

TOWNSHIP OF ADMASTON/BROMLEY



477 Stone Road, R.R. #2
Renfrew, ON
K7V 3Z5

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the **CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY** (the Township) is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within the Financial Report. Management believes that the consolidated financial statements present fairly the Township's financial position as at December 31, 2022 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable consolidated financial information is available for preparation of the consolidated financial statements.

The Township's Council carries out its responsibilities for review of the consolidated financial statements principally through its regular meetings. The Township's Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Township's Council with and without the presence of management. The Township's Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Welch LLP, Chartered Professional Accountants, 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.

Chief Administrative Officer/Clerk
May 18, 2023
Renfrew, Canada

Treasurer - Deputy CAO/Clerk
May 18, 2023
Renfrew, Canada

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the
CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Admaston/Bromley (the Township), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and change in net financial debt 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, 2022 and the results of its consolidated operations, change in net financial debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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 financial information of the organizations 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.

Welch LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
Pembroke, Ontario
May 18, 2023

Welch LLP

An Independent Member of BKR International

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash	\$ 880,549	\$ 1,112,034
Taxes receivable (Note 2)	222,025	195,366
Accounts receivable	<u>549,680</u>	<u>440,238</u>
	<u>1,632,254</u>	<u>1,747,638</u>
LIABILITIES		
Accounts payable and accrued liabilities	318,119	380,206
Deferred revenue - general	48,415	62,847
Deferred revenue - obligatory (Note 3)	300,482	285,587
Provision for landfill closure and post-closure costs (Note 4)	442,600	410,000
Long-term debt (Note 5)	<u>2,503,395</u>	<u>2,337,104</u>
	<u>3,613,011</u>	<u>3,455,744</u>
NET FINANCIAL DEBT	<u>(1,980,757)</u>	<u>(1,708,106)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	13,891,581	14,093,263
Inventory for consumption	68,548	46,255
Prepaid expenses	<u>33,978</u>	<u>49,434</u>
	<u>13,994,107</u>	<u>14,188,952</u>
ACCUMULATED SURPLUS (Note 8)	<u>\$ 12,013,350</u>	<u>\$ 12,480,846</u>

(See accompanying notes and schedules)

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget 2022</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
REVENUE			
Property taxation	\$ 2,443,171	\$ 2,447,488	\$ 2,315,543
Payment in lieu of taxes	14,600	12,510	12,277
User and frontage charges	133,822	143,682	128,875
Provincial and other government transfers	1,670,314	1,511,397	886,903
Gas tax funding	105,770	93,080	182,867
Investment income	10,375	30,228	6,351
Penalties and interest	32,580	27,450	31,086
Fees, service charges, donations and miscellaneous	12,500	20,805	16,542
Loss on disposal of tangible capital assets	-	(281,050)	(718)
	<u>4,423,112</u>	<u>4,005,590</u>	<u>3,579,706</u>
EXPENSES			
General government	644,210	714,089	572,320
Protection to persons and property	708,435	752,828	704,937
Transportation services	1,252,893	2,580,117	2,272,657
Environmental services	284,050	291,143	355,144
Recreation and cultural services	74,820	89,073	71,373
Planning and development	73,300	45,838	50,040
	<u>3,037,608</u>	<u>4,473,086</u>	<u>4,026,471</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	1,385,504	(467,496)	(446,765)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>12,480,846</u>	<u>12,480,846</u>	<u>12,927,611</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 13,866,450</u>	<u>\$ 12,013,350</u>	<u>\$ 12,480,846</u>

(See accompanying notes and schedules)

Welch LLP

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget 2022</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ 1,385,604	\$ (487,496)	\$ (446,765)
Acquisition of tangible capital assets	(1,847,714)	(1,604,771)	(2,825,949)
Proceeds on disposal of tangible capital assets	-	47,637	18,200
Amortization of tangible capital assets	-	1,477,766	1,362,248
Loss on disposal of tangible capital assets	-	281,050	718
Acquisition of inventory	-	(22,293)	(1,359)
Changes in level of prepaid expenses	-	15,456	(34,305)
	<u>(1,847,714)</u>	<u>194,845</u>	<u>(1,480,447)</u>
INCREASE IN NET FINANCIAL DEBT	(462,110)	(272,651)	(1,927,212)
NET FINANCIAL DEBT, BEGINNING OF YEAR	<u>(1,708,106)</u>	<u>(1,708,106)</u>	<u>219,106</u>
NET FINANCIAL DEBT, END OF YEAR	\$ <u>(2,170,216)</u>	\$ <u>(1,980,757)</u>	\$ <u>(1,708,106)</u>

(See accompanying notes and schedules)

Welch LLP

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS USED IN OPERATING ACTIVITIES		
Excess of expenses over revenue	\$ (467,496)	\$ (446,785)
Non-cash items included in excess of expenses over revenue:		
Amortization of tangible capital assets	1,477,766	1,362,248
Loss on disposal of tangible capital assets	<u>281,050</u>	<u>718</u>
	1,291,320	916,201
Change in the level of:		
Taxes receivable	(26,659)	24,706
Accounts receivable	(109,442)	641,648
Inventory for consumption	(22,293)	(1,359)
Prepaid expenses	15,456	(34,305)
MDRAP loan	-	(228,500)
Accounts payable and accrued liabilities	(42,087)	204,812
Deferred revenue - general	(14,432)	33,414
Deferred revenue - obligatory	14,895	(31,725)
Solid waste landfill closure and post-closure liability	<u>32,600</u>	<u>71,680</u>
	<u>1,139,358</u>	<u>1,596,572</u>
CASH FLOWS FROM (USED IN) CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	47,637	18,200
Acquisition of tangible capital assets	<u>(1,604,771)</u>	<u>(2,825,949)</u>
	<u>(1,557,134)</u>	<u>(2,807,749)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	282,400	2,137,104
Repayment of long-term debt	<u>(116,109)</u>	<u>(50,000)</u>
	<u>166,291</u>	<u>2,087,104</u>
NET CHANGE IN CASH	(251,485)	875,927
CASH, BEGINNING OF YEAR	<u>1,112,034</u>	<u>236,107</u>
CASH, END OF YEAR	<u>\$ 860,549</u>	<u>\$ 1,112,034</u>

(See accompanying notes and schedules)

Welch LLP

An Independent Member of BKR International

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 2022

SCHEDULE 1

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Linear Assets</u>	<u>Capital Work In Progress</u>	<u>2022</u>	<u>2021</u>
COST								
Balance, beginning of year	\$ 384,972	\$ 1,130,082	\$ 534,874	\$ 3,113,858	\$ 58,842,112	\$ 119,159	\$ 64,135,055	\$ 61,356,402
Acquisition of tangible capital assets	-	124,410	12,316	274,502	1,158,149	35,394	1,604,771	2,825,949
Disposal of tangible capital assets	-	-	-	(470,711)	(1,537,548)	-	(2,008,259)	(47,296)
Construction-in-progress	-	-	-	-	67,124	(67,124)	-	-
Balance, end of year	<u>384,972</u>	<u>1,254,492</u>	<u>547,190</u>	<u>2,917,647</u>	<u>58,529,837</u>	<u>87,429</u>	<u>63,731,587</u>	<u>64,135,055</u>
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	531,860	391,414	1,721,628	47,397,100	-	50,041,782	48,707,922
Annual amortization	-	22,012	23,773	178,474	1,255,807	-	1,477,788	1,382,248
Accumulated amortization on disposal of tangible capital assets	-	-	-	(441,153)	(1,238,419)	-	(1,679,572)	(28,378)
Balance, end of year	<u>-</u>	<u>553,872</u>	<u>415,187</u>	<u>1,458,949</u>	<u>47,414,188</u>	<u>-</u>	<u>49,839,988</u>	<u>50,041,782</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 384,972</u>	<u>\$ 700,620</u>	<u>\$ 132,003</u>	<u>\$ 1,458,698</u>	<u>\$ 11,115,649</u>	<u>\$ 87,429</u>	<u>\$ 13,891,599</u>	<u>\$ 14,093,263</u>
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 384,972</u>	<u>\$ 588,432</u>	<u>\$ 143,460</u>	<u>\$ 1,392,228</u>	<u>\$ 11,445,012</u>	<u>\$ 119,159</u>	<u>\$ 14,093,263</u>	

(See accompanying notes)

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE

YEAR ENDED DECEMBER 31, 2022

SCHEDULE 2

	General government	Protection to persons and property	Transportation services	Environmental services	Recreation and cultural services	Planning and development	Total
REVENUE							
Property taxation	\$ 2,447,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,447,488
Payment in lieu of taxes	12,510	-	-	-	-	-	12,510
User and frontage charges	14,792	15,903	2,408	31,049	372	-	143,882
Provincial and other government transfers	848,043	25,528	504,200	125,794	7,834	79,157	1,511,397
Gas tax funding	-	-	93,030	-	-	-	93,030
Investment income	30,228	-	-	-	-	-	30,228
Penalties and interest	27,460	-	-	-	-	-	27,460
Fees, service charges, donations and miscellaneous	10,927	-	-	-	-	9,878	20,805
Loss on disposal of tangible capital assets	-	-	(258,060)	(75,000)	-	-	(281,060)
	<u>3,391,438</u>	<u>41,429</u>	<u>343,638</u>	<u>131,843</u>	<u>8,208</u>	<u>89,035</u>	<u>4,005,590</u>
EXPENSES							
Salaries, wages and benefits	435,594	155,987	446,738	61,535	18,470	-	1,118,314
Materials, supplies and contracted services	248,561	584,121	690,528	180,483	27,313	45,838	1,726,844
Interest expense	557	-	60,879	412	-	-	61,848
Rent and external transfers	4,316	10,448	-	-	40,850	-	55,714
Provision for landfill closure and post-closure care	-	-	-	32,000	-	-	32,000
	<u>689,018</u>	<u>730,558</u>	<u>1,168,145</u>	<u>275,030</u>	<u>86,733</u>	<u>45,838</u>	<u>2,995,320</u>
NET REVENUE (EXPENSES) BEFORE AMORTIZATION	2,702,420	(689,127)	(824,506)	(143,187)	(78,527)	43,197	1,010,270
Amortization expense	25,071	22,270	1,411,972	18,113	2,340	-	1,477,768
NET REVENUE (EXPENSES)	<u>\$ 2,677,349</u>	<u>\$ (711,397)</u>	<u>\$ (2,236,478)</u>	<u>\$ (159,300)</u>	<u>\$ (80,887)</u>	<u>\$ 43,197</u>	<u>\$ (487,489)</u>

(See accompanying notes)

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

The Corporation of the Township of Admaston Bromley is an incorporated municipality in the Province of Ontario. The Township conducts its operations as described by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township of Admaston Bromley are the representations of management, prepared in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the Township and include the activities of all committees of Council and the following boards:

Douglas Fire Department
Township of Admaston Bromley Public Library

Inter-organizational transactions and balances have been eliminated in the preparation of these consolidated financial statements.

Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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.

Use of estimates

The preparation of consolidated 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions which include landfill closure and post-closure liability and the estimated useful life of tangible capital assets are based on management's information and judgment. Actual results could differ from those estimates.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Landfill closure and post-closure liabilities

The Township is required to fund the closure of its landfill sites and provide for post-closure care of the sites. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

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 consolidated financial statements as revenue in the period in which 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 determined.

Inventories of supplies

Inventories of supplies are valued at the lower of cost and net realizable value with cost being determined substantially on a first in, first out basis.

Deferred revenue - obligatory

Deferred revenue - obligatory consists of user charges received with respect to services and expenditures which have yet to be provided and/or incurred. Deferred revenue - obligatory will be recognized as income in the year the related services are provided or expenditures incurred.

Contaminated sites liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Revenue recognition

Revenues from property taxation, payment in lieu of taxes and penalties and interest are recognized in the period in which they are levied and collection is reasonably assured. User charges are recognized as the service is provided and collection is reasonably assured. Frontage charges and government transfers are recognized when the related expenditure is incurred. Revenue from the sale of assets and concessions are recognized at the point of sale. Developer contributions are recognized when legal title of the tangible capital asset has been transferred to the Township. Investment income is recognized as it is earned. Fees, service charges, donations, and miscellaneous are recognized when collection is reasonably assured.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 normal 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 Debt for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Buildings	50
Machinery and equipment	5-20
Vehicles	5-20
Linear assets	10-40

Annual amortization is charged in the year after acquisition and the year of disposal. Assets under construction are not amortized until the asset is in service.

ii) Contributions of Tangible Capital Assets

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

iii) Natural Resources

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

NOTE 2 TAXES RECEIVABLE

	<u>2022</u>	<u>2021</u>
Current year taxes	\$ 135,552	\$ 120,936
Prior year taxes	68,786	61,681
Penalties	17,677	12,749
	<u>\$ 222,025</u>	<u>\$ 195,366</u>

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 3 DEFERRED REVENUE - OBLIGATORY

Deferred revenue - obligatory consists of the following:

	<u>2022</u>	<u>2021</u>
Gas tax funding	\$ 24,830	\$ 24,413
Ontario Community Infrastructure Fund (OCIF)	<u>275,652</u>	<u>261,174</u>
	<u>\$ 300,482</u>	<u>\$ 285,587</u>

Continuity of deferred revenue - obligatory is as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 285,587	\$ 317,312
Government funding received - gas tax funding	93,084	182,121
- OCIF	503,853	283,473
Investment income	11,238	3,712
Government funding recognized - gas tax funding	(93,080)	(182,867)
- OCIF	<u>(500,000)</u>	<u>(318,164)</u>
Balance, end of year	<u>\$ 300,482</u>	<u>\$ 285,587</u>

NOTE 4 SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The Township of Admaston Bromley owns three landfill sites and also assumes liability for closure and post-closure care. These consolidated financial statements recognize a liability for closure and post-closure care to the extent that the site has been used to date. Specifically, usage is measured as cumulative capacity used versus total estimated capacity available. Furthermore, as costs are expected to be incurred in the future, expected closure and post-closure costs have been discounted at 2.17% which is the Township's average long-term borrowing rate, net of estimated annual inflation of 3.27%. The existing landfill site is expected to reach capacity in approximately the year 2025. The following summarizes the estimated closure and post-closure costs and remaining capacity of the landfill sites at December 31, 2022:

	<u>2022</u>	<u>2021</u>
Township's estimated liabilities		
Expected total expenditures	\$ 459,672	\$ 425,650
Amount remaining to be recognized	<u>(17,072)</u>	<u>(15,650)</u>
Liability recognized to date	<u>\$ 442,600</u>	<u>\$ 410,000</u>
Landfill site's estimated remaining capacity in cubic metres	<u>6,000</u>	<u>11,420</u>
Landfill site's remaining useful life in years	<u>2</u>	<u>3</u>
Expected years of post-closure care	<u>15</u>	<u>15</u>

Welch LLP

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 5 LONG-TERM DEBT

The terms of the long-term debt and how the principal payments will be recovered are as follows:

	<u>2022</u>	<u>2021</u>
From general taxation, a debenture, due 2025, payable in semi-annual installments of \$25,000 plus interest at 1.00% per annum.	\$ 150,000	\$ 200,000
From general taxation, a debenture, due 2032, payable in semi-annual installments of \$51,390 with interest payable semi-annually at 2.81% per annum.	851,746	-
From general taxation, a debenture, due 2042, payable in semi-annual installments of \$52,611 including interest at 3.32% per annum.	1,501,649	-
Construction loan converted to debentures in year.	-	2,137,104
	<u>\$ 2,503,395</u>	<u>\$ 2,337,104</u>

Payments on existing debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 185,228	\$ 74,149	\$ 259,377
2024	189,343	69,536	258,879
2025	193,585	64,792	258,377
2026	147,957	60,046	208,003
2027	152,463	55,540	208,003
Thereafter	<u>1,634,819</u>	<u>353,412</u>	<u>1,988,231</u>
	<u>\$ 2,503,395</u>	<u>\$ 677,475</u>	<u>\$ 3,180,870</u>

Interest on long-term debt amounted to \$61,848 (2021 - \$4,118). The Township's total cash payments in 2022 were \$155,876 (2021 - \$54,118).

The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

NOTE 6 CONTAMINATED SITES LIABILITIES

The Township has adopted PS3260 Liability for Contaminated Sites. The Township did not identify any financial liabilities in 2022 (2021 - \$ nil) as a result of this standard.

NOTE 7 EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2022</u>	<u>2021</u>
Tangible capital assets, cost (Schedule 1)	\$ 63,731,567	\$ 64,135,055
Accumulated amortization (Schedule 1)	(49,839,986)	(50,041,792)
Long-term debt (Note 5)	(2,503,395)	(2,337,104)
Long-term debt related to operations	<u>40,500</u>	<u>54,000</u>
	<u>\$ 11,428,686</u>	<u>\$ 11,810,159</u>

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 8 ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	<u>2022</u>	<u>2021</u>
Unrestricted surplus		
General	\$ 123,286	\$ 229,436
Douglas Fire Department	19,770	24,808
The Admaston/Bromley Public Library	<u>6,344</u>	<u>7,246</u>
	<u>149,380</u>	<u>261,490</u>
Internally restricted reserves	<u>877,884</u>	<u>819,197</u>
Provision for unfunded landfill liabilities	<u>(442,600)</u>	<u>(410,000)</u>
Equity in tangible capital assets (Note 7)	<u>11,428,686</u>	<u>11,810,169</u>
	<u>\$ 12,013,350</u>	<u>\$ 12,480,846</u>

NOTE 9 OPERATING LOAN

The operating line of credit is at an interest rate of prime, is secured by a general security agreement and has a limit of \$300,000. The line of credit has a balance of \$NIL (2021 \$NIL) as at the year end.

NOTE 10 EXPENSES BY OBJECT

The consolidated statement of operations reports expenses for the Township by function. The following is a summary of expenses by object.

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
Salaries, wages and benefits	\$ 1,057,882	\$ 1,118,314	\$ 949,585
Material and supplies and contracted services	1,887,783	1,726,844	1,611,324
Interest expense	39,893	61,848	9,968
Transfers and donations	51,950	55,714	45,879
Provision for landfill closure and post-closure cost	-	32,600	-
Amortization of tangible capital assets	-	<u>1,477,768</u>	<u>1,300,169</u>
	<u>\$ 3,037,508</u>	<u>\$ 4,473,086</u>	<u>\$ 3,916,925</u>

NOTE 11 OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF RENFREW

During 2022, requisitions were made by school boards and the 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 summarized below:

	<u>School Boards</u>	<u>County of Renfrew</u>
Property taxes	\$ 776,086	\$ 1,362,529
Taxation from other governments	<u>88</u>	<u>4,093</u>
Amount requisitioned	<u>\$ 776,184</u>	<u>\$ 1,366,622</u>

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 12 COMMITMENTS

Policing

The municipality has a contract with the Province of Ontario for policing services. The contract cost for 2022 was \$384,766 (2021 - \$398,010).

NOTE 13 FINANCIAL INSTRUMENTS

The Township's financial instruments consist of cash, taxes receivable, accounts receivable, accounts payable and accrued liabilities and long-term debt.

Risk

It is management's opinion that the Township is not exposed to significant interest, market, liquidity, currency or credit risks arising from its financial instruments. The Township is subject to credit risk with respect to taxes and accounts receivable. Credit risk arises from the possibility that taxpayers and entities to which the Township provides services may experience financial difficulty and be unable to fulfill their obligations. It is management's opinion that the large number and diversity of taxpayers and users minimizes credit risk.

Fair market value

Except for the following, the fair value of the Township's financial instruments approximates their carrying value due to their short term nature. It is not practicable to determine the fair market value of the long-term debt. The terms and conditions of the long-term debt are disclosed in Note 5 to the consolidated financial statements.

NOTE 14 BUDGET FIGURES

Budget figures reported on the Consolidated Statement of Operations and the Consolidated Statement of Change in Net Financial Debt are based on 2022 operating and capital budgets as approved by Council on May 31, 2022 (By-law 2022-38).

NOTE 15 PENSION AGREEMENT

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of permanent members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. OMERS is financed by employer and employee contributions and by investment earnings of the OMERS Fund.

Contributions for current service are recorded as expenditures in the year in which they became due.

The Township is required to make current service contributions to OMERS of 9% of pensionable earnings up to the years maximum pensionable earnings under the Canada Pension Plan and 14.6% on pensionable earnings above the amount. Employees are required to make current service contributions of the same amount.

Total current service contributions by the Township to OMERS in 2022 were \$46,588 (2021 - \$50,261). These contributions were matched with identical employee contributions for both years.

At December 31, 2022, OMERS disclosed an actuarial deficit of \$8.1 billion.

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 16 SEGMENTED DISCLOSURES

The Township of Admaston/Bromley provides a range of services to its ratepayers. For each segment as reported in Schedule 2, revenues and expenses represent amounts that are directly attributable to the segment. Amounts not directly attributable to a segment are reported in general government. 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.

The activities that are included in each functional line of services are as follows:

General government consists of the Mayor and Council, the Chief Administrative Officer/Clerk and administrative services which include the Treasurer-Deputy CAO/Clerk and finance clerks.

Protection to persons and property consists of Fire, Police, By-law Enforcement, Animal Control and Building Departments.

Transportation services include engineering, storm sewer, road and sidewalk construction and maintenance, street lighting and winter control.

Environmental services consist of solid waste disposal and recycling.

Recreation and cultural services is comprised primarily of parks services, operation of recreational facilities, library and recreational services.

Planning and development consists of planning and zoning and economic development.

NOTE 17 CONTINGENT LIABILITIES

The Municipality is contingently liable for debt with respect to tile drainage loans made by landowners with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The Township collects the loan repayments from the owners and remits them to OMAFRA. The Township does not have any history of default payments on the loans. The total amount outstanding as at December 31, 2022 is \$37,118 (2021 - \$73,413) and is not recorded on the consolidated statement of financial position.

TOWNSHIP OF ADMASTON/BROMLEY



477 Stone Road, R.R. #2
Renfrew, ON
K7V 3Z5

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the DOUGLAS FIRE DEPARTMENT (the Fire Department) is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within the Financial Report. Management believes that the financial statements present fairly the Fire Department's financial position as at December 31, 2022 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Fire Department Committee carries out its responsibilities for review of the financial statements principally through its regular meetings. The Fire Department Committee meet regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Fire Department Committee with and without the presence of management. The Fire Department Committee have approved the financial statements.

The financial statements have been audited by Welch LLP, Chartered Professional Accountants, independent external auditors appointed by the Fire Department. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Fire Department's financial statements.

Fire Chief
May 18, 2023
Renfrew, Canada

Fire Secretary
May 18, 2023
Renfrew, Canada

INDEPENDENT AUDITOR'S REPORT

To the Committee Members of the

**CORPORATION OF THE TOWNSHIP OF ADMASTON/ROMLEY
DOUGLAS FIRE DEPARTMENT**

Opinion

We have audited the financial statements of the Douglas Fire Department (the Fire Department), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fire Department as at December 31, 2022 and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basic 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 Fire Department in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 Fire Department'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 Fire Department or to cease operations, or has no realistic alternative but to do so.

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

Welch LLP – Chartered Accountants
P.O. Box 757 - 270 Lake Street, Pembroke, Ontario K8A 6K9
T: 613 735 1021 F: 613 735 2071 W: www.welchllp.com
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Belleville | Cambridge | Cornwall | Oakville | Niagara | Ottawa | Pembroke | Picton | Renfrew | Toronto | Trenton | Tweed

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 Fire Department'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 Fire Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fire Department 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.

Welch LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Pembroke, Ontario
May 18, 2023

Welch LLP

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CORPORATION OF THE TOWNSHIP OF ADAMSTON/BROMLEY
DOUGLAS FIRE DEPARTMENT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash	\$ 28,988	\$ 35,716
Accounts receivable	11,214	8,340
Due from Township	<u>21,181</u>	<u>12,340</u>
	<u>61,383</u>	<u>56,396</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>16,505</u>	<u>28,473</u>
NET FINANCIAL ASSETS	44,878	28,923
NON-FINANCIAL ASSETS		
Prepaid expenses	4,779	4,743
Tangible capital assets (Schedule 1)	<u>288,087</u>	<u>294,788</u>
	<u>302,866</u>	<u>299,531</u>
ACCUMULATED SURPLUS (Note 2)	\$ <u>347,724</u>	\$ <u>329,454</u>

(See accompanying notes and schedule)

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
DOUGLAS FIRE DEPARTMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget 2022</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
REVENUE			
Township levies	\$ 197,520	\$ 197,520	\$ 178,090
Fire calls	8,812	10,285	9,144
Provincial and other government transfers	-	-	8,300
Interest	375	714	283
Other income	-	5,488	-
Township contribution for fire garage project	-	20,511	-
Township contribution to fire reserve	-	10,000	-
	<u>208,707</u>	<u>244,498</u>	<u>193,403</u>
EXPENSES			
Wages and benefits	99,480	110,791	85,004
Gas, oil and repairs	7,000	7,811	9,581
Heat and hydro	11,000	11,555	7,514
Insurance	18,000	14,302	9,485
Licenses	820	535	519
Maintenance and repairs	28,100	43,273	9,855
Office and sundry	4,885	959	6,609
Prevention	4,100	7,394	7,235
Supplies	1,150	483	447
Telephone and dispatch service	7,780	7,044	7,235
Amortization of tangible capital assets	-	22,270	20,295
	<u>177,795</u>	<u>228,228</u>	<u>183,781</u>
EXCESS OF REVENUE OVER EXPENSES	28,942	18,270	29,622
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>329,454</u>	<u>329,454</u>	<u>299,832</u>
ACCUMULATED SURPLUS AT END OF YEAR	\$ 358,396	\$ 347,724	\$ 329,454

(See accompanying notes and schedule)

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**CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
DOUGLAS FIRE DEPARTMENT
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget 2022</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
EXCESS OF REVENUE OVER EXPENSES	\$ 28,942	\$ 18,270	\$ 28,822
Acquisition of tangible capital assets	(38,300)	(8,038)	(28,886)
Amortization of tangible capital assets	-	22,270	20,286
Construction in progress	-	(20,511)	-
	<u>(38,300)</u>	<u>(3,279)</u>	<u>(8,590)</u>
Acquisition of prepaid expenses	-	(36)	(4,743)
CHANGE IN NET FINANCIAL ASSETS	(9,358)	14,955	16,289
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>29,923</u>	<u>29,923</u>	<u>13,634</u>
NET FINANCIAL ASSETS AT END OF YEAR	<u>\$ 20,565</u>	<u>\$ 44,878</u>	<u>\$ 29,923</u>

(See accompanying notes and schedule)

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**CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
DOUGLAS FIRE DEPARTMENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 18,270	\$ 20,822
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	<u>22,270</u>	<u>20,205</u>
	40,540	40,917
Change in the level of:		
Accounts receivable	(2,574)	2,077
Due from Township	(8,841)	(6,375)
Prepaid expenses	(38)	(4,743)
Accounts payable and accrued liabilities	<u>(9,888)</u>	<u>(5,885)</u>
	<u>18,821</u>	<u>28,975</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(6,038)	(28,885)
Construction in progress	<u>(20,511)</u>	<u>-</u>
	<u>(26,549)</u>	<u>(28,885)</u>
NET CHANGE IN CASH	(6,728)	90
CASH AT BEGINNING OF YEAR	<u>35,716</u>	<u>35,826</u>
CASH AT END OF YEAR	<u>\$ 28,988</u>	<u>\$ 35,716</u>

(See accompanying notes and schedule)

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY

DOUGLAS FIRE DEPARTMENT

SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 1

	Land	Buildings	Vehicles	Equipment	2022	2021
COST						
Balance, beginning of year	\$ 13,151	\$ 57,350	\$ 628,407	\$ 255,223	\$ 954,131	\$ 925,343
Acquisition of tangible capital assets	-	-	-	5,038	5,038	28,885
Contribution in progress	-	20,511	-	-	20,511	-
	<u>13,151</u>	<u>77,861</u>	<u>628,407</u>	<u>260,261</u>	<u>979,680</u>	<u>954,131</u>
ACCUMULATED AMORTIZATION						
Balance, beginning of year	-	19,408	427,275	212,555	659,343	639,048
Annual amortization	-	1,147	16,513	4,616	22,276	20,295
	-	<u>20,555</u>	<u>443,788</u>	<u>217,171</u>	<u>681,619</u>	<u>659,343</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 13,151</u>	<u>\$ 57,215</u>	<u>\$ 184,618</u>	<u>\$ 43,083</u>	<u>\$ 298,067</u>	<u>\$ 294,788</u>
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 13,151</u>	<u>\$ 37,851</u>	<u>\$ 201,131</u>	<u>\$ 42,555</u>	<u>\$ 294,788</u>	

(See accompanying notes)

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
DOUGLAS FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

The Douglas Fire Department is a Board of the Corporation of the Township of Admaston/Bromley organized to provide emergency fire services to residents of the Township.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Board are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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 and collection is reasonably assured.

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 as revenue in the period in which 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 determined.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Significant estimates and assumptions which include the estimated useful life of tangible capital assets and based on management's information and judgments. Actual results could differ from those estimates.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
DOUGLAS FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Buildings	60
Machinery and equipment	5 - 20
Vehicles	5 - 20

Annual amortization is charged in the year following acquisition and the year of disposal. Assets under construction are not amortized until the asset is in service.

ii) Contribution of Tangible Capital Assets

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

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Some other services are also contributed to the Board. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

NOTE 2 ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	<u>2022</u>	<u>2021</u>
General surplus	\$ 10,770	\$ 24,808
Internally restricted reserves	29,887	9,858
Equity in tangible capital assets (Schedule 1)	298,087	294,788
	<u>\$ 347,724</u>	<u>\$ 329,454</u>

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**CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
DOUGLAS FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 3 FINANCIAL INSTRUMENTS

The Fire Department's financial instruments consist of cash, accounts receivable, due from Township, and accounts payable and accrued liabilities.

Risk

There have been no changes in risk from the prior year and as a result, it is management's opinion that the Fire Department is not exposed to significant interest, liquidity, currency, market or credit risks arising from its financial instruments.

Fair market value

The fair value of the Fire Department's financial instruments approximates their carrying value due to their short term nature.

NOTE 4 BUDGET FIGURES

Budget figures reported on the Statement of Operations and the Statement of Change in Net Financial Assets are based on 2022 operating and capital budgets as approved by Council on May 31, 2022 (By-law 2022-38).



PO Box 130, 5346 ON-60,

Douglas, ON K0J 1S0

(613) 649-2576

info@admastonbromleylibrary.com

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the ADMASTON/BROMLEY-PUBLIC LIBRARY (the Library) is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within the Financial Report. Management believes that the financial statements present fairly the Library's financial position as at December 31, 2022 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.


These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Board Members carry out their responsibilities for review of the financial statements principally through regular meetings. The Board Members meet regularly with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Board Members with and without the presence of management. The Board Members have approved the financial statements.

The financial statements have been audited by Welch LLP, Chartered Professional Accountants, independent external auditors appointed by the Library. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Library's financial statements.


Chief Executive Officer
May 18, 2023
Renfrew, Canada


Treasurer
May 18, 2023
Renfrew, Canada

In preparing the financial statements, management is responsible for assessing the Library'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library'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 Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library 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.

Welch LLP

**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

Pembroke, Ontario
May 18, 2023

Welch LLP

An Independent Member of WML Accounting

ADRIASTON-BROOKLEY PUBLIC LIBRARY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ <u>9,682</u>	\$ <u>10,282</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,538	1,009
Due to Township	<u>2,340</u>	<u>2,409</u>
	<u>3,882</u>	<u>3,517</u>
NET FINANCIAL ASSETS	5,785	6,751
NON-FINANCIAL ASSETS		
Prepaid expenses	<u>682</u>	<u>493</u>
ACCUMULATED SURPLUS	\$ <u>6,244</u>	\$ <u>7,242</u>

(See accompanying notes)

Welch LLP

An Independent Member of the KPMG Network

ADMASTON-BROULEY PUBLIC LIBRARY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget 2022	Actual 2022	Actual 2021
REVENUE			
Municipal grants	\$ 22,202	\$ 22,202	\$ 23,102
Provincial grants	5,518	7,182	5,518
Donations and fundraising	2,000	9,879	6,850
Fines	500	372	869
Interest earned	62	318	65
	<u>30,282</u>	<u>40,001</u>	<u>36,384</u>
EXPENSES			
Salaries, wages and employee benefits	18,854	18,470	16,243
Books and DVDs	7,300	8,505	7,474
Operating system maintenance	2,750	5,822	2,631
Repairs and maintenance	116	164	145
Office and miscellaneous	480	2,502	440
Special programs	2,000	2,878	4,282
Telephones and Internet	2,030	2,375	1,868
Travel and professional development	100	-	100
	<u>30,220</u>	<u>40,908</u>	<u>33,814</u>
EXCESS OF (EXPENDITURES OVER REVENUE) REVENUE OVER EXPENSES	-	(802)	3,070
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>7,248</u>	<u>7,248</u>	<u>4,178</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 7,248</u>	<u>\$ 6,346</u>	<u>\$ 7,248</u>

(See accompanying notes)

Welch LLP

An Independent Member of BSR International

ADMANTON-BROOKLEY PUBLIC LIBRARY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget 2022	Actual 2022	Actual 2021
EXCESS OF (EXPENDITURES OVER REVENUE) REVENUE OVER EXPENSES	\$ -	\$ (602)	\$ 3,070
Change in level of prepaid expenses	_____ -	_____ (53)	_____ (495)
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	-	(655)	2,575
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	_____ 6,751	_____ 6,751	_____ 4,176
NET FINANCIAL ASSETS AT END OF YEAR	\$ _____ 6,751	\$ _____ 6,752	\$ _____ 6,751

(See accompanying notes)

Welch LLP

An Independent Member of SBA's Network

ADMASTONBROMLEY PUBLIC LIBRARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of (expenditures over revenues) revenue over expenses	\$ (902)	\$ 3,070
Changes in the level of:		
Accounts receivable	-	1,184
Accounts payable and accrued liabilities	474	380
Due to Township	(138)	1,780
Prepaid expenses	(63)	(485)
	<u>(529)</u>	<u>5,669</u>
(DECREASE) INCREASE IN CASH	(930)	8,609
CASH AT BEGINNING OF YEAR	<u>10,288</u>	<u>4,389</u>
CASH AT END OF YEAR	\$ <u>9,358</u>	\$ <u>10,208</u>

(See accompanying notes)

Welch LLP

An Independent Member of PwC International

ADHASTON/BROMLEY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

The Adhaston/Bromley Public Library is a Board of the Township of Adhaston/Bromley organized to interact with the community and to provide services and programs that focus on the recreational, educational and cultural needs of the community.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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.

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 as revenue in the period in which 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 determined.

Revenue recognition

Interest revenue is recognized as it is earned. Other grants and donations and fundraising revenue are recognized when the related expenses are incurred, services performed or the tangible capital assets are acquired. Fines and user fees and service charges are recognized when received.

Welch LLP

An Independent Member of BDO International

ADMASTON/BROMLEY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are based on management's best information and judgement. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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 normal 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.

NOTE 2 RELATED PARTY TRANSACTIONS

Township of Admaston/Bromley

The Library is a Board of the Township of Admaston/Bromley. During the year the Township transferred \$21,800 (2021 - \$22,450) to the Library for operating purposes.

NOTE 3 FINANCIAL INSTRUMENTS

The Library's financial instruments consist of cash, accounts payable and accrued liabilities, and due to Township.

Risk

There have been no changes in risk from the prior year and as a result, it is management's opinion that the Library is not exposed to significant interest, liquidity, currency, market or credit risks arising from its financial instruments.

Fair market value

The fair value of the Library's financial instruments approximates their carrying value due to their short term nature.

NOTE 4 BUDGET FIGURES

Budget figures reported on the Statement of Operations and the Statement of Change in Net Financial Assets are based on the 2022 operating budget as approved by the Board on November 17, 2021.

Welch LLP

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