,551	1,578,032
Rents and financial	4,395	-	-	-	-	-	-	4,395
External transfers	2,875	98,778	-	-	-	-	-	101,653
Amortization	76,562	126,397	914,070	8,321	436	124,568	242	1,250,596
Total expenses	1,207,462	2,091,183	2,249,802	265,992	2,935	901,121	74,455	6,792,950
Net surplus/(deficit)	1,301,765	39,737	(298,789)	80,771	704	167,961	107,445	1,399,594

Draft June 13, 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Corporation of the Township of Douro-Dummer

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Douro-Dummer (the Trust Funds), which comprise the statement of financial position as at December 31, 2020, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2020, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Chartered Professional Accountants

Licensed Public Accountants

Peterborough, Ontario

June 20, 2023

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2020

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2020 Total \$	2019 Total \$
FINANCIAL ASSETS						
Cash	8,810	14,861	-	1,617	25,288	17,358
Investments	-	-	-	-	-	8,058
Loans receivable (note 2)	-	11,577	-	-	11,577	11,577
Due from Township	-	568	3,700	163	4,431	4,277
Due from Province	-	339	-	-	339	339
	8,810	27,345	3,700	1,780	41,635	41,609
FUND BALANCES	8,810	27,345	3,700	1,780	41,635	41,609

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

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2020 Total \$	2019 Total \$
BALANCES - beginning of year	8,802	27,345	3,700	1,762	41,609	41,495
RECEIPTS						
Interest earned	8	172	21	18	219	620
EXPENSES						
Administration fees	-	172	-	-	172	115
Transfer to Township	-	-	21	-	21	391
	-	172	21	-	193	506
BALANCES - end of year	8,810	27,345	3,700	1,780	41,635	41,609

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) **Basis of accounting**

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) **Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

2. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2020 are comprised of repayable loans of \$11,577 (2019 - \$11,577).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

3. CARE AND MAINTENANCE FUNDS

The Care and Maintenance Funds administered by the Township are funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to preform perpetual care maintenance to the cemetery. 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.

**CORPORATION OF THE TOWNSHIP OF
DOURO-DUMMER**

DOURO-DUMMER PUBLIC LIBRARY

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of the Douro-Dummer Public Library, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer

We have reviewed the accompanying financial statements of the Douro-Dummer Public Library of the Corporation of the Township of Douro-Dummer (the Board), that comprise the statement of financial position as at December 31, 2020 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 20, 2023

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF FINANCIAL POSITION At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	50	50
Accounts receivable	15,420	15,039
Due from Township (note 2)	74,524	101,220
TOTAL FINANCIAL ASSETS	89,994	116,309
LIABILITIES		
Deferred revenue	-	33,611
NET FINANCIAL ASSETS	89,994	82,698
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	154,396	89,998
ACCUMULATED SURPLUS (note 5)	244,390	172,696

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2020

	Budget 2020 \$ (see Note 3)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Municipal contributions (note 2)	129,805	120,035	124,811
Province of Ontario	14,307	15,420	15,141
Government of Canada	-	33,611	30,631
User charges	1,128	225	1,166
TOTAL REVENUES	145,240	169,291	171,749
EXPENSES			
Salaries, wages and benefits	70,586	50,755	61,756
Subscriptions and videos	2,280	1,325	1,138
Supplies, materials and rentals	11,246	7,706	8,443
Public relations and advertising	1,835	934	1,659
Memberships, staff training and mileage	5,390	4,089	4,012
Utilities	9,600	7,589	9,353
Property maintenance and repairs	8,450	4,977	8,401
Contracted services	1,610	1,100	1,100
Amortization	13,478	19,122	13,478
TOTAL EXPENSES	124,475	97,597	109,340
ANNUAL SURPLUS	<u>20,765</u>	71,694	62,409
ACCUMULATED SURPLUS - beginning of year		172,696	110,287
ACCUMULATED SURPLUS - end of year		244,390	172,696

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2020

	Budget 2020 \$ (Note 4)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS	20,765	71,694	62,409
Amortization of tangible capital assets	13,478	19,122	13,478
Acquisition of tangible capital assets	(105,545)	(83,520)	(44,003)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(71,302)	7,296	31,884
NET FINANCIAL ASSETS - beginning of year	82,698	82,698	50,814
NET FINANCIAL ASSETS - end of year	11,396	89,994	82,698

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF CASH FLOWS For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	71,694	62,409
Items not involving cash		
Amortization of tangible capital assets	19,122	13,478
Change in non-cash assets and liabilities		
Accounts receivable	(381)	(14,125)
Due from Township	26,696	(51,370)
Deferred revenue	(33,611)	33,611
Net change in cash from operating activities	83,520	44,003
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(83,520)	(44,003)
NET CHANGE IN CASH	-	-
CASH - beginning of year	50	50
CASH - end of year	50	50

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of revenue and expenses

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

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

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

(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 and building improvements	15 to 50 years
Equipment and books	5 to 40 years
Computers	5 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.

(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 DOURO-DUMMER

DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-financial assets

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

(f) Inter-Entity Transactions

The Douro-Dummer Public Library is a Board of the Township of Douro-Dummer 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.

(g) 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.

2. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Douro-Dummer.

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 provides accounting and administrative services to the Board at no cost.

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

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to review.

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

4. TANGIBLE CAPITAL ASSETS

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

	Buildings and building improvements \$	Equipment and Books \$	Computer \$	Assets Under Construction \$	2020 Totals \$	2019 Totals \$
COST						
Balance, beginning of year	94,350	84,579	7,879	4,944	191,752	156,483
Add: additions during the year	69,840	13,680	-	-	83,520	44,003
Less: disposals during the year	-	11,962	-	-	11,962	8,734
Internal transfers	4,944	-	-	(4,944)	-	-
Balance, end of year	169,134	86,297	7,879	-	263,310	191,752
ACCUMULATED AMORTIZATION						
Balance, beginning of year	54,110	39,671	7,973	-	101,754	97,010
Add: additions during the year	4,513	14,609	-	-	19,122	13,478
Less: disposals during the year	-	11,962	-	-	11,962	8,734
Balance, end of year	58,623	42,318	7,973	-	108,914	101,754
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	110,511	43,979	(94)	-	154,396	89,998

CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020 \$	2019 \$
Deficit		
Operations	-	(6,871)
Invested In Capital Assets		
Tangible capital assets - net book value	154,396	89,998
Unfunded capital	(9,451)	-
	144,945	89,998
Surplus	144,945	83,127
Reserve		
Future capital projects	99,445	89,569
	244,390	172,696

6. COMPARATIVE FIGURES

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

7. UNCERTAINTY CAUSED BY COVID-19

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