

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**SEEBACH & COMPANY**  
***Chartered Professional Accountants***

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Ashfield-Colborne-Wawanosh

### *Opinion*

We have audited the accompanying financial statements of the Corporation of the Township of Ashfield-Colborne-Wawanosh ("the Entity"), which are comprised of the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations, changes 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 Entity as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

### *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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
July 13, 2021

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at December 31		2020	2019
<b>Financial Assets</b>			
Cash	note 3	<b>5,416,083</b>	5,660,785
Taxes receivable		<b>534,996</b>	482,191
Accounts receivable		<b>1,754,240</b>	1,824,129
Long-term receivables	note 4	<b>86,703</b>	181,420
		<b>7,792,022</b>	8,148,525
<b>Liabilities</b>			
Account payable and accrued liabilities		<b>1,153,400</b>	1,193,526
Deferred revenue	schedule 2	<b>100,665</b>	316,352
Municipal debt	note 5	<b>86,703</b>	181,420
Landfill closure and post closure liability	note 6	<b>1,500,911</b>	1,511,193
		<b>2,841,679</b>	3,202,491
<b>Net financial assets</b>		<b>4,950,343</b>	4,946,034
<b>Non-financial assets</b>			
Tangible capital assets	schedule 3	<b>40,562,710</b>	38,345,046
<b>Accumulated surplus</b>	note 10	<b>\$ 45,513,053</b>	\$ 43,291,080

The accompanying notes and schedules are an integral part of these financial statements

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

<b>for the year ended December 31</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
Annual surplus (deficit)	2,915,756	<b>2,221,973</b>	1,843,675
Amortization of tangible capital assets	-	<b>1,490,977</b>	1,411,631
Acquisition of tangible capital assets	(5,777,000)	<b>(3,716,003)</b>	(2,079,409)
Proceeds from disposition of assets	17,000	<b>16,453</b>	27,426
Loss (gain) on disposal of tangible capital assets	-	<b>(9,091)</b>	(26,641)
Increase (decrease) in net financial assets	<u>(2,844,244)</u>	<b>4,309</b>	1,176,682
Net financial assets beginning of year		<b>4,946,034</b>	3,769,352
Net financial assets end of year		<b>\$ 4,950,343</b>	\$ 4,946,034

The accompanying notes and schedules are an integral part of these financial statements

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

<b>for the year ended December 31</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Revenue</b>			
Taxation for municipal purposes	4,739,053	<b>4,766,656</b>	4,432,518
User charges	1,931,785	<b>2,839,814</b>	2,755,851
Government transfers	2,385,177	<b>1,997,075</b>	2,106,382
Other revenue	101,506	<b>200,229</b>	209,202
Gain(loss) on disposal of capital assets	-	<b>9,091</b>	26,641
<b>Total revenue</b>	<b>9,157,521</b>	<b>9,812,865</b>	9,530,594
<b>Expenditure</b>			
General government	794,900	<b>766,794</b>	748,695
Protection services	1,832,300	<b>1,772,314</b>	1,756,181
Transportation services	2,135,950	<b>3,141,193</b>	3,097,313
Environmental services	843,740	<b>815,965</b>	867,593
Health services	70,400	<b>73,827</b>	58,447
Recreation and culture	486,525	<b>349,721</b>	549,385
Planning and development	77,950	<b>671,078</b>	609,305
<b>Total expenses</b>	<b>6,241,765</b>	<b>7,590,892</b>	7,686,919
<b>Annual surplus (deficit)</b>	<b>2,915,756</b>	<b>2,221,973</b>	1,843,675
<b>Accumulated surplus beginning of year</b>	<b>43,291,080</b>	<b>43,291,080</b>	41,447,405
<b>Accumulated surplus end of year</b>	<b>\$ 46,206,836</b>	<b>\$ 45,513,053</b>	\$ 43,291,080

The accompanying notes and schedules are an integral part of these financial statements

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

for the year ended December 31	2020	2019
<b>Operating activities</b>		
Annual surplus (deficit)	2,221,973	1,843,675
Amortization not requiring cash outlay	1,490,977	1,411,631
Loss (gain) on disposition of tangible capital assets	(9,091)	(26,641)
Decrease (increase) in taxes receivable	(52,805)	(59,262)
Decrease (increase) in accounts receivable	69,889	701,097
Increase (decrease) in accounts payable	(40,126)	(109,134)
Increase (decrease) in deferred revenue	(215,687)	131,183
Increase (decrease) in landfill closure liability	(10,282)	1,739
Cash provided from (used for) operations	<u>3,454,848</u>	<u>3,894,288</u>
<b>Capital activities</b>		
Proceeds of disposition of tangible capital assets	16,453	27,426
Acquisition of tangible capital assets	(3,716,003)	(2,079,409)
Net investment in tangible capital assets	<u>(3,699,550)</u>	<u>(2,051,983)</u>
<b>Investing activities</b>		
Repayment of loans receivable	94,717	30,134
Net increase (decrease) in cash from investing	<u>94,717</u>	<u>30,134</u>
<b>Financing activities</b>		
Debt principal payments	(94,717)	(30,134)
Net increase (decrease) in cash from financing	<u>(94,717)</u>	<u>(30,134)</u>
<b>Net increase (decrease) in cash</b>	<b>(244,702)</b>	<b>1,842,305</b>
<b>Cash beginning of year</b>	<b>5,660,785</b>	<b>3,818,480</b>
<b>Cash end of year</b>	<b><u>\$ 5,416,083</u></b>	<b><u>\$ 5,660,785</u></b>

The accompanying notes and schedules are an integral part of these financial statements

# TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

## NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 1. Significant accounting policies

The consolidated financial statements of the Township of Ashfield-Colborne-Wawanosh are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the municipality are as follows:

#### a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenue and expenditures, reserves and reserve funds and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for their administration of their financial affairs and resources to the municipality and which are owned or controlled by the municipality. In addition to general government tax-supported operations, they include water systems operated by the municipality and the municipality's proportionate share of joint local boards.

These consolidated financial statements include the proportional share of the financial position and operating activities of the following joint local boards:

- Mid-Huron Landfill Site Board - 9.4%
- Lucknow and District Fire Department Joint Board of Management - 50%
- Lucknow Community Health Centre Board - 50%
- Lucknow and District Joint Recreation Board - 50%

Inter-departmental and inter-organizational transactions and balances are eliminated.

The statements do not include trust funds that are administered for the benefit of external parties.

#### b) Basis of accounting

##### i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

##### ii) 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.

##### a) 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 are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	50 years
Buildings	50 years
Transportation roads infrastructure	
Base and earthwork	100 years
Surface	15 years
Bridges and culverts	40 to 80 years
Water system	20 to 80 years
Vehicles and equipment	10 to 15 years



Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The municipality capitalizes all land acquisitions and has a threshold of \$15,000 for buildings and infrastructure and \$1,000 - \$5,000 for various types of equipment, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

b) 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 asset as of the date of transfer.

c) 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.

d) Inventories

Inventories held for consumption are recorded at the lower of cost or net realizable value.

iii) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditure. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.

iv) Pension and employee benefits

The municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

v) Deferred revenue

Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the statement of financial position as deferred revenue until the obligation is discharged. These amounts will be recognized as revenues in the period in which related expenditure are incurred.

vi) Investments

Investments are recorded at cost plus accrued interest less amounts written off to reflect a permanent decline in value.

vii) Revenue recognition

Tax levies, based on assessment rolls issued by the Municipal Property Assessment Corporation and tax rates established by council, are recognized as revenue when the tax billings are issued. Other revenue is recognized when related services are provided or goods delivered, collectibility is reasonably assured and there are no significant future obligations.

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

viii) Landfill Site Closure and Post-Closure Care

Landfill site closure and post-closure care costs are recognized over the operating life of the landfill site, based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

ix) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

x) Financial instruments

Financial instruments consist of cash, taxes receivable, accounts receivable, long-term receivables, accounts payable and accrued liabilities and municipal debt. The municipality classifies all of its financial instruments as measured at amortized cost. Financial assets measured at cost are recognized initially at fair value plus any directly attributable transaction costs. The carrying amount is subsequently written down to net realizable value when an impairment loss is known and there is no reasonable prospect of recovery.

**2. Pension agreements**

The municipality makes contributions to the Ontario Municipal Employees Retirement System Pension Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for the year was \$ 120,329 (2019: \$113,749) for current services and is included as an expenditure on the consolidated statement of operations.

**3. Cash**

	<b>2020</b>	<b>2019</b>
Unrestricted	4,212,854	4,390,685
Restricted	626,515	678,329
Cash held by other municipalities and boards	<u>576,715</u>	<u>591,771</u>
	<b>\$ 5,416,083</b>	<b>\$ 5,660,785</b>

**4. Loans receivable**

	<b>2020</b>	<b>2019</b>
Property owners for road and water system capital costs	14,589	23,819
Property owners for tile drain loans	<u>72,114</u>	<u>157,601</u>
	<b>\$ 86,703</b>	<b>\$ 181,420</b>

Amounts due in the next five years are as follows:

2021: \$28,460    2022: \$21,126    2023: \$14,309    2024: \$11,064    2025: \$11,743

**5. Municipal debt**

	<b>2020</b>	<b>2019</b>
Bank loan payable in quarterly instalments of \$2,592 including interest at 5.6% maturing April 2022	14,589	23,819
Tile drainage loans payable to the Ministry of Finance maturing from 2020 to 2029 with interest rates of 6%	<u>72,114</u>	<u>157,601</u>
	<b>\$ 86,703</b>	<b>\$ 181,420</b>

Principal payments are recoverable from landowners.

Amounts due in the next five years are as follows:

2021: \$28,460    2022: \$21,126    2023: \$14,309    2024: \$11,064    2025: \$11,743

**6. Landfill closure and post closure cost liability**

A liability for the costs of solid waste landfill closure and post closure care requirements accrues as the capacity of sites is used. Care requirements include final covering, landscaping, removal of ground water and leachates and ongoing monitoring and maintenance. These costs will be incurred when the landfill site stops accepting waste, with the post-closure care expected to continue for an additional 50 years. The estimated liability is the discounted present value of future cash flows related to capacity used to date. The municipality operates landfill sites within its boundaries and participates in the Mid-Huron landfill site.

Based on a 2019 cost estimate, the recorded liability for sites within the municipality is \$466,100 (2019: \$472,450). The future liability is expected to be funded through budget allocations and reserves.

The municipality's proportionate liability for the Mid-Huron landfill site reported in the financial statements is \$1,034,811 (2019: \$1,038,743). The Mid-Huron Landfill Site Board has set aside reserve funds of which the municipality's proportionate share is \$473,263 (2019: \$486,718).

The reported liability is based on estimates and assumptions with respect to events extending over a long-term period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity and liability. Any changes in these estimates would be recognized in the year the change is identified.

The closure and post-closure care costs are expected to be funded in the year incurred.

**7. Contractual obligations**

The municipality has contracted with Veolia Water Canada for operation and maintenance of water systems until April 2022 at a base annual fee of \$139,521 with certain additional charges and annual increases based on consumer price index, and with Waste Management for garbage collection and recycling until April 2025 at a base annual fee of \$195,986 in 2020 plus 2% increase per year.

**8. Contingencies**

In the ordinary course of business, various claims and lawsuits are brought against the municipality. Because settlement amounts, if any, cannot be determined or because claims are expected to be within the municipality's insurance coverage, no provision has been made for the contingency in the financial statements.

**9. Tangible capital assets**

Schedule 3 provides information on the tangible capital assets of the municipality by major class and by business segment, as well as for accumulated amortization of the assets controlled.

**i) Contributed tangible capital assets**

The municipality records all tangible capital assets contributed by external parties at fair value.

**ii) Tangible capital assets recognized at nominal value**

Certain assets have been assigned a nominal value of \$1 because of the difficulty of determining a tenable valuation.

**10. Schedule of accumulated surplus**

	<b>2020</b>	<b>2019</b>
Reserves	<u>6,451,254</u>	<u>6,457,227</u>
Surpluses		
Invested in tangible capital assets	40,562,710	38,345,046
General revenue fund	-	-
Unfunded		
Solid waste landfill closure and post closure liabilities	<u>(1,500,911)</u>	<u>(1,511,193)</u>
Total surpluses	<u>39,061,799</u>	<u>36,833,853</u>
Accumulated surplus	<u>\$ 45,513,053</u>	<u>\$ 43,291,080</u>

**11. Budget amounts**

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of change in net assets and operations for comparative purposes. The budget amounts for the municipality have been approved by Council. Certain amounts have been reclassified to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of operations. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the budget approved by Council with the following adjustments:

Approved budget annual surplus (deficit)	-
Add: acquisition of tangible capital assets	5,777,000
Less: sale of tangible capital assets	(10,000)
net transfers to reserves	<u>(2,851,244)</u>
Budgeted surplus reported on statement of operations	<u>\$ 2,915,756</u>

**12. Financial instrument risk management****Credit risk**

The Township is exposed to credit risk through its cash, trade and other receivables, loans receivable, and long-term investments. There is the possibility of non-collection of its trade and other receivables. The majority of the Township's receivables are from ratepayers and government entities. For trade and other receivables, the Township measures impairment based on how long the amounts have been outstanding. For amounts outstanding considered doubtful or uncollectible, an impairment allowance is setup.

**Liquidity risk**

Liquidity risk is the risk that the Township will not be able to meet its financial obligations as they fall due. The Township has a planning and a budgeting process in place to help determine the funds required to support the Township's normal operating requirements on an ongoing basis. The Township ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain an available line of credit balance as approved by the appropriate borrowing bylaw to meet, at a minimum, expected requirements.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Township's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Township is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings and long-term liabilities and the value of fixed rate long-term liabilities.

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

**13. Operations of school boards and county**

Taxation levied for school board and county purposes are not reflected in the financial statements. The amounts transferred were:

	2020	2019
School boards	2,260,413	2,226,781
County of Huron	5,484,831	5,508,065

#### 14. Trust funds

Trust funds administered by the municipality amounting to \$187,389 (2019: \$183,500) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

#### 15. Segmented information

The Township of Ashfield-Colborne-Wawanosh provides a wide range of services to its citizens such as recreational and cultural services, planning and development, fire, and transportation services. Distinguishable functional segments have been separately disclosed in the segmented information provided in schedule 4. Municipal taxation revenue and the Ontario Municipal Partnership Fund grant are allocated to general government. The nature of the segments and the activities they encompass are as follows:

##### General Government

This segment relates to the general operations of the municipality itself and cannot be directly attributed to a specific segment.

##### Protection to Persons and Property

Protection is comprised of fire protection, policing, court services, conservation authorities, protective inspection and control, building permit and inspection services, emergency measures and other protection services.

##### Transportation

Transportation services include road maintenance, winter control services, street light maintenance, parking lots, equipment maintenance and other transportation services.

##### Environmental Services

Environmental services include sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling.

##### Health Services

This service area includes cemeteries and other health services.

##### Recreational and Cultural Services

This service area provides public services that contribute to the provision of recreation and leisure facilities and programs, the maintenance of parks and open spaces, library services, museums and other cultural services.

##### Planning and Development

This segment includes matters relating to zoning and site plan controls, land acquisition, development initiatives, agriculture and reforestation, municipal drainage and tile drainage.

For additional information, see the schedule of segmented information.

#### 16. Financial impact of COVID-19 pandemic

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic. Subsequently, the Province of Ontario issued a state of emergency limiting the number of people in a gathering and requiring rolling closures and lockdowns of non-essential business for an indeterminate period of time. The dynamic nature of the COVID-19 crisis makes it impossible to predict the impact this will have on the organization's operations, cash flows and financial position. Management will continue to monitor the situation and reflect the impact in the financial statements as appropriate.

Township of Ashfield-Colborne-Wawanosh

Consolidated Schedule of Continuity of Reserves and Reserve Funds

Schedule 1

For the Year Ended December 31, 2020

	Balance, beginning of year	Revenues and contributions				Transfers			Balance, end of year
		Interest	From Operations	Other	Total	To Operations	To Capital Acquisitions	Total	
<b>Reserves and reserve funds</b>									
for general government	3,163,931		2,113,795		2,113,795	559,277	1,618,402	2,177,679	<b>3,100,047</b>
for protection services	831,425		131,187		131,187	557,000		557,000	<b>405,612</b>
for transportation services	1,320,951	9,025	939,283		948,308		702,854	702,854	<b>1,566,405</b>
for environmental services	1,054,854		227,381		227,381			-	<b>1,282,235</b>
for health services	10,000		8,604		8,604			-	<b>18,604</b>
for social and family services	2,500				-			-	<b>2,500</b>
for recreation and cultural services	73,566		2,285		2,285			-	<b>75,851</b>
	6,457,227	9,025	3,422,535	-	3,431,560	1,116,277	2,321,256	3,437,533	<b>\$ 6,451,254</b>

Consolidated Schedule of Continuity of Deferred Revenue

Schedule 2

For the Year Ended December 31, 2020

	Balance, beginning of year	Revenues and contributions				Transfers			Balance, end of year
		Interest	From Operations	Contributions	Total	To Operations	To Capital Acquisitions	Total	
<b>Deferred revenue</b>									
Development charges and parklands	89,313	1,062		5,250	6,312			-	<b>95,625</b>
Federal gasoline tax	227,039	3,518		164,483	168,001		390,000	390,000	<b>5,040</b>
	316,352	4,580	-	169,733	174,313	-	390,000	390,000	<b>\$ 100,665</b>

Township of Ashfield-Colborne-Wawanosh  
 Consolidated Schedule of Tangible Capital Assets  
 For the Year Ended December 31, 2020

Schedule 3

	General				Infrastructure				Total Net Book Value 2020	Total Net Book Value 2019
	Land	Buildings	Machinery & Equipment	Vehicles	Plants and Facilities	Roads	Underground and other Networks	Bridges and other Structures		
<b>Cost</b>										
Balance, beginning of year	784,803	4,459,470	1,211,627	3,960,371	1,409,195	44,985,824	2,181,104	6,746,952	<b>65,739,346</b>	64,024,566
Additions during the year	1,279,189	1,079,363	40,383	41,991	33,182	804,234		437,661	<b>3,716,003</b>	2,079,409
Disposals during the year			(9,661)	(138,261)		(325,312)		(9,040)	<b>(482,274)</b>	(364,629)
Balance, end of year	2,063,992	5,538,833	1,242,349	3,864,101	1,442,377	45,464,746	2,181,104	7,175,573	<b>68,973,075</b>	65,739,346
<b>Accumulated depreciation</b>										
Balance, beginning of year	-	1,405,554	656,035	2,223,930	812,915	18,266,280	686,021	3,343,565	<b>27,394,300</b>	26,346,513
Amortization during the year		92,854	67,494	227,245	48,902	903,757	29,082	121,643	<b>1,490,977</b>	1,411,631
Accumulated amortization on disposals			(5,555)	(135,005)		(325,312)		(9,040)	<b>(474,912)</b>	(363,844)
Balance, end of year	-	1,498,408	717,974	2,316,170	861,817	18,844,725	715,103	3,456,168	<b>28,410,365</b>	27,394,300
<b>Net Book Value of Tangible Capital Assets</b>	2,063,992	4,040,425	524,375	1,547,931	580,560	26,620,021	1,466,001	3,719,405	<b>40,562,710</b>	38,345,046

**Township of Ashfield-Colborne-Wawanosh**  
**Segmented Information**  
For the Year Ended December 31, 2020

Schedule 4

	General Government	Police Protection	Fire Protection	Building inspection	Other Protection	Roads and Street lights	Water,Sewers, Storm sewers	Waste Disposal	Health	Recreation and Culture	Zoning and Development	Total 2020	Total 2019
<b>Revenue</b>													
Taxation	4,766,656											<b>4,766,656</b>	4,432,518
User charges	766,082		3,912	392,493	31,031	48,381	637,730	211,416	37,119	79,109	632,541	<b>2,839,814</b>	2,755,851
Government transfers	1,046,052					849,184	-	57,891		22,966	20,982	<b>1,997,075</b>	2,106,382
Interest and penalties	200,229											<b>200,229</b>	209,203
Gain (loss) on disposal of assets	(4,106)					13,197						<b>9,091</b>	26,640
	<b>6,774,913</b>	-	3,912	392,493	31,031	910,762	637,730	269,307	37,119	102,075	653,523	<b>9,812,865</b>	9,530,594
<b>Operating expenditure</b>													
Wages, salaries and benefits	566,051		76,624	185,768	246	772,896	1,259	55,007	31,472	98,260	3,824	<b>1,791,407</b>	1,668,064
Contract services	52,344	951,146	190,026	38,996	226,404	592,043	296,416	276,239	7,862	45,510	652,161	<b>3,329,147</b>	3,343,553
Materials and supplies	131,448		21,939	34,110	4,254	527,100	66,037	27,395	22,054	129,931	15,093	<b>979,361</b>	1,263,671
Depreciation and write-downs	16,951		38,299	4,502		1,228,293	98,844	15,629	12,439	76,020		<b>1,490,977</b>	1,411,631
	<b>766,794</b>	951,146	326,888	263,376	230,904	3,120,332	462,556	374,270	73,827	349,721	671,078	<b>7,590,892</b>	7,686,919
<b>Net revenue (expense)</b>	<b>6,008,119</b>	<b>(951,146)</b>	<b>(322,976)</b>	<b>129,117</b>	<b>(199,873)</b>	<b>(2,209,570)</b>	<b>175,174</b>	<b>(104,963)</b>	<b>(36,708)</b>	<b>(247,646)</b>	<b>(17,555)</b>	<b>2,221,973</b>	<b>1,843,675</b>



## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Ashfield-Colborne-Wawanosh

### *Opinion*

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Ashfield-Colborne-Wawanosh ("the Entity"), which are comprised of the statement of financial position as at December 31, 2020 and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and the continuity of funds for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

### *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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
July 13, 2021

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH  
TRUST FUNDS  
STATEMENT OF CONTINUITY**

For the Year Ended December 31	Total		Cemetery Internment Rights		Cemetery Monument Installation		Cemetery Bequest	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Capital beginning of year</b>	<b>183,500</b>	177,130	<b>127,777</b>	123,007	<b>28,735</b>	27,735	<b>26,988</b>	26,388
<b>Receipts</b>								
Plot sales	3,015	4,770	3,015	4,770				
Monument installations	550	1,000			550	1,000		
Interest earned	2,225	4,110	1,552	2,866	349	644	324	600
	<b>5,790</b>	9,880	<b>4,567</b>	7,636	<b>899</b>	1,644	<b>324</b>	600
<b>Expenditure</b>								
Maintenance	1,901	3,510	1,552	2,866	349	644	-	-
	<b>1,901</b>	3,510	<b>1,552</b>	2,866	<b>349</b>	644	<b>-</b>	-
<b>Capital end of year</b>	<b>\$ 187,389</b>	183,500	<b>\$ 130,792</b>	127,777	<b>\$ 29,285</b>	28,735	<b>\$ 27,312</b>	26,988

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH  
TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION**

As at December 31	Total		Cemetery Internment Rights		Cemetery Monument Installation		Cemetery Bequest	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Assets</b>								
Cash	187,389	189,528	130,792	132,867	29,285	29,673	27,312	26,988
Accounts receivable	-	200	-	-	-	200	-	-
<b>Liabilities</b>								
Due to municipality	-	(6,228)	-	(5,090)	-	(1,138)	-	-
<b>Net assets</b>	<b>187,389</b>	183,500	<b>130,792</b>	127,777	<b>29,285</b>	28,735	<b>27,312</b>	26,988
<b>Trust fund capital</b>	<b>\$ 187,389</b>	183,500	<b>\$ 130,792</b>	127,777	<b>\$ 29,285</b>	28,735	<b>\$ 27,312</b>	26,988

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**TRUST FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**

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**For the Year Ended December 31, 2020**

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**1. Accounting Policies**

The financial statements of the Township of Ashfield-Colborne-Wawanosh Trust Funds are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

**Basis of Consolidation**

These trust funds have not been consolidated with the financial statements of the Township of Ashfield-Colborne-Wawanosh .

**Basis of Accounting**

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

**2. Investments**

Trust fund investments are stated at cost and have a market value approximately equal to cost.

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of the Lucknow and District Fire Department Joint Board of Management, Members of Council, Inhabitants and Ratepayers of the participating municipalities

### *Opinion*

We have audited the accompanying statement of operations of the Lucknow and District Fire Department Joint Board of Management ("the Entity") for the year ended December 31, 2020 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2020 in accordance with Canadian public sector accounting standards (PSAB).

### *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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
July 13, 2021

**LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT  
STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Revenue</b>			
Contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	139,075	<b>106,351</b>	116,220
Township of Huron-Kinloss	139,075	<b>106,351</b>	116,220
Fire calls	-	<b>18,600</b>	34,000
County of Bruce Modified First Response grant	5,000	<b>5,000</b>	5,000
Other revenue	-	<b>1,224</b>	23,625
Transfer from reserve	-	-	-
	<u>283,150</u>	<u><b>237,525</b></u>	<u>295,065</u>
<b>Expenditure</b>			
Salaries	160,000	<b>153,248</b>	165,830
Vehicle operation	7,450	<b>8,997</b>	7,545
Equipment	33,500	<b>9,611</b>	34,419
Hydrant repairs	3,500	<b>3,960</b>	3,780
Building maintenance	8,800	<b>9,891</b>	10,946
Dispatch service	13,000	<b>9,624</b>	15,679
Training	21,100	<b>12,730</b>	20,378
Telephone	2,400	<b>2,168</b>	2,264
Utilities	12,150	<b>9,253</b>	11,848
Insurance	7,500	<b>7,545</b>	7,371
Licences, fees, administration	13,750	<b>10,498</b>	15,005
	<u>283,150</u>	<u><b>237,525</b></u>	<u>295,065</u>
<b>Annual surplus</b>	<u>\$ 0</u>	<u><b>\$ 0</b></u>	<u>\$ 0</u>

# LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT

## NOTES TO FINANCIAL STATEMENTS

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For the year ended December 31, 2020

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### 1. Accounting policies

The statement of operations of the Lucknow and District Fire Department Joint Board of Management is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the board are as follows:

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

### 2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

### 3. Related party transactions

Board administration cost of \$2,500 (2019: \$2,500) was paid to the Township of Ashfield-Colborne-Wawanosh.



## INDEPENDENT AUDITOR'S REPORT

---

To the Members of the Lucknow Community Health Centre Board , Members of Council, Inhabitants and Ratepayers of the participating municipalities

### *Opinion*

We have audited the accompanying statement of operations of the Lucknow Community Health Centre Board ("the Entity") for the year ended December 31, 2020 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2020 in accordance with Canadian public sector accounting standards (PSAB).

### *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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
July 13, 2021

**LUCKNOW COMMUNITY HEALTH CENTRE BOARD**  
**STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Revenue</b>			
Rentals	11,600	<b>11,629</b>	8,855
Other revenue		<b>17,208</b>	171,430
Contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	10,600	<b>6,789</b>	202,074
Township of Huron-Kinloss	10,600	<b>6,789</b>	202,074
Less: capital contributions			
Township of Ashfield-Colborne-Wawanosh		<b>(8,604)</b>	(281,487)
Township of Huron-Kinloss		<b>(8,604)</b>	(281,487)
	32,800	<b>25,207</b>	21,460
<b>Expenditure</b>			
Maintenance	13,000	<b>13,135</b>	6,054
Utilities	10,300	<b>4,680</b>	7,527
Property taxes	5,800	<b>5,150</b>	5,189
Insurance	1,200	<b>1,438</b>	1,079
Administration	2,500	<b>804</b>	1,611
	32,800	<b>25,207</b>	21,460
<b>Annual surplus</b>	\$ 0	<b>\$ 0</b>	\$ 0

**LUCKNOW COMMUNITY HEALTH CENTRE BOARD**  
**NOTES TO FINANCIAL STATEMENTS**

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**For the year ended December 31, 2020**

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**1. Accounting policies**

The statement of operations of the Lucknow Community Health Centre Board is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the board are as follows:

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

**2. Participating municipalities**

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

**3. Related party transactions**

During the year, the board paid property taxes of \$5,150 (2019: \$5,189) and water and sewer charges of \$2,080 (2019: \$2,020) to the Township of Huron-Kinloss.

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of the Lucknow and District Joint Recreation Board , Members of Council, Inhabitants and Ratepayers of the participating municipalities

### *Opinion*

We have audited the accompanying statement of operations of the Lucknow and District Joint Recreation Board ("the Entity") for the year ended December 31, 2020 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2020 in accordance with Canadian public sector accounting standards (PSAB).

### *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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT (continued)**

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 Entity'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 Entity'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 Entity 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.

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.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
July 13, 2021

**LUCKNOW AND DISTRICT JOINT RECREATION BOARD**

**STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Revenue</b>			
Arena			
Ice rentals	111,000	<b>74,191</b>	92,458
Arena rentals	10,000	<b>2,266</b>	13,070
Hockey and figure skating rentals	-	-	-
Bar sales	81,100	<b>33,583</b>	98,658
Public skating	5,500	<b>3,445</b>	5,220
Advertising boards	12,000	<b>11,925</b>	12,025
Grants	63,000	<b>45,932</b>	11,460
Donations and other revenue	12,150	<b>10,959</b>	15,585
	<u>294,750</u>	<u><b>182,301</b></u>	<u>248,476</u>
Recreation receipts			
Hockey admissions	-	-	-
Hockey program	-	-	-
Skating program	8,000	<b>2,025</b>	9,000
Swimming pool	14,000	-	18,430
Baseball	12,500	<b>3,191</b>	12,815
Soccer	7,000	<b>580</b>	7,175
Daycamp	9,000	-	5,337
Fitness	-	<b>840</b>	910
	<u>50,500</u>	<u><b>6,636</b></u>	<u>53,667</u>
Total rentals and program revenue	<u>345,250</u>	<u><b>188,937</b></u>	<u>302,143</u>
Contributions from participating municipalities			
Township of Huron-Kinloss	120,038	<b>104,360</b>	135,145
Township of Ashfield-Colborne-Wawanosh	120,038	<b>104,360</b>	135,145
	<u>240,076</u>	<u><b>208,719</b></u>	<u>270,289</u>
Total revenue	<u>585,326</u>	<u><b>397,656</b></u>	<u>572,432</u>
<b>Expenses</b>			
Administration and general			
Salaries	140,000	<b>126,096</b>	139,962
Maintenance	40,250	<b>28,902</b>	36,481
Utilities	77,150	<b>59,256</b>	83,927
Insurance	10,500	<b>12,061</b>	9,606
Administration and training	21,851	<b>13,185</b>	16,705
	<u>289,751</u>	<u><b>239,500</b></u>	<u>286,681</u>
Arena and auditorium			
Salaries	96,400	<b>68,383</b>	91,191
Maintenance	15,850	<b>19,718</b>	15,281
Utilities	18,000	<b>10,695</b>	14,261
Bar purchases and profit share	59,250	<b>24,654</b>	70,908
	<u>189,500</u>	<u><b>123,450</b></u>	<u>191,641</u>
Recreation programs			
Referee fees	-	-	-
Other hockey expenses	-	<b>200</b>	2,080
Hockey ice time	-	-	-
Skating program	2,750	<b>2,042</b>	2,680
Ball and soccer program	5,700	<b>129</b>	3,735
Daycamp program	4,450	-	5,300
Pool salaries	38,200	<b>2,039</b>	31,935
Pool expenses	16,575	<b>6,946</b>	13,260
Fitness program	3,000	<b>840</b>	840
Parks	35,400	<b>22,510</b>	34,280
	<u>106,075</u>	<u><b>34,706</b></u>	<u>94,110</u>
Total expenses	<u>585,326</u>	<u><b>397,656</b></u>	<u>572,432</u>
<b>Annual surplus</b>	<u>\$ 0</u>	<u><b>\$ 0</b></u>	<u>\$ 0</u>

# LUCKNOW AND DISTRICT JOINT RECREATION BOARD

## NOTES TO FINANCIAL STATEMENTS

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For the year ended December 31, 2020

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### 1. Accounting policies

The statement of operations of the Lucknow and District Joint Recreation Board is the representation of management prepared in accordance Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the board are as follows:

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

### 2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

### 3. Related party transactions

Board administration cost of \$5,000 (2019: \$5,000) was paid to the Township of Ashfield-Colborne-Wawanosh. Water and sewer fees of \$5,012 (2019: \$11,373) were paid to the Township of Huron-Kinloss.