

Township of Killaloe, Hagarty and Richards

Financial Statements

For the year ended 31 December 2021



Naturally Spirited

KILLALOE-HAGARTY-RICHARDS

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Township of Killaloe, Hagarty and Richards (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is contained in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MacKilligan & Associates, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

Susan Sheridan
CAO/Clerk Treasurer

Township of Killaloe, Hagarty and Richards

Consolidated Financial Statements Index

For the year ended 31 December 2021

	<u>Page</u>
Independent Auditor's Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations and Accumulated Surplus	3
Consolidated Statement of Changes in Net Financial Assets	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6 - 13
Schedule of General Operations	14
Schedule of Water Fund Operations	15
Schedule of Sewage Fund Operations	16
Schedule of Reserves and Reserve Funds	17
Schedule of Tangible Capital Assets	18 - 19

Village of Killaloe Recreation Committee

Independent Auditor's Report	20
Statement of Financial Position	21
Statement of Operations and Accumulated Surplus	22
Notes to the Financial Statements	23 - 24

Killaloe & District Public Library Board

Independent Auditor's Report	25
Statement of Financial Position	26
Statement of Operations and Accumulated Surplus	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 30



MACKILLICAN & ASSOCIATES CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Killaloe, Hagarty and Richards.

Opinion

We have audited the consolidated financial statements of the Township of Killaloe, Hagarty and Richards (the Township), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net financial assets and consolidated statement of 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 financial position of the Township as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at *MacKillochan's* website at: http://mackillochans.com/PDF/Auditors_Responsibilities.pdf. This description forms part of our auditor's report.

RENFREW, Ontario.

21 March 2022.

Mackillochan & Associates

Chartered Professional Accountants,

Licensed Public Accountants.

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Township of Killaloe, Hagarty and Richards
Consolidated Statement of Financial Position

As at 31 December 2021
(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 707,932	\$ 2,054,833
Taxes receivable	1,156,198	1,223,258
Accounts receivable	571,256	506,339
Investments (Note 3)	<u>343,038</u>	<u>343,038</u>
	\$ <u>2,778,424</u>	\$ <u>4,127,468</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 280,680	\$ 213,819
Deferred revenue - obligatory reserve funds (Note 5)	13,149	161,074
Landfill closure and post closure costs (Note 6)	<u>955,000</u>	<u>955,000</u>
	\$ <u>1,248,829</u>	\$ <u>1,329,893</u>
	\$ <u>1,529,595</u>	\$ <u>2,797,575</u>
Net financial assets		
Non-financial assets:		
Tangible capital assets (net)	\$ 7,395,507	\$ 6,244,889
Inventories of supplies	27,706	60,261
Prepaid expenses	<u>22,933</u>	<u>14,938</u>
	\$ <u>7,446,146</u>	\$ <u>6,320,088</u>
	\$ <u>8,975,741</u>	\$ <u>9,117,663</u>
Accumulated surplus		
Accumulated surplus comprised of:		
Equity in tangible capital assets	\$ 5,584,101	\$ 5,539,125
Discretionary reserve fund	196,776	172,204
Reserves	4,054,424	4,275,404
General	62,374	61,310
Water fund operations	(15,630)	(28,730)
Killaloe & District Public Library Board	32,041	36,733
Village of Killaloe Recreation Committee	16,655	16,617
Unfunded - landfill closure and post closure costs (Note 2)	<u>(955,000)</u>	<u>(955,000)</u>
	\$ <u>8,975,741</u>	\$ <u>9,117,663</u>
Total accumulated surplus		

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Consolidated Statement of Operations and Accumulated Surplus

For the year ended 31 December 2021

(with 2021 budget and 2020 actual figures for comparison)

	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Revenue:			
Taxation and user charges	\$ 3,043,767	\$ 3,073,714	\$ 3,049,603
Government transfers:			
Ontario	1,242,648	1,164,602	1,415,005
Canada	365,323	382,299	3,780
Other municipalities	6,168	6,168	6,168
Other	<u>345,426</u>	<u>492,782</u>	<u>362,568</u>
	\$ <u>5,003,332</u>	\$ <u>5,119,565</u>	\$ <u>4,837,124</u>
Expenses:			
General government	\$ 813,937	\$ 818,593	\$ 709,741
Protection to persons and property	1,250,527	1,115,922	1,048,652
Transportation services	2,139,281	1,871,729	1,584,877
Environmental services	1,147,818	1,082,949	1,038,301
Health services			21,000
Recreation and cultural services	371,810	361,947	267,669
Planning and development	<u>5,100</u>	<u>10,347</u>	<u>2,975</u>
	\$ <u>5,728,473</u>	\$ <u>5,261,487</u>	\$ <u>4,673,215</u>
Excess (shortfall) of revenue over expenses	\$ (725,141)	\$ (141,922)	\$ 163,909
Accumulated surplus at the beginning of the year	<u>9,117,663</u>	<u>9,117,663</u>	<u>8,953,754</u>
Accumulated surplus at the end of the year	\$ <u>8,392,522</u>	\$ <u>8,975,741</u>	\$ <u>9,117,663</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards
Consolidated Statement of Changes in Net Financial Assets
 For the year ended 31 December 2021
 (with 2021 budget and 2020 actual figures for comparison)

	<u>2021</u>	<u>2021</u>	<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Excess (shortfall) of revenue over expenses	\$ (725,141)	\$ (141,922)	\$ 163,909
Amortization of tangible capital assets		709,913	697,702
Acquisition of tangible capital assets	(1,733,641)	(1,860,531)	(1,344,830)
Gain on sale of tangible capital assets		(19,900)	
Proceeds on sale of tangible capital assets		19,900	
Use of (acquisition of) inventory		32,555	(316)
Use of (acquisition of) prepaid expenses		<u>(7,995)</u>	<u>(3,538)</u>
Decrease in net financial assets	\$ (1,748,869)	\$ (1,267,980)	\$ (487,073)
Net financial assets at the beginning of the year	<u>2,797,575</u>	<u>2,797,575</u>	<u>3,284,648</u>
Net financial assets at the end of the year	<u>\$ 1,048,706</u>	<u>\$ 1,529,595</u>	<u>\$ 2,797,575</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Consolidated Statement of Cash Flows

For the year ended 31 December 2021
(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ (141,922)	\$ 163,909
Add (deduct) items which do not involve cash:		
- amortization	709,913	697,702
- gain on sale of tangible capital assets	<u>(19,900)</u>	
	\$ 548,091	\$ 861,611
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ 67,060	\$ (76,018)
- decrease (increase) in accounts receivable	(64,917)	28,644
- decrease (increase) in inventories of supplies	32,555	(316)
- decrease (increase) in prepaid expenses	(7,995)	(3,538)
- increase (decrease) in accounts payable and accrued liabilities	66,861	(267,091)
- increase (decrease) in deferred revenue - obligatory reserve funds	<u>(147,925)</u>	<u>74,820</u>
	\$ (54,361)	\$ (243,499)
Cash flows from operating activities	\$ 493,730	\$ 618,112
Cash flows used for capital activities:		
Additions to tangible capital assets:		
General government	\$	\$ (250,072)
Protection services	(1,292,918)	(928,765)
Transportation services	(567,613)	(165,993)
Proceeds on sale of tangible capital assets	<u>19,900</u>	
Cash flows used for capital activities	\$ (1,840,631)	\$ (1,344,830)
Decrease in cash and cash equivalents during the year	\$ (1,346,901)	\$ (726,718)
Cash and cash equivalents at the beginning of the year	<u>2,054,833</u>	<u>2,781,551</u>
Cash and cash equivalents at the end of the year	<u><u>707,932</u></u>	<u><u>2,054,833</u></u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Killaloe, Hagarty and Richards are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. 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 or controlled by the Township. Interdepartmental and organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Village of Killaloe Recreation Committee
 - Killaloe & District Public Library Board
- (ii) Accounting for County and School Board Transactions
 The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

Township of Killaloe, Hagarty and Richards

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(d) Tangible Capital Assets

(i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Non-Residential Building Construction Price Index (NRBCPI) for infrastructure, storm sewers and sanitary sewers and using the Consumer Price Index (CPI) for all other assets. Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 - 25 years
Buildings	15 - 30 years
Machinery and equipment	5 - 10 years
Vehicles	5 - 20 years
Linear assets	10 - 40 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(e) Inventory

Inventory held for consumption is recorded at the lower of cost or replacement cost on a specific item basis.

(f) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

Township of Killaloe, Hagarty and Richards

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (g) Government Transfers
Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.
Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.
- (h) Deferred Revenue
Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.
- (i) Deferred Revenue - Obligatory Reserve Funds
The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.
- (j) Use of Estimates
The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Significant estimates include the allowance for doubtful taxes, landfill closure and post closure costs and amortization.
- (k) Cash and Cash Equivalents
Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.
- (l) Revenue Recognition
Taxation revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years. Fees and user charges relate to utility charges (water, wastewater, and solid waste) licensing fees, fees for use of various programming, and fees imposed based on specific activities, is recognized when the activity is performed or when the services are rendered.
- (m) Financial Instruments
Financial instruments include cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.
The carrying amounts reported on the statement of financial position for cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities, approximate their fair values, due to the immediate and short term maturities of these financial instruments.
2. AMOUNTS TO BE RECOVERED
Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to finance unfunded liabilities, comprised of the landfill closure and post closure liabilities.

Township of Killaloe, Hagarty and Richards

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

3. INVESTMENTS

The investments in Ottawa River Power Corporation (ORPC) and Ottawa River Solutions Inc. (ORSI) are carried at cost and are comprised as follows:

	<u>2021</u>	<u>2020</u>
169 Common shares (2020 - 169) of ORPC	\$ 169,507	\$ 169,507
169 Special shares of ORPC	169	169
169 Common shares (2020 - 169) of ORSI	845	845
169 Special shares of ORSI	169	169
Promissory Note from ORPC 5.37% (2020 - 5.37%)	<u>172,348</u>	<u>172,348</u>
	<u>\$ 343,038</u>	<u>\$ 343,038</u>

4. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew 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:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 602,065	\$ 1,399,515
Payments in lieu	<u>695</u>	<u>35,476</u>
	<u>\$ 602,760</u>	<u>\$ 1,434,991</u>

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place because federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

(a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	<u>2021</u>	<u>2020</u>
Shoreline	\$ 12,554	\$ 8,371
Gasoline Tax - Federal	<u>595</u>	<u>152,703</u>
	<u>\$ 13,149</u>	<u>\$ 161,074</u>

(b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

	<u>2021</u>	<u>2020</u>
Balance at the beginning of the year	\$ 161,074	\$ 86,254
Gas tax revenue received	150,534	73,414
Sale of shoreline	4,160	3,595
Interest earned	<u>618</u>	<u>811</u>
Used to purchase tangible capital assets	\$ 316,386	\$ 164,074
Transfer to General Fund	<u>(303,237)</u>	<u>(3,000)</u>
Balance at the end of the year	<u>\$ 13,149</u>	<u>\$ 161,074</u>

Township of Killaloe, Hagarly and Richards
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

6. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. Some closure costs are incurred on an ongoing basis and are included in the yearly fiscal operating budget. All remaining expected closure and post closure costs have been discounted at the Township's average long term borrowing rate, net of estimated inflation. There is currently \$ 790,708 in reserves set aside for either closure or post closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the useful life and estimated post closure care period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

	<u>Killaloe</u>	<u>Red Rock</u>	<u>Round Lake</u>
Landfill sites' estimated remaining capacity in cubic metres	1,007	1,109	77,305
Landfill sites' remaining useful life in years	1	1	0
Expected years of post closure care	25	25	25

The estimated total undiscounted expenses for closure and the 25 year post closure period amount to approximately \$ 1,525,000.

7. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Township is not aware of any claims or possible claims as at 31 December 2021.

8. BUDGET FIGURES

The operating budget approved by the Township of Killaloe, Hagarly and Richards for 2021 is reflected on the Consolidated Statement of Operations. The budget established for capital investment in tangible capital assets is 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. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budget has not been audited.

9. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by function, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

Township of Killaloe, Hagarty and Richards
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

9. TANGIBLE CAPITAL ASSETS (Continued)

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. There were no such transfers in 2021.

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2021 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

10. CONTRACTUAL OBLIGATIONS

In 2019, the Township entered into a 5 year contract with Ontario Clean Water Agency. The fixed price contract was established for water and sewage treatment. The annual cost of this contract was \$ 284,113 (2020 - \$ 269,574) and is adjusted annually for inflation and insurance.

The Township has not negotiated a contract with the Ontario Provincial Police for the provision of policing services, however, the Ontario Provincial Police provide policing services on an annual basis. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The amount for 2021 was \$ 497,039 (2020 - \$ 514,449).

The Township has negotiated a 10 year contract with Lafleche for the collection and disposal of compacted household waste. The contract runs from May 2013 to May 2023. Annual charges are determined by the ton. The contract for 2021 was \$ 56,873 (2020 - \$ 64,902).

The Township has entered into a commercial lease agreement with Bank of Montreal for a 2019 International tandem truck. The lease obligation runs until March 2022. Monthly payments of \$ 6,707 include HST. The cost of the lease agreement in 2021 was \$ 72,483 (2020 - \$ 72,483).

The Township has entered into a commercial lease agreement with Bank of Montreal for a 2020 International tandem truck. The lease obligation runs until February 2023. Monthly payments of \$ 8,469 include HST. The cost of the lease agreement in 2021 was \$ 91,522 (2020 - \$ 89,828).

11. SEGMENTED INFORMATION

- (a) The Township is responsible for providing a wide range of services to its citizens. The Township reports on functional areas and programs in its consolidated financial statements. A brief description of each segment follows:
- i) General government is comprised of Council and administration and is responsible for the overall governance and management of the Municipality.
 - ii) Protection is comprised of police, fire, and other protective services.
 - iii) Transportation is comprised of roads including parking, signs and signals, streetlights and the maintenance of roads of the Township.
 - iv) Environmental services include water supply and distribution, wastewater treatment, and solid waste and recycling services.
 - v) Recreation and cultural services include parks, recreation and libraries.

Township of Killaloe, Hagarty and Richards
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

11. SEGMENTED INFORMATION (Continued)

vi) Planning and development services are comprised of managing development for residential and business interests, as well as infrastructure and parks.

(b) For each functional area, expenditures represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The expenditures for 31 December 2021 are as follows:

	<u>Salaries and benefits</u>	<u>Interest on long term debt</u>	<u>Materials and contracted services</u>	<u>Rent and external transfers</u>	<u>Amortization</u>	<u>Total</u>
General government	\$ 503,249	\$ -	\$ 257,046	\$ 18,050	\$ 40,248	\$ 818,593
Protection services	355,222		714,188		46,512	1,115,922
Transportation services	574,283		871,323		426,123	1,871,729
Environmental services	159,741		745,274		177,934	1,082,949
Recreation	211,534		131,317		19,096	361,947
Planning and development	<u> </u>	<u> </u>	<u>10,347</u>	<u> </u>	<u> </u>	<u>10,347</u>
	<u>\$ 1,804,029</u>	<u>\$ -</u>	<u>\$ 2,729,495</u>	<u>\$ 18,050</u>	<u>\$ 709,913</u>	<u>\$ 5,261,487</u>

(c) The expenditures for 31 December 2020 are as follows:

	<u>Salaries and benefits</u>	<u>Interest on long term debt</u>	<u>Materials and contracted services</u>	<u>Rent and external transfers</u>	<u>Amortization</u>	<u>Total</u>
General government	\$ 460,501	\$ -	\$ 189,960	\$ 26,250	\$ 33,030	\$ 709,741
Protection services	249,626		748,250		50,776	1,048,652
Transportation services	483,129		685,321		416,427	1,584,877
Environmental services	159,998		700,368		177,935	1,038,301
Health services				21,000		21,000
Recreation	161,583		86,552		19,534	267,669
Planning and development	<u> </u>	<u> </u>	<u>2,975</u>	<u> </u>	<u> </u>	<u>2,975</u>
	<u>\$ 1,514,837</u>	<u>\$ -</u>	<u>\$ 2,413,426</u>	<u>\$ 47,250</u>	<u>\$ 697,702</u>	<u>\$ 4,673,215</u>

12. PENSION CONTRIBUTIONS

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan during the year. The plan provides defined pension benefits to employees based on their length of service and rates of pay. During the year ended 31 December 2021, the Municipality contributed \$ 101,699 (2020 - \$ 82,414) to the plan and is included as an expense in the consolidated statement of operations. The Township does not recognize in its consolidated financial statements any share of the pension plan surplus as this is a joint responsibility of all Ontario municipalities and their employees. The pension plan deficit for 2020 was \$ 7,655,000,000 based on the fair market value of the Plan's assets.

Township of Killaloe, Hagarty and Richards
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Tangible capital assets - net	\$ 7,395,507	\$ 6,244,889
Unexpended capital financing (unfunded capital outlay)	<u>(1,811,406)</u>	<u>(705,764)</u>
	<u>\$ 5,584,101</u>	<u>\$ 5,539,125</u>

14. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.

Township of Killaloe, Hagarty and Richards
Schedule of General Operations
For the year ended 31 December 2021
(with 2021 budget and 2020 actual figures for comparison)

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 2,757,767	\$ 2,764,730	\$ 2,749,649
Government transfers:			
Ontario	1,232,978	1,154,928	1,405,372
Canada	362,437	379,344	
Other municipalities	1,520	1,520	1,520
Other	<u>326,720</u>	<u>479,321</u>	<u>325,070</u>
	<u>\$ 4,681,422</u>	<u>\$ 4,779,843</u>	<u>\$ 4,481,611</u>
Expenses:			
General government	\$ 813,937	\$ 818,593	\$ 709,741
Protection to persons and property	1,250,527	1,115,922	1,048,652
Transportation services	2,139,281	1,871,729	1,584,877
Environmental services	861,818	729,885	727,390
Health services			21,000
Recreation and cultural services	250,950	240,640	151,050
Planning and development	<u>5,100</u>	<u>10,347</u>	<u>2,975</u>
	<u>\$ 5,321,613</u>	<u>\$ 4,787,116</u>	<u>\$ 4,245,685</u>
Excess (shortfall) of revenue over expenses	<u>\$ (640,191)</u>	<u>\$ (7,273)</u>	<u>\$ 235,926</u>
Transfers:			
Transfer to library	\$ (90,000)	\$ (86,381)	\$ (56,471)
Transfer to discretionary reserve fund		(24,106)	(16,832)
Transfer to water	(28,730)	(28,730)	
Transfer from (to) reserves	615,697	192,530	(218,088)
Transfer from (to) equity in tangible capital assets	<u>81,914</u>	<u>(44,976)</u>	<u>58,636</u>
Net transfers	<u>\$ 578,881</u>	<u>\$ 8,337</u>	<u>\$ (232,755)</u>
Change in general surplus (deficit) for the year	\$ (61,310)	\$ 1,064	\$ 3,171
General surplus at the beginning of the year	<u>61,310</u>	<u>61,310</u>	<u>58,139</u>
General surplus at the end of the year	<u>\$ -</u>	<u>\$ 62,374</u>	<u>\$ 61,310</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Water Fund Operations

For the year ended 31 December 2021
(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
Revenue:		
User charges	\$ <u>152,777</u>	\$ <u>146,230</u>
Expenses:		
Ontario Clean Water Agency billings	\$ 155,540	\$ 148,133
Hydro	<u>12,867</u>	<u>14,260</u>
	\$ <u>168,407</u>	\$ <u>162,393</u>
Shortfall of revenue over expenses	\$ (15,630)	\$ (16,163)
Transfers:		
Transfer from general fund	<u>28,730</u>	<u> </u>
Change in water fund surplus (deficit)	\$ 13,100	\$ (16,163)
Water fund deficit at the beginning of the year	<u>(28,730)</u>	<u>(12,567)</u>
Water fund deficit at the end of the year	<u>\$ (15,630)</u>	<u>\$ (28,730)</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Sewage Fund Operations

For the year ended 31 December 2021
(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
Revenue:		
User charges	\$ <u>156,207</u>	\$ <u>153,724</u>
Expenses:		
Grant in lieu	\$ 945	\$ 922
Hydro	21,341	21,452
Materials	34,858	4,703
Ontario Clean Water Agency billings	<u>127,513</u>	<u>121,441</u>
	\$ <u>184,657</u>	\$ <u>148,518</u>
Excess (shortfall) of revenue over expenses	\$ (28,450)	\$ 5,206
Transfers:		
Transfer from (to) reserves	<u>28,450</u>	<u>(5,206)</u>
Change in sewage fund surplus	\$ -	\$ -
Sewage fund surplus at the beginning of the year	<u>-</u>	<u>-</u>
Sewage fund surplus at the end of the year	<u><u>-</u></u>	<u><u>-</u></u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Reserves and Reserve Funds

For the year ended 31 December 2021

(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
Contributions:		
From operations	\$ <u>181,154</u>	\$ <u>532,851</u>
Transfers:		
Transfer to operations	\$ 87,449	\$ 19,851
Transfer to tangible capital asset acquisitions	<u>290,113</u>	<u>271,688</u>
	\$ <u>377,562</u>	\$ <u>291,539</u>
Change in reserves and reserve funds balance	\$ (196,408)	\$ 241,312
Reserves and reserve funds at the beginning of the year	<u>4,447,608</u>	<u>4,206,296</u>
Reserves and reserve funds at the end of the year	<u>\$ 4,251,200</u>	<u>\$ 4,447,608</u>
Reserves:		
Working funds	\$ 2,665,885	\$ 2,608,302
Protection services	137,466	308,291
Roadways	432,081	511,369
Wastewater system	19,400	47,850
Waterworks system	21,290	21,290
Solid waste disposal	378,350	378,350
Hydro Reserve Killaloe	<u>399,952</u>	<u>399,952</u>
Total reserves	\$ 4,054,424	\$ 4,275,404
Discretionary reserve fund set aside for specific purpose:		
Environmental	<u>196,776</u>	<u>172,204</u>
Total reserves and reserve funds	<u>\$ 4,251,200</u>	<u>\$ 4,447,608</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Tangible Capital Assets

For the year ended 31 December 2021

(with 2020 figures for comparison)

Segmented by asset class:	Balance at 31 December 2020	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December 2021
<u>Cost</u>				
Land	\$ 443,546			\$ 443,546
Land improvements	363,332			363,332
Buildings	4,857,369			4,857,369
Machinery and equipment	1,134,576	\$ 182,189		1,316,765
Vehicles	2,321,218	49,861	\$ (106,861)	2,264,218
Linear assets	21,019,208	522,840		21,542,048
Capital work in progress	<u>852,180</u>	<u>1,105,641</u>		<u>1,957,821</u>
Total	<u>\$ 30,991,429</u>	<u>\$ 1,860,531</u>	<u>\$ (106,861)</u>	<u>\$ 32,745,099</u>

Accumulated <u>amortization</u>	Balance at 31 December 2020	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December 2021
Land	\$ 124,051			\$ 124,051
Land improvements	258,866	\$ 8,049		266,915
Buildings	3,938,071	108,168		4,046,239
Machinery and equipment	764,002	88,520		852,522
Vehicles	1,633,985	81,671	\$ (106,861)	1,608,795
Linear assets	<u>18,027,565</u>	<u>423,505</u>		<u>18,451,070</u>
Total	<u>\$ 24,746,540</u>	<u>\$ 709,913</u>	<u>\$ (106,861)</u>	<u>\$ 25,349,592</u>

<u>Net book value</u>	Balance at 31 December 2020	Balance at 31 December 2021
Land	\$ 319,495	\$ 319,495
Land improvements	104,466	96,417
Buildings	919,298	811,130
Machinery and equipment	370,574	464,243
Vehicles	687,233	655,423
Linear assets	2,991,643	3,090,978
Capital work in progress	<u>852,180</u>	<u>1,957,821</u>
Total	<u>\$ 6,244,889</u>	<u>\$ 7,395,507</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Tangible Capital Assets

For the year ended 31 December 2021
(with 2020 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 December <u>2020</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2021</u>
General government	\$ 959,719			\$ 959,719
Protection services	2,561,512	\$ 1,292,918		3,854,430
Transportation services	19,676,055	567,613	\$ (48,169)	20,195,499
Environmental services - waste sites	731,641		(58,692)	672,949
Environmental services - water	3,786,120			3,786,120
Environmental services - sewage	2,345,420			2,345,420
Recreation services	<u>930,962</u>			<u>930,962</u>
Total	<u>\$ 30,991,429</u>	<u>\$ 1,860,531</u>	<u>\$ (106,861)</u>	<u>\$ 32,745,099</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2020</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2021</u>
General government	\$ 471,549	\$ 40,248		\$ 511,797
Protection services	1,080,267	46,512		1,126,779
Transportation services	16,403,474	426,123	\$ (48,169)	16,781,428
Environmental services - waste sites	567,265	32,331	(58,692)	540,904
Environmental services - water	3,350,702	141,992		3,492,694
Environmental services - sewage	2,243,175	3,611		2,246,786
Recreation services	<u>630,108</u>	<u>19,096</u>		<u>649,204</u>
Total	<u>\$ 24,746,540</u>	<u>\$ 709,913</u>	<u>\$ (106,861)</u>	<u>\$ 25,349,592</u>

<u>Net book value</u>	Balance at 31 December <u>2020</u>	Balance at 31 December <u>2021</u>
General government	\$ 488,170	\$ 447,922
Protection services	1,481,245	2,727,651
Transportation services	3,272,581	3,414,071
Environmental services - waste sites	164,376	132,045
Environmental services - water	435,418	293,426
Environmental services - sewage	102,245	98,634
Recreation services	<u>300,854</u>	<u>281,758</u>
Total	<u>\$ 6,244,889</u>	<u>\$ 7,395,507</u>

(See accompanying notes)



INDEPENDENT AUDITOR'S REPORT

To the Board Members,
Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Killaloe, Hagarty and Richards.

Opinion

We have audited the financial statements of the Village of Killaloe Recreation Committee (the Committee), which comprise the statement of financial position as at 31 December 2021, and the statement of operations and accumulated surplus 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 Committee as at 31 December 2021, and its financial performance for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 Committee 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 PSAS, 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 Committee'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 Committee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Committee'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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at *MacKillican's* website at: http://mackillicans.com/PDF/Auditors_Responsibilities.pdf. This description forms part of our auditor's report.

MacKillican & Associates

RENFREW, Ontario.

21 March 2022.

Chartered Professional Accountants,

Licensed Public Accountants.

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Village of Killaloe Recreation Committee

Statement of Financial Position

As at 31 December 2021

(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
<u>ASSET</u>		
Cash in bank	\$ <u>16,655</u>	\$ <u>16,617</u>
<u>ACCUMULATED SURPLUS</u>		
Accumulated surplus	\$ <u>16,655</u>	\$ <u>16,617</u>

(See accompanying notes)

Village of Killaloe Recreation Committee
Statement of Operations and Accumulated Surplus
For the year ended 31 December 2021
(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
Revenue:		
Fundraising	\$ 42	\$ 9,268
Interest	<u>46</u>	<u>135</u>
	\$ <u>88</u>	\$ <u>9,403</u>
Expenses:		
Fundraising	\$ <u>50</u>	\$ <u>8,020</u>
Excess of revenue over expenses	\$ 38	\$ 1,383
Accumulated surplus at the beginning of the year	<u>16,617</u>	<u>15,234</u>
Accumulated surplus at the end of the year	<u>\$ 16,655</u>	<u>\$ 16,617</u>

(See accompanying notes)

Village of Killaloe Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Killaloe Recreation Committee are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

(e) Investment Income

Investment income earned on current funds are reported as revenue in the period earned.

(f) Financial Instruments

Financial instruments include cash in bank. Unless otherwise noted, it is management's opinion that the Committee is not exposed to significant interest, currency or credit risks arising from the financial instruments. The carrying amounts reported on the statement of financial position for cash in bank, approximates the fair value, due to the immediate and short term maturity of the financial instruments.

2. CONTINGENT LIABILITIES

The nature of Committee activities is such that there may be litigation pending or in prospect at any time. The Committee is not aware of any claims or possible claims as at 31 December 2021.

Village of Killaloe Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2021

3. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board Members,
Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Killaloe, Hagarty and Richards.

Opinion

We have audited the financial statements of the Killaloe & District Public Library Board (the Library Board), which comprise the statement of financial position as at 31 December 2021, and the statement of operations and accumulated surplus and statement of 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 Library Board as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 Library 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 PSAS, 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 Library 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 Library Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at *MacKilligan's* website at: http://mackillicans.com/PDF/Auditors_Responsibilities.pdf. This description forms part of our auditor's report.

MacKilligan & Associates

RENFREW, Ontario.
21 March 2022.

Chartered Professional Accountants,
Licensed Public Accountants.

Killaloe & District Public Library Board

Statement of Financial Position

As at 31 December 2021
(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash on hand and in bank	\$ 21,721	\$ 24,313
Due from Canada		5,266
Due from Ontario - SOLS Connectivity	1,284	
Investments	<u>11,985</u>	<u>11,955</u>
	<u>\$ 34,990</u>	<u>\$ 41,534</u>
<u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
Liabilities:		
Accounts payable	\$ 2,200	\$ 2,200
Due to Canada	<u>749</u>	<u>2,601</u>
	\$ 2,949	\$ 4,801
Accumulated surplus	<u>32,041</u>	<u>36,733</u>
	<u>\$ 34,990</u>	<u>\$ 41,534</u>

(See accompanying notes)

Killaloe & District Public Library Board
Statement of Operations and Accumulated Surplus
For the year ended 31 December 2021
(with 2021 budget and 2020 actual figures for comparison)

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Accumulated surplus at the beginning of the year	\$ <u>36,733</u>	\$ <u>36,733</u>	\$ <u>43,891</u>
Revenue:			
Canada grants - Summer Jobs Service Grant	\$ 2,886	\$ 2,955	\$ 3,780
Province of Ontario grants - Ontario Library	6,824	6,824	6,824
- Pay Equity Grant	1,312	1,312	1,312
- Connectivity Grant	1,284	1,284	1,284
- SOLS ILL Reimbursement	250	254	213
Services sold to other library boards	4,648	4,648	4,648
Fines, donations, fundraising and sundry	<u>18,606</u>	<u>12,907</u>	<u>26,909</u>
	\$ <u>35,810</u>	\$ <u>30,184</u>	\$ <u>44,970</u>
Expenses:			
Advertising and promotions	\$ 500	\$ 454	\$ 346
Audit and legal	3,780	3,765	3,765
Books	12,725	12,516	12,576
Connectivity - SOLS	1,284	1,290	1,284
Insurance	4,100	4,774	4,099
Integrated library system	600	612	600
Licences	240	290	190
Postage and office	1,450	1,376	1,333
Programs and sundry	875	1,310	1,677
Summer Jobs Service Grant	2,886	2,955	3,780
Supplies and furniture	2,700	2,595	3,077
Training and development	500	551	37
Volunteer appreciation	400	100	361
Wages	<u>88,770</u>	<u>88,669</u>	<u>75,474</u>
	\$ <u>120,810</u>	\$ <u>121,257</u>	\$ <u>108,599</u>
Shortfall of revenue over expenses before transfers	\$ <u>(85,000)</u>	\$ <u>(91,073)</u>	\$ <u>(63,629)</u>
Transfers:			
Transfer to general fund			\$ (25,000)
Transfers from general fund	<u>85,000</u>	<u>86,381</u>	<u>81,471</u>
Net financing and transfers	\$ <u>85,000</u>	\$ <u>86,381</u>	\$ <u>56,471</u>
Shortfall of revenue over expenses for the year	\$ <u>-</u>	\$ <u>(4,692)</u>	\$ <u>(7,158)</u>
Accumulated surplus at the end of the year	<u>\$ 36,733</u>	<u>\$ 32,041</u>	<u>\$ 36,733</u>

(See accompanying notes)

Killaloe & District Public Library Board

Statement of Cash Flows

For the year ended 31 December 2021

(with 2020 figures for comparison)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Shortfall of revenue over expenses for the year	\$ <u>(4,692)</u>	\$ <u>(7,158)</u>
Net change in non cash working capital balance related to operations:		
- decrease (increase) in due from Canada	\$ 5,266	\$ (5,266)
- decrease (increase) in due from Ontario - SOLS Connectivity	(1,284)	
- increase (decrease) in due to Canada	<u>(1,852)</u>	<u>(616)</u>
	\$ <u>2,130</u>	\$ <u>(5,882)</u>
Cash flows used for operating activities	\$ <u>(2,562)</u>	\$ <u>(13,040)</u>
Decrease in cash and cash equivalents during the year	\$ (2,562)	\$ (13,040)
Cash and cash equivalents at the beginning of the year	<u>36,268</u>	<u>49,308</u>
Cash and cash equivalents at the end of the year	\$ <u><u>33,706</u></u>	\$ <u><u>36,268</u></u>
Comprised of:		
Cash on hand and in bank	\$ 21,721	\$ 24,313
Investments	<u>11,985</u>	<u>11,955</u>
	\$ <u><u>33,706</u></u>	\$ <u><u>36,268</u></u>

(See accompanying notes)

Killaloe & District Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Killaloe & District Public Library Board are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash on hand and in bank, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Library Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash on hand and in bank, investments and accounts payable, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

Killaloe & District Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2021

3. CONTINGENT LIABILITIES

The nature of the Board's activities is such that there may be litigation pending or in prospect at any time. The Library Board is not aware of any claims or possible claims as at 31 December 2021.

4. BUDGET FIGURES

The operating budget for 2021 is approved by the Killaloe & District Public Library Board. The Board does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budget is not audited.

5. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.